

# Implementation plan

<p>Provider name/consortia members</p>	<p>FE Sussex – the consortium of Sussex colleges working in partnership with Central Sussex College (Chichester College, Sussex Coast College, Hastings, City College Brighton &amp; Hove, Sussex Downs College, Northbrook College, Plumpton College, College of Richard Collyer, Bexhill College, Worthing College</p>
<p>Project title</p>	<p>Due Diligence Standardisation</p>
<p>Project summary</p>	<p>Save £58K per year by checking sub contractors through good due diligence</p> <p>The main goal of this project was to produce a standard approach to the due diligence process of checking WBL sub-contractor suitability for contracting with a partner college. Target savings of £56,000 were identified along with legal compliance and satisfying the requirements of Ofsted.</p>
<p>What were the aims of the project?</p>	<p>The aim the DCONS project was to</p> <ul style="list-style-type: none"> <li>• Produce year on year cost savings (in perpetuity) of £56,250 across 10 colleges</li> <li>• Improve the standard and depth of due-diligence checks on work based learning sub-contractors</li> <li>• Remove the opportunities of fraudulent practice by WBL sub-contractors through the introduction of standard documentation which is 'legal-proof'</li> </ul> <p>Ensure every opportunity of high quality teaching and learning by WBL sub-contractors.</p>
<p>What did you do?</p>	<p>Show overview with any illustrations. You may also link to addendums, but where possible try to put everything here. Include:</p> <ol style="list-style-type: none"> <li>a) Top 10 things you would need to do to emulate these results (or improve on them)</li> <li>b) Top 10 things NOT to do to avoid mistakes and cost overruns</li> <li>c) Any other hints and tips.</li> </ol> <p>Think of this as a recipe rather than a case study. By following the recipe, the reader is able to do the right things first time, and create the end result (outcome) that is a strong and successful result (and that is sustainable).</p> <p><u>TOP 10 things to emulate results</u></p> <ol style="list-style-type: none"> <li>1) Hold discussions with each individual college to gather information on the key stages of the subcontracting process</li> <li>2) Gather views on the purpose/importance/risks involved at each of the stages</li> <li>3) Produce a flow chart of the subcontracting process with purposes and risks involved at each stage. <b>NOTE: Addendum 1 (attached) is our current working draft. Refinements will continue to be made.</b></li> <li>4) Obtain copies of all pre-contract due diligence documentation currently in use</li> </ol>

	<p>5) Decide on format for analysis (review of LSIS research documentation for guidance)</p> <p>6) Set analysis template up with 5 key sections: a) company information, b) proposed delivery and staffing, c) previous experience and performance, d) health &amp; safety, E&amp;D and safeguarding, e) quality processes, policies and kite marks</p> <p>7) Extract current questions from individual college documentation into each section of the analysis template. <b>Addendum 2 – one section attached as example.</b> Analyse the results</p> <p>8) Review relevant research documents and subcontracting reviews – eg Funding Higher-risk Providers and Subcontractors, SFA Aug 2012 Ensuring quality in apprenticeships, Ofsted Oct 2012.</p> <p>9) Identify key questions from due diligence documentation to be reviewed on a continuous basis throughout the ongoing monitoring process, in addition to the monitoring of learner progress Good practice guidelines to be published to advise colleges and inform future monitoring processes. <u>TOP 10 things NOT to do</u></p> <p>1) Don't overcomplicate the flowchart</p> <p>2) Don't work in isolation - keep checking with colleges involved that this is an appropriate reflection of the process</p> <p>3) Don't take the due diligence documentation questions out of context or interpret them – keep to precise wording</p> <p>4) Don't circulate any information/analysis that implies gaps or inappropriate processes without consultation</p> <p>5) Don't forget that that the person in each college with responsibility for the subcontracting will feel vulnerable</p> <p>6) Don't overlook the fact that each college will be convinced they already have a near perfect procedure</p> <p>7) Don't underestimate the time this analysis exercise takes</p> <p>8) Don't underestimate how much it would cost each college to conduct this review for themselves</p> <p>9) Don't rest on the assumption that running documentation past internal auditors necessarily means that the documentation and process cannot be improved upon</p> <p>10) Don't rush the process.</p>
<p>What did the project cost, including LSIS funding?</p>	<p>£68,450 (This figure includes all staff time. LSIS funding received was £20,000)</p>
<p>Impact</p> <p>What were the benefits of the project?</p>	<p>Show here the impact and the outcome (not the output: A report is an output. A defined and measured cost saving that is auditable and sustainable year on year is an outcome).</p> <p>The output of this project has been to produce a standard procedure for the checking of sub-contractors. The impact of this has been to provide cash savings of £5,625 per college assuming the implementation of standardisation.</p> <p>Across the 10 colleges participating in this project total savings = £56,250 once the project has fully completed. Alongside this the reduction in staff time, development and legal compliance costs can be factored in.</p>

