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**MANTRA LEARNING LTD**  
**SUBCONTRACTING POLICY**

## **A) INTRODUCTION**

### **Purpose**

The purpose of this document is to outline Mantra Learning Limited's approach to the selection and management of sub-contracted providers.

This policy should be read in conjunction with other Mantra Learning Limited policies and procedures and the sub-contract.

The purpose of this policy is to define the basis on which any subcontracting arrangements will be managed. Where appropriate, Mantra Learning Ltd will contract with other parties to deliver programmes and activities funded by the government through its funding bodies. The organisation with which it contracts will be subject to the requirements set out below.

### **Scope**

The Subcontracting policy will be communicated via the Contracts Manager to all sub-contracted provision. The Mantra Learning Limited website will publish the policy. This policy shall be operated with effect from January 2017 and revised annually.

### **Responsibility**

Responsibility lies with the Senior Management Team to ensure that the Subcontracting policy is adhered to.

### **Entering into sub-contracting arrangements**

Mantra Learning Ltd is committed to growing and diversifying the range of programmes and services it delivers to widen participation, engage in new and emerging markets and to support the needs of the local, regional and national strategies. This approach will also allow us to reach out to under-represented groups, making us a more inclusive organisation. In order to achieve this, we have taken the strategic decision to subcontract part of our provision to partner organisations that will demonstrate high quality delivery and enable sharing of good practice.

Mantra Learning subcontracts apprenticeship training for two strategic purposes:

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1. Where Mantra Learning wants to train apprentices who are situated in an a locality where Mantra Learning does not have a physical presence and where a substantial amount of off-the-job training is involved and where the travel distance to the nearest Mantra Learning centre is impractical. In such circumstances, Mantra Learning will subcontract elements of the apprenticeship delivery to a local provider that is better situated to support these apprentices.
  2. Where Mantra Learning has a national customer that seeks to engage on an apprenticeship programme that involves delivery at sites across the country. In these circumstances Mantra Learning will subcontract elements of the apprenticeship delivery to members of the National Logistics Academy network.

Upon successful completion of the application and selection process, Mantra Learning Limited will enter into sub-contractor agreements annually, to commence 1st August each year. A contract must be signed and on file before delivery commences.

Mantra Learning Limited does not appoint sub-contractors that hold an aggregate contract value of £100,000 or above per academic year, including any proposed provision, unless they are listed on the Register of Training Organisations or the Register of Apprenticeship Training Providers.

## **B) Fees**

The management fee is negotiated individually with each sub-contractor and is between 15% and 20%.

A penalty will be applied if the sub-contractor's success/timeliness rates do not meet minimum levels of performance. These will be set annually by Mantra Learning Limited, and will take into account the minimum levels of performance set by the Skills Funding Agency.

This penalty may also apply if the sub-contractor:

- Receives a Grade 4 for teaching, learning and assessment and other key learner experiences
- Has an internal audit error rate over 5%
- Has inadequate safeguarding procedures

## **C) SELECTION**

Upon request to subcontract with Mantra Learning Ltd, the subcontractor will arrange to meet Mantra Learning Ltd's Managing Director to discuss the purpose for subcontracting and identify needs to subcontract, as defined above.

No agreements for subcontracting will be made between Mantra Learning Ltd and the potential subcontractor until pre-contract and due diligence checks have taken place and the subcontractor has been deemed high quality and low risk.

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The Managing Director will inform the Contracts Manager of any potential subcontractors and contract values, to enable pre-contract checks to take place.

Potential subcontractors that are not listed on the Register of Training Organisations must not be appointed if they already hold contracts with an overall value of £100,000 or above per academic year with one or more directly funded providers, or if the subcontract from Mantra Learning Ltd, would take the total value of their contracts over £100,000. In such cases, the potential subcontractor must be listed on the Register before any discussions can take place to subcontract with Mantra Learning Ltd.

We will only award contracts for delivering funded provision to legal entities. If the legal entity is a registered company, it must be recorded as 'Active' on the Companies House database.

We will not award a contract to a legal entity if:

- It has an above average risk warning from a credit agency.
- It has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed,

or

- Its statutory accounts are overdue.

