

## **Kirklees College - Subcontractor Reduction Strategy**

### **Introduction and rationale for subcontracting**

Kirklees College currently manages a network of sub-contractors who deliver a range of qualifications. These partnerships enable the College to meet the needs of employers and learners across a broad range of sectors and a wide geographical area that complements existing provision undertaken by Kirklees College delivery teams.

Kirklees College is committed to the high quality delivery of a range of courses to meet the wider community need, in line with the funders' priorities and identified skills gaps.

The College ensures that procurement exercises are conducted to ensure competition, transparency and value for money. Procurement exercises are conducted in accordance with the Public Contracts Regulations 2015 (or as amended) through the application of a 'Light Touch' process, whilst ensuring that delivery is through high quality partners with the experience and expertise to meet specific employer and learner needs.

Subcontracted delivery is procured to provide:

- immediate provision to meet a specific identified need whilst reviewing the expansion of direct capacity.
- access to, or engagement with, a new range of customers.
- niche delivery where the cost of developing direct delivery would be inappropriate / not cost viable.

The College focuses the majority of its recurrent funding on meeting the needs of residents, employers and communities in Kirklees. For certain provision this natural geographic span increases to include the whole of West Yorkshire.

The college recognises that it needs to reduce the volume of delivery that it subcontracts and is committed to reducing this in line with ESFA expectations. This is to be done by reducing the number of contracts and volume of delivery it offers outside of the West Yorkshire area in 2021/22 and with no more than 25% of the ESFA allocation outside of these geographic areas also by 2021/22.

This will be achieved via a managed process of reduction, working with partners that operate outside of West Yorkshire to manage their exit or reduction from our supply chain in a careful and considerate way.

The college will, subject to agreement with the ESFA, continue to support partners in the delivery of national niche sectors such as Sector based work academies, where there is a direct need by employers for growth within the sector.

### Three year reduction plan

The college is focused on reducing the amount of funding that it subcontracts out with a specific focus on:

1. ESFA funding streams (Study Programme, Adult Education Budget, apprenticeships)
2. West Yorkshire Combined Authority funding stream (Adult Education Budget)

The table below outlines the Kirklees College subcontracting reduction plan over the next three academic years to 2022/23.

Academic Year	19/20	20/21	21/22	22/23
Funding Stream	£000's	£000's	£000's	£000's
16-19 Study Programmes	68	60	60	60
Apprenticeship 16-18	7	6	5	0
Apprenticeship 19+	57	30	5	0
Adult Education Budget – ESFA	500	500*	75	50
Adult Education Budget - WYCA			500	450
<b>Total</b>	<b>632</b>	<b>596</b>	<b>645</b>	<b>560</b>
<b>% change year on year</b>		<b>-5.7%</b>	<b>8.2%</b>	<b>-13.2%</b>
<b>% change from 2019/20</b>		<b>-5.7%</b>	<b>2.1%</b>	<b>-11.4%</b>

<b>% of Funding AEB Allocation</b>	<b>7.1%</b>	<b>7.0%</b>	<b>7.7%</b>	<b>6.7%</b>
<b>Number of Subcontractor Partners</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>2</b>

### 2020/21

Subcontracted income from Apprenticeship has reduced considerably over the past 2 years. This is in part due to government policy changes with the ceasing of direct contracts between ESFA and prime providers from March 2021, and a focus on reducing the geographic focus of our supply chain.

Overall, there will be a 5.7% reduction in subcontractor income from the previous year's outturn.

**\*January 2021 UPDATE: In response to the COVID lockdown measures and the possibility of high AEB tolerance levels, as well as the ESFA guidance to review our subcontracting arrangements, the College has increased the subcontracting activity for AEB by £600k as a one-off measure to ensure used our funding grant can be utilised on education and training.**

## **2021/22**

The college is committed to reducing the level of AEB subcontracting prior to the start of the 2022/23 year and delivering more localised provision internally to meet identified needs.

In 2021/22 we will see a very small increase in the level of subcontracting due to the introduction of the 'out-of-area' ESFA AEB allocation. The total AEB subcontracting planned will not exceed the cap of 25% and will remain as low as 8%.

Apprenticeship subcontracting will also be reducing with only carry-in funding recognised in this academic year. The College anticipates that all apprenticeship subcontractors will either have completed their contracts or be on final year rundown contracts.

## **2022/23**

The forecast includes no carry-in funding for Apprenticeships and reduces the number of subcontractor partners to 2 whilst still reducing the level of subcontracting for AEB, but looking at subcontracting no more than 7% of the AEB allocation.

The College is looking to achieve a reduction of 11.4% in subcontracting activity in 2022/23 when compared to 2019/20 and the overall AEB allocations not exceeding 7% across both ESFA and WYCA allocations.

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