What were the savings and benefits?

How did you calculate them?

The financial benefits

	this area	Annual saving %	Annual saving
		75	56,250
		Total75%	£56,250

Show your auditable benefits, and put these in an easy to understand table.

Due Dilligence Standardisation Project costings and savings:						
Cost of current sub-contractor due diligence checks	Avg # of checks per year per college	Number of colleges undertaking checks per year	Avg # of hours per check	Cost per hr of checks	Total costs of checks	Avg cost of delivery per student
	50	10	2	£75	£75,000	£7,500
Cost of sub-contractor due diligence checks after standardisation						
	50	10	0.5	£75	£18,750	£1,875
<b>Savings per 50 checks over 10 colleges</b>					<b>£56,250</b>	
Savings across 10 consortium colleges					10	5625
ROI						
LSIS investment	Cost of investment		Gain from investment	% ROI		
20,000	£44,750		£56,250	<b>2.813</b>		

What were the lessons learned?

What tips do you have for other providers?

The variation of due diligence procedures, their depth and their effectiveness (and even their legal compliance) varies considerably. In some cases the need for greater depth to checks is overwhelming. Others are using established documented routines which have been checked by college legal advisors. In some cases these comments are applicable to on-going monitoring although the Ofsted requirements of inspection has reduced this.. Keep reviewing and updating documentation and processes. Don't make the due diligence documentation over complicated or include in depth questions that could be collected later if necessary.