## **D) PRE-CONTRACT CHECKS**

All potential subcontractors will undergo rigorous due diligence checks prior to any contracts being signed. These checks will include, but not limited to:

- Details of Partners/Directors, contact names and addresses and company registrations
- Financial viability health checks
- Relevant policies and procedures
- Details of other SFA/EFA contracts
- Schemes of Learning for proposed programmes
- Grades and schedules of observations of teaching, learning and assessment
- Details of premises and resources to support proposed training
- Risk assessments for delivery locations
- Details of any accreditations and latest awarding body reports
- CVs including professional qualifications and DBS checks of all staff
- CPD records for all delivery staff
- Evidence that staff have undertaken Safeguarding, Prevent and equality & diversity training
- **Data protection processes and policies, including GDPR compliance**

Contracts will not be issued to subcontractors where the financial checks have been failed.

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Completion of a due diligence checklist will be required by all potential subcontractors. The due diligence checklist, requested documentation and an example copy of a contract, must be supplied by, and returned to, the Contracts Manager.

The Contracts Manager will collect and review all documentation provided by the potential subcontractor. Once satisfied that all documentation has been provided it must be given to Mantra Learning Ltd's Quality Manager.

The Quality Manager will assign a member of the quality team to arrange a quality visit with the potential subcontractor. This visit will be to:

- Review the effectiveness of quality systems and processes
- Verify Assessment Practices and Standards (Awarding body reports)
- Effectiveness of Classroom/Workplace Delivery Methodology, to include: Observation of Teaching, Learning and Assessment Criteria, Samples of Graded Observation Reports, Learner and Stakeholder Views
- Conduct an observation of teaching and learning
- Ensure staff hold/or are working towards the relevant qualifications required for the delivery of potential provision
- Review the arrangements in place to support Functional Skills delivery, if applicable
- Review compliance with contractual and funding requirements
- Review the effectiveness of self-assessment and quality improvement planning
- Analyse complaints and safeguarding concerns
- Review use of learner and employer feedback and how it is gathered by the potential subcontractor
- Identify potential training requirements
- Review Ofsted readiness
- **Ensure data protection processes are being maintained**
- Determine risk rating of potential subcontractor and identify any significant issues which may impact on the delivery of the potential planned provision

Risk rating will be identified by a RAG rating system. This will indicate whether the potential subcontractor is low (Green rating), medium (Amber rating) or high (Red rating) risk. This is determined by the overall effectiveness of the potential subcontractor following the outcome of the quality visit.

If it is identified that the potential subcontractor has development needs, a development plan must be agreed and put into place.

The Quality team member will complete the due diligence document and store this, as well as documentation requested, within the quality drive.

The Quality team member must inform Mantra Learning Ltd's Managing Director and Contracts Manager of the outcome of the quality visit. This will include risk rating, development plans and any concern's relating to the potential subcontractor.

The Development plan and/or contract agreements may then be agreed. If the contract is not agreed at this time, the Contracts Manager will communicate the decision to the potential subcontractor. If applicable, another quality visit will be arranged by the quality team to provide an update on development plan activities and review the risk rating, based on any improvements made by the potential subcontractor.

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## E) CONTRACT AGREEMENTS

Mantra Learning Ltd's Managing Director and Contracts Manager will discuss and agree contract agreements for the subcontractor.

The Contracts manager will then issue the legally binding contract to the subcontractor. The contract must be signed by an eligible member of the senior management team within the subcontractor and Mantra Learning Ltd's Managing Director.

Contract content must include, but not limited to:

- Agreed funding allocation and management fee
- Internal process expectations for observations, CPD and training
- Performance monitoring procedures
- Data reporting
- QIP/SAR expectations
- Admin processes for submitting learner and employer paperwork (to include dates/frequency of submissions and any potential impact on payment should deadlines not be adhered to)
- Process for recording, submitting and processing early leavers
- Specific arrangements for the delivery of Functional Skills, if applicable
- Learner feedback collection targets of 80% of completions
- Completion of subcontractor learner and employer forums
- Target of >85% timely achievement rates, if applicable
- Target of >90% overall achievement rates, if applicable
- Target of <10% 6-week early leaver rate
- Target progression rates of >50% to positive outcome
- Target audit error rate of less than 5%
- Expectations of grade 2 or above in the event of an Ofsted inspection and/or external audit
- Awarding body arrangements and notifications - risk rating change and/or DCS withdrawal
- **Complaints, H&S, safeguarding incidents and data protection breaches reporting arrangements to Mantra Learning Ltd**
- Procedures in the event of suspension and/or withdrawal of contract
- Renewal terms of the yearly contract

Signed and agreed contracts will be held within the contracts department.

