

Subcontractor (Supply Chain) Fees and Charges Policy 2020-21

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Usage of Sub-contractors

The College will itself aim to deliver learning and training provision within the remit of its Strategic Objectives wherever it is able or in a position to readily develop the ability. However, the College will consider sub-contracting its provision where:

- There is an unmet learning and training need within its local area that is cannot meet using its own resources, or
- There is an opportunity to develop its provision in a manner which demonstrably compliments and strengthens its core business as communicated by its Strategic Plan

However, provision will only be sub-contracted where:

- The value of the subcontracted provision is under £2.250m (4.9% of its budgeted turnover), unless approved is obtained from the Corporation (this is in line with the current College strategy).
- Due diligence has been undertaken that demonstrates that the sub-contractor can reasonably be expected to deliver provision in accordance with the College's quality standards
- The College and sub-contractor have similar values regarding the provision of education and training
- Contractual arrangements are in line with funding body requirements
- The Principal and Chief Executive has approved the sub-contract

College's Contribution to Improving the Quality of Teaching and Learning

Where necessary, the College will provide advice, support and training across a wide range of areas to enable effective and high-quality provision to be delivered, including:

- Teaching and Learning
- Equality and Diversity
- Safeguarding

- Health and Safety
- Compliance with Legal and Financial Requirements
- Administration
- Learner Support

In addition, upon receipt of the necessary information from the sub-contractor, the College will prepare and submit Individualised Learner Record to the ESFA to draw down funding to enable the sub-contracted provision to be delivered.

The contract between the College and a subcontractor will, inter alia:

- Include clear information concerning price, programmes to be delivered and contract duration
- Require the subcontractor to provide all Due Diligence and other information necessary as part of requirements to enable a full assessment and review of the quality of provision by the College or the Funding Agencies
- Require compliance with College key College policies, especially regarding safeguarding
- Contain clear provisions that enable the College to terminate the contract where the subcontractor has not delivered in accordance with requirements

Support provided to subcontractors

The following support will be provided to each subcontractor: -

- The Director of Finance will manage the relationship with the subcontractor.
- The Director of Quality will ensure that the quality of subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision.
- The College will provide administration support to ensure the timely recording of learner information on the College's ILR.

- The College will undertake a regular and substantial programme of quality assurance checks on the education and training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and learners. These checks include whether the learners exist and are eligible, and involve direct observation of initial guidance, assessment and delivery of learning programmes.
- The College will ensure that all the subcontractor's delivery meets the Education & Skills Funding Agency's Funding Rules.
- The College will ensure that any Apprenticeship provision delivered by subcontractors meets all of the required standards and specific ESFA funding rules.

Fees Retained

The funding that is retained by the College will relate to the costs of the services that the College provides to the subcontractor. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties in a formal contract. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided

The College will typically retain between 10% and 20% of funding. The percentage applied to each sub-contractor is determined by:

- The level of support needed by the sub-contractor in relation to the services provided by the College as outlined above
- The funding required by the sub-contractor to enable sustainable and high quality provision to be delivered.

Payment Terms

The College will pay the sub-contractor in accordance with the terms specified in its

contract. As a minimum these terms will state that:

- Payment will only be made in relation to provision:
 - For which funding can be obtained from the relevant funding body
 - Which is stipulated in the contract
- Supporting documentation is made available for the payment which would satisfy the requirements of a funding body audit
- The total value of payments will be restricted to the contract's maximum contract value
- Payments will be made to the subcontractor within 28 days of a valid invoice complying with the above points

Communication to Sub-contractors

This policy is to be circulated to each sub-contractor for review and consideration prior to the agreement of any contract between it and the College. Any proposed changes to the policy will also be circulated to sub-contractors for the purposes of consultation no less than 30 days prior to the adoption of any changes.

The College will ensure before each subcontract relationship is agreed, that each subcontractor is aware of:

- The reason for subcontracting
- The services the College will provide when subcontracting to and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered by the College to the subcontractor
- How each cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning

- The fees retained to manage subcontractors.
- Payment terms between the college and subcontractors - timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.

Timing of Policy Review

In accordance with ESFA Funding Rules, this policy will be reviewed at least annually, Should the ESFA Funding Rules or Financial Memorandum change following the Policy's publication in such a manner as to contradict this Policy, the ESFA's position will take precedence.

Publication

This policy will be published on the College's public website.

**This Policy was approved by the Corporation of West Herts College on
14 October 2020**

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