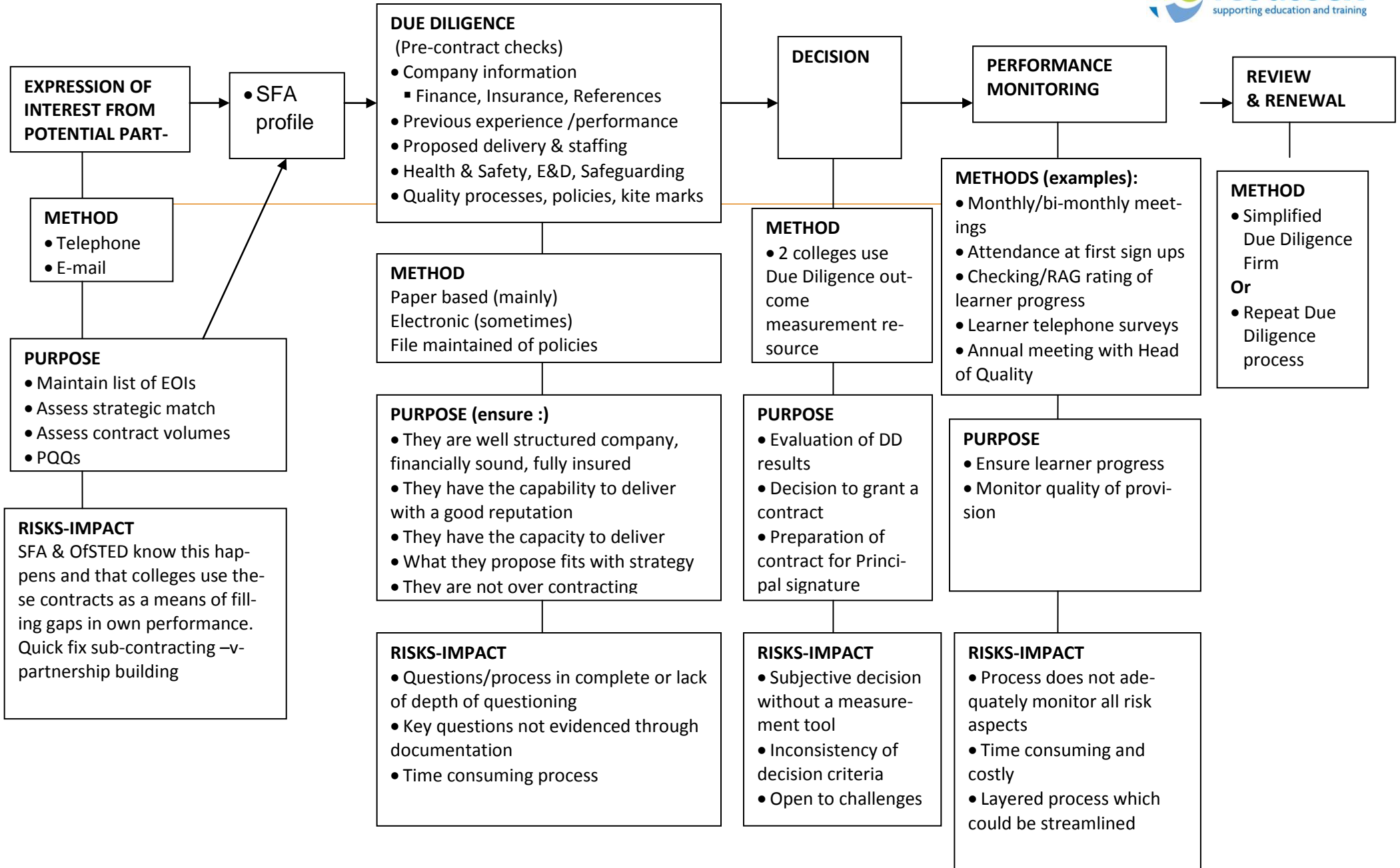
Further information and key resources

See attached due diligence flow chart.

Contact details for further information

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# DRAFT – SUB-CONTRACTING FLOW CHART



## DUE DILIGENCE – HEALTH & SAFETY, EQUALITY & DIVERSITY, SAFEGUARDING

	College 1	College 2	College 3	College 4	College 5	College 6
<b>Health and safety</b>	Health & Safety Policy/Procedure Yes/No	Health & Safety Policy Yes/No		Does your organisation have a written health & safety at work policy? Yes/No (1)	Please provide a copy of your Health and Safety policy.	
	Please confirm that you undertake Health & Safety vetting of employer premises in accordance with the Health & Safety Procurement Standards (HASPS) .....					Please confirm that you undertake Health and Safety vetting of employers premises prior to recruiting Apprentices. Yes/No
	Provide the name of the individual who has overall responsibility for Health & Safety within your organisation .....	Do you have a H&S Manager and arrangements in place to put the policy into practice?	Please provide the name of the individual who has overall responsibility for Health& Safety within your organisation and their H&S qualifications.	Do you have a named person responsible for ensuring Health & Safety policy procedures are understood and followed by staff? (1)DD	Please name the manager responsible for Health and Safety.	Please provide the name of the individual who has overall responsibility for Health and Safety within your organisation and their Health and Safety qualifications.
	Provide details of any accidents or incidents in the last two years that have been reported to the Health & Safety Executive or the SFA .....				Please list any RIDDOR reportable accidents in the last 3 years. To include accidents to either your employees or learners.	Please provide details of any accidents or incidents covered by the RIDOR regulations in the last 3 years.
		Are appropriate procedures in place to deal with any accidents or emergencies that may occur?		Does your organisation have a health and safety at work processes and procedures in place? Yes/No (1)		Please confirm that you have Health & Safety policy/procedures. Yes/No
	Provide details of your staff(s) qualifications and competencies in relation to Health & Safety eg NEBOSH	Do you carry out regular risk assessments?	Please provide details of your staff(s) qualifications and competencies in relation to Health & Safety eg NEBOSH			Please provide details of your staff(s) qualifications and competencies in relation to Health and Safety eg NEBOSH
					What systems are used to reduce risks?	
	Has your organisation ever received any enforcement notes/improvement notices or have been the subject of prosecution by the HSE? If yes, please provide details....				Has your company ever been prosecuted under health and safety legislation? If so, please give details...	Has your organisation ever received any Enforcement Notices or Improvement Notices or been subject to prosecution by the HSE? Yes/No