If it is agreed that training will be provided, a training schedule must be prepared and agreed between Mantra Learning Ltd and the subcontractor.

## F) PERFORMANCE MONITORING

Mantra Learning Ltd is committed to supporting all Subcontractors to develop and deliver high quality provision through robust quality assurance and improvement processes, to ensure that public funds are protected and used effectively to deliver high quality provision for learners and employers.

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In order to ensure that subcontractors are performing to an agreed standard, the following key performance data will be closely monitored:

- Achievement rate data across all relevant SSA's (to include review of early leavers and learners passed or approaching end date)
- Progress data
- Observation data
- EDIMs data
- Monthly learner feedback data
- Development plan updates
- Internal Audit Reports
- External audits and/or awarding body visits where applicable
- Complaints, safeguarding, H&S and data protection incidents

The above areas will be reported at the monthly quality management meeting and any concerns will be identified and addressed by the quality team with the subcontractor.

Mantra Learning Ltd will conduct learner and employer forums. This can be conducted as part of observations and/or over the telephone. Subcontractors will be required to conduct their own learner and employer forums and the results must be shared with Mantra Learning on request.

Quality visits from Mantra Learning Ltd will take place throughout the contract year at the subcontractor premises. The frequency of these visits will be dependent on the risk rating given at the previous quality visit:

**GREEN** – Subcontractors will receive a schedule of visits by the quality and compliance team (Minimum of 1 per quarter/4 per year) and will be subject to yearly approval/due diligence checks

- OTLA are at least good (Academy observers)
- Effective systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are in place and provides the appropriate supporting evidence
- All due diligence checks are completed and approved
- Internal audits and compliance checks are at least good
- Staff are attending sufficient CPD and standardisation activity
- Learner satisfaction rates are at least good
- Subcontractor is achieving or exceeding all agreed KPIs (e.g. success rates)
- All awarding body requirements are met and are of DCS status (where applicable)
- Functional Skills delivery is of good quality, where applicable
- OFSTED grade is at least grade 2 (where applicable)

**AMBER** – Subcontractors will need to complete an appropriate action/development plan within the agreed timeframes and will be subject to increased visits and due diligence checks from the quality and compliance team

- OTLA are at least requires improvement
  - Systems for measuring the quality of teaching, learning and assessment for tutors/assessors are in place but may not be effective or provide satisfactory evidence
  - Most due diligence checks are completed and approved
  - Internal audits and compliance checks are at least 'requires improvement'
  - Staff are attending some CPD and standardisation activity.
  - Learner satisfaction rates are at least 'requires improvement'
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- Some KPIs are being achieved (e.g. success rates)
  - Most awarding body requirements are met and are of DCS status (where applicable)
  - OFSTED grade is a grade 2 (where applicable)

**RED** – Subcontractors will need to complete an appropriate action plan within the agreed timeframes and will be subject to a high frequency of visits and due diligence checks from the quality and compliance team. Delivery may be temporarily suspended activity until action plan is completed and achieved.

- OTLA are requires improvement or inadequate (Academy observers)
- Systems for measuring the quality of teaching, learning and assessment for all tutors/assessors are not in place and do not provide any evidence
- Due diligence checks are not completed and subject to approval
- Internal audits and compliance checks are at least requires improvement
- Staff are attending no CPD and standardisation activity.
- Learner satisfaction rates are at least requiring improvement
- KPIs are on the whole not being achieved (e.g. success rates)
- Awarding body requirements are not being met and are not DCS status (where applicable)
- Some Academy course success rates are at/above national average
- OFSTED grade is grade 3 (where applicable)

Should a subcontractor receive a risk rating of red, The Managing Director, Quality Manager and Contracts Manager must be informed and sections G and H of this policy must be followed, dependent on the rationale for the risk rating.

Subcontractors will be RAG rated after each quality visit based on key performance data.

Frequency of quality visits can be changed based on concerns from any of the key performance data reporting or as a result of concerns raised during a quality visit.

