

Subcontracting Fees Policy

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1. Introduction

This policy aims to provide existing and potential subcontractors with information about LifeLine Projects reasons for subcontracting; how we select our subcontractors and our fees. This is to ensure consistency, clarity and fairness for all partner organisations and LifeLine Projects.

This policy aims to meet the requirements of ESF Grant Funding and applies to all subcontracted partner organisations supported with ESF funds.

This policy will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes. It will not include the delivery of a service as part of the delivery of a programme (for example outreach support).

2. Reason for using subcontractors

LifeLine has been working with young people since its inception in 2000. By walking the difficult - and occasionally traumatic - path alongside young people, investing personally in their lives and championing them, we've seen them undertake the most amazing transformations. Through this preventative approach, adopted in all of our programmes, we have seen young people turn from a path that was heading towards involvement in knife crime or gangs, improve their school attendance by as much as 350%, gain a vision that acts as a catalyst for behaviour change and helps to secure positive post-16 progressions.

LifeLine has subcontracted provision to a range of organisations for over 10 years. Our tender process ensures that we contract with subcontractors who are embedded in their local communities and who already identify and work with those most in need and hardest to engage. We also ensure that all delivery subcontractors meet our strategic aims and enhances the quality of our offer to Participants.

3. Due diligence process

LifeLine has a robust due diligence process in place to ensure potential subcontractors are selected against a set criteria. Checks include:

- Robust financial checks, including financial health scoring
- Elimination checks
- Submission of accounts
- Identification of conflicts of interest
- Submission and checks on policies such as Safeguarding, Health and Safety and Equality and Diversity
- Checks that subcontractors meet GLA contracting and subcontractor requirements.

All financial checks are reviewed by a member of LifeLine's finance team, who makes recommendations about whether we should contract with a subcontractor or not and about the maximum level of contract, based on the financial risk.

4. Support for Subcontractors

Participant's are at the centre of everything that LifeLine does, so it is imperative that activities delivered by both LifeLine, and subcontractors to participants are of the best possible quality and demonstrate excellent impact.

In return for the ESF Grant Funding management fee we retain, LifeLine will deliver support and management activity to subcontractors including the following:

- advice and guidance at pre-contract stage
- support with funding rules compliance
- data checks and support to resolve data queries
- administration support, including in-depth checks of evidence submitted, and regular feedback on issues identified
- submission of funding claims to the GLA
- regular financial reports to inform invoicing
- support to address any areas for improvement
- assurance and compliance checks on project activities.

Lifeline will also support subcontractors through regular contract review and monitoring meetings to ensure delivery is high quality. Review and monitoring includes:

- performance against targets/planned delivery through the use of Lifeline's scorecard process
- visits to venues where delivery takes place
- checks to confirm participants exist and are eligible
- checks to ensure compliance with funding rules
- observation of processes such as initial guidance, assessment and delivery of project activities
- face-to-face interviews with participants, employees or volunteers working for the subcontractor.

5. Management fees

Lifeline retains a management fee 10% of the total contract value to cover costs associated with identifying, selecting and managing subcontracted provision, including staffing and other associated costs of supporting and monitoring subcontractors.

6. Payment Arrangements

Lifeline will make payment to subcontractors 30 days after receiving payment from the GLA. Payment is subject to the correct evidence and data being provided to Lifeline by the agreed deadlines. Adjustments may be made to specific payments where evidence of eligibility, participation or achievement cannot be validated by Lifeline.

Lifeline will make payments to the subcontractor based on the level of income calculated by the validation process in that month, less agreed management fee.

7. Publication of information relating to subcontracting

Lifeline will review and update this policy annually.

This policy will be circulated to all subcontractors and be published on Lifeline's website annually.

8. Contingency plan

In the event that a subcontractor withdraws from their contract, goes into liquidation or administration, Lifeline will use its own delivery team, or partners who have the capacity, to deliver more activities to fill any delivery gaps as soon as possible. Alternatively, and depending on the amount of funding/number of participants remaining and the type of provision required, we may run an additional tender either within current subcontractors or an open process to replace the lost delivery.

9. Responsibilities

An overview of duties by individual job holder responsibilities are given below:

9.1 Senior Management Team

Are responsible for:

- satisfying themselves about the integrity and reputation of partners and their ability to deliver to an acceptable standard
- ensuring they are satisfied that all subcontracting undertaken by Lifeline Projects meets strategic aims and enhance the quality of services delivered
- taking responsible steps to help prevent financial abuse of Lifeline Projects funds
- making sure that proper robust financial controls and procedures are in place that meet Lifeline Projects activities
- ensuring that Lifeline Projects does not undertake activities that may place funds, assets or reputation at undue risk
- approving the Subcontracting Fees Policy and financial information
- agreeing the financial information provided by the Finance Manager before it is published on Lifeline Projects website.

9.2 Finance Manager

Is responsible for ensuring contractors are paid in line with section 6 of this policy.

9.3 Quality Manager

Is responsible for:

- ensuring LifeLine Projects due diligence process is conducted with all potential subcontractors before entering into a legally binding contracts with subcontractors
- checking the Subcontracting Fees Policy against ESF funding rules for compliance
- updating and submitting the Subcontracting Fees Policy to SMT for approval
- arranging for the approved policy and financial information to be published on LifeLine Projects website.

10. Implementation and monitoring

10.1 Implementation

Once approved, this policy will be made available to LifeLine staff on SharePoint. The policy will also be pulished on LifeLine's website and a link sent to subcontractors. The previous versions of the policy and associated documents will be removed. Lifeline maintains an electronic archive of all policy documents.

10.2 Process for monitoring implementation and effectiveness

For this policy, the following monitoring processes are in place.

Standard	Monitoring process
Annual summaries of subcontractor fees	Actual levels of ESF Grant Funding paid to, and retained for each subcontractor reports to GLA in each financial year.

10. References

The Mayor's European Social Fund (ESF) 2019-23 Programme Round 3 Delivery Handbook DRAFT
https://www.london.gov.uk/sites/default/files/round_3_delivery_handbook.pdf

11. Version Control

Version	Date	Author(s)	Status	Comment
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2	October 2015	Julia Ward	Approved	
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