External audits may be conducted by awarding bodies and/or the Skills Funding Agency during the contract year. In the event of an audit, subcontractors affected must be notified by a member of the quality team if the provision is part of their contract with Mantra Learning Ltd. If paperwork requested is kept on the subcontractor premises, Mantra Learning must arrange for this to arrive no later than 3 days prior to the external audit.

In the event of an Ofsted inspection, quality team must inform subcontractors and request a schedule of activity taking place during period of inspection at the subcontractor's premises. These schedules must be added to Mantra Learning Ltd's full schedule of activity. The subcontractor must cooperate fully and in a timely manner following any requests for information.

## **G) DEVELOPMENT AND ACTION PLANNING**

Development plans will be implemented should a subcontractor fail to meet KPI's outlined in their contract or where standards fall below minimum expectations. Development actions may be identified following a quality visit, review of KPI data or following the results of a recent external audits/visits.

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Formal Action plans will be instated where a subcontractor has failed to address actions from development plans or due to significant failure in meeting KPI's as outlined in the subcontractors' contract.

The subcontractor must inform Mantra Learning if they cannot fulfill the required actions for any reason.

A member of Mantra Learning's quality team will monitor the progress and completion of any development or action plan that is in place. This will require monitoring visits where a member of the quality team will attend the subcontractor's premises to review progress. Length of time between visits will depend on the level and weighting of actions in place.

A development plan and/or action plan, will only be signed off once Mantra Learning is satisfied that all actions have been addressed and there is clear evidence in place demonstrating ongoing monitoring of the areas identified.

## **H) SUSPENSION OF CONTRACT TERMS**

Mantra Learning can suspend a subcontractor's contract should any of the following occur:

- Red RAG rating given, following quality visit
- Failure to comply with a Formal Action Plan
- Breach of contract terms and conditions
- Following Ofsted inspection the subcontractor is graded as inadequate
- Following significant failure of an external audit or awarding body visit
- On receipt of a serious complaint/feedback
- Where fraudulent activity is suspected
- **Data protection breaches and investigation**

In the event of any of the above, the quality team member must inform Mantra Learning Ltd's Contracts Manager and Managing Director of possible suspension of contract. The Contracts Manager and Managing Director will investigate and make the final decision on suspending contract terms or moving to withdrawal of contract, further detailed in section H of this policy.

Timescales must be communicated to the subcontractor on when the decision to suspend contract terms may occur.

The subcontractor must fully co-operate, with any investigations and/or discussions necessary for the Contracts Manager and Managing Director to arrive at their decision.

The outcome of the investigation must be communicated to the subcontractor in writing detailing actions required by the subcontractor and the relevant timescales involved.

## **I) TERMINATION OF CONTRACT TERMS**

### **1) Voluntary withdrawal of contract terms**

Should a subcontractor wish to terminate their agreement with Mantra Learning Ltd, they must do so in writing to the Contracts Manager with proposed timescales. The Contracts Manager must inform the Quality team and Managing Director of the subcontractors' intention to withdraw from their contract terms.

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The subcontractor must fully cooperate with Mantra Learning, to ensure that there is no negative impact on the learners under the subcontracted provision.

The subcontractor must inform learners and employers of their intention to withdraw from Mantra Learning Ltd funding and that Mantra Learning will contact them in due course to ensure that their learning is not affected by this change.

Paperwork stored on the subcontractor's premises must be returned to Mantra Learning Ltd and a 100% audit must be conducted to ensure all paperwork is present and RAG rated as Green. This may require Mantra Learning Ltd to withhold any monies due to the subcontractor until full assurance has been gained.

A final visit to the subcontractor must be conducted by the Contracts Manager and a member of the quality team to finalise withdrawal process.

## **2) Enforced withdrawal of contract terms**

Mantra Learning Ltd will enforce a withdrawal of contract terms should any of the following occur:

- Mutual agreement to end contract between Mantra Learning and subcontractor
- **Serious breach of contract terms and conditions including serious data protection breaches**
- Continuous underperformance of set KPI's following suspension of contract
- Subcontractor declares company liquidation

The subcontractor must fully cooperate with Mantra Learning, to ensure that there is no negative impact on the learners under the subcontracted provision.

The timescale will be communicated by Mantra Learning Ltd to the subcontractor in relation to final enrolment dates, delivery dates and final paperwork submission dates.

Mantra Learning Ltd will inform learners and relevant employers of their intention to withdraw the contract from the subcontractor.

Paperwork stored on the subcontractor's premises must be returned to Mantra Learning Ltd and an 100% audit must be conducted to ensure all paperwork is present and RAG rated as Green.

A final visit to the subcontractor must be conducted by the Contracts Manager and a member of the quality team to finalise withdrawal process.

## **J) RE-CONTRACTING**

Where a subcontractor wishes to continue to subcontract from Mantra Learning Ltd, the process outlined within this strategy will be followed for every funding year. This process can start from funding allocation notification from the Skills Funding Agency.

Signed:

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Mark Currie

Chief Executive

Date: March 2018

Review date: March 2019

#### Appendix 1 - Outline of Process Responsibilities

<b>Policy Section</b>	<b>Task</b>	<b>Responsible Department</b>
Fees	Agreeing and communicating relevant fee's	Contracts
Fees	Applying Penalties	Contracts
Selection	Alerting relevant departments of potential new providers	Contracts
Selection	Review of Companies House Database	Contracts
Selection	Review of RoTP/RoATP	Contracts
Selection	Review of accounts and credit checks	Contracts or Finance
Pre Contract Checks	Due Diligence Template issued to potential provider	Contracts
Pre Contract Checks	All requested documentation to be submitted by the potential provider to contracts	Potential provider/Contracts
Pre Contract Checks	Documentation to be save in relevant file locations and Quality Manager notified	Contracts

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Pre Contract Checks	Visit to be arranged with potential provider	Quality
Pre Contract Checks	Visit undertaken to review all relevant areas and documentation	Quality
Pre Contract Checks	RAG rating set, development plan created (if applicable) and contracts/MD informed out the outcome of the visit	Quality
Pre Contract Checks	Confirm or reject contract offer and communicate decision to provider	Contracts
Contract Agreements	Set KPIs and Funding Value	MD/Contracts
Contract Agreements	Issue legally binding contract to provider for signing	Contracts
Contract Agreements	Return of contracts, storage and any relevant chasing	Contracts
Contract Agreements	Relevant training scheduled and delivered	Lead by Quality with support of other relevant departments
Performance Monitoring	Monthly Data Reporting	Contracts
Performance Monitoring	Monthly review of KPI data and performance	Quality
Performance Monitoring	Employer/Learner forums	Quality
Performance Monitoring	Quality visits in line with RAG rating schedule	Quality
Performance Monitoring	Any red ratings to be discussed and a development plan implemented	Quality/Contracts/MD
Development and Action Planning	Creation and implementation of development plans – contracts to be informed	Quality
Development and Action Planning	Monitoring of development plan	Quality
Development and Action Planning	Sign off of development plan	Quality
Development and Action Planning	Creation and implementation of a formal action plan	Quality/Contracts
Development and Action Planning	Issue of formal action plan to provider	Contracts
Development and Action Planning	Monitoring of action plan	Quality
Development and Action Planning	Sign off of an action plan	Contracts (in agreement with Quality)
Suspension of Contract terms	Inform MD and Contracts of any breach of contract	Quality
Suspension of Contract terms	Suspension of contract communicated to provider along with relevant timescales	Contracts

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Suspension of Contract terms	Investigation undertaken and outcome discussed	Contracts/MD/Quality
Suspension of Contract terms	Outcome of investigation communicated to provider	Contracts
Termination of contract terms	Inform relevant departments of voluntary contract withdrawal	Contracts
Termination of contract terms	Inform learners and employers of voluntary contract withdrawal	Provider
Termination of contract terms	Inform learners and employers of new arrangements	Contracts
Termination of contract terms	100% audit of paperwork	Contracts
Termination of contract terms	Final visit to provider	Quality
Termination of contract terms	Enforced termination of contract terms communicated to provider and relevant departments along with relevant timescales	Contracts
Termination of contract terms	Inform learners and employers of contract withdrawal and new arrangements	Contracts
Termination of contract terms	100% audit of paperwork	Contracts
Termination of contract terms	Final visit to provider	Quality/Contracts
Re-contracting	Arrangements and timescales to be communicated to the provider	Contracts

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