

SUB-CONTRACTING FEES & CHARGES POLICY

1. Aim/Scope

- 1.1. This policy applies to all sub-contracted supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA).
- 1.2. This policy is a mandatory requirement which must be in place prior to the College participating in any sub-contracting activity which is funded by the ESFA. The policy is effective from 1st Sept 2023. The Policy has been written in accordance with the Education Skills Funding Agency's (ESFA) requirements as set out in the current Subcontracting Standard¹ and Funding Rules, in accordance with the College's financial regulations and sector best practice publications.

2. General policy statement

- 2.1. The College is committed to being the provider of choice for all employer engagement and work-related training. The College has taken the strategic decision to work with high-quality sub-contractors to complement the existing provision offered by Bishop Burton and Riseholme College in order to respond to emerging opportunities and meet the needs of students and employers across a broad range of sectors in the College groups' respective regions. The College will ensure that:
 - Sub-contracting activities comply with the principles of best practice in the skills sector.
 - It is committed to undertaking fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance with best practice at all levels and provision of the highest quality of learning delivery, demonstrating value for money and a positive impact on students and employers.
 - The funding which is retained by the College will correlate to the costs of the services provided. These services, and the levels of funding being retained by the College, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both the College and the sub-contractors and will be negotiated and agreed in a fair and transparent manner, proportionate to the actual services being provided.

¹ ESFA. Subcontracting Standard. ESFA. Aug 2022. <https://www.gov.uk/government/publications/esfa-subcontracting-standard>

3. Guidelines

3.1. Rationale for Sub-Contracting

The College engages with sub-contractors to better meet the needs of students and employers. Reasons are varied and could include, but are not limited to;

- Enhance the opportunities available to young people and adults
- Fill gaps in niche or expert provision, or provide better access to training facilities
- Support better geographical access for students
- Offer an entry point for disadvantaged groups
- Provide consideration for the impact on individuals who share protected characteristics

Provision that meets one or more of the following criteria will be prioritized:

- It meets the needs of residents and employers of the East Riding and North Lincolnshire and immediate regional adjacencies
- It supplements and does not duplicate the College's curriculum offer
- It offers progression opportunities into the College

3.2. Approval to sub-contract

Where appropriate, approval will be sought from the ESFA for any agreed sub-contracting terms in relation to distance learning and whole programme sub-contracting for 16 to 18 provision.

3.3. Quality Assurance

The Assistant Principal Quality and Exams is responsible for ensuring that high-quality provision is delivered by all sub-contractors and has responsibility for monitoring the quality of this provision following the relevant procedures and processes.

The College's quality assurance procedures and processes apply to all sub-contracting activities. In line with its Quality Strategies, the College will support, develop and share good practice with all sub-contractors in order to secure continuous improvement through quality reviews, compliance visits, monitoring meetings, observations of teaching and learning (where appropriate) and student and employer feedback.

Sub-contractors will collect, retain and submit to the College on request all relevant documents and evidence of student activity. This will be in line with GDPR regulations.

3.4. Management Fees

The College's management fee will typically vary between 15% and 20% of all ESFA funding received for the provision to be delivered. In line with ESFA expectations, the management fee would only exceed 20% in exceptional circumstances. We acknowledge that the ESFA has the

right to challenge the management fee if it exceeds 20%. The agreed management fee will be dependent upon the activities being undertaken and the level of support and services required in order to maintain provision of the highest quality. Target student numbers, previous experience, achievement rates and the level of risk determined by the due diligence process will also be taken into consideration when determining the management fee.

The management fee represents the cost which the College incurs in effectively identifying, selecting and managing all of its sub-contracted provision.

The College may also retain, in addition to the management fee, an appropriate amount of funding to cover the cost of any funded activity which it undertakes which is related to the provision, such as;

- Awarding Organisation fees and charges;
- Hiring of facilities/equipment within/from the College;
- Internal Verification.

3.5. Support for Sub-Contractors

The precise support given to each sub-contractor will be negotiated with that sub-contractor and may include, but is not limited to;

- Advice and guidance at the pre-contract stage;
- Access to a team of experts for all functions, e.g. MIS, Quality, Operations
- Site visits including:
 - Observations of teaching, learning and assessment;
 - Tutor support;
 - Observation of information, advice and guidance (IAG), enrolment and examination sessions;
 - Participation in IAG and enrolment sessions;
- Support with funding rules compliance;
- Enrolment support (e.g. provision of paperwork, advice and guidance on student eligibility) and processing of submitted enrolment documentation;
- Regular financial reports to support invoicing;
- Ongoing support to address any areas for improvement;
- In-depth check of evidence submitted and regular feedback on issues identified;
- Regular review meetings;
- Providing regular progress and pass rate reports.
- Ensuring compliance with College Safeguarding, Prevent, British Values and health and safety policies and procedures

3.6. Payment Arrangements

Payments due to the sub-contractor will be calculated on a monthly basis following the Individual Learner Record (ILR) upload. Payment will be made to the sub-contractor in accordance with the contractual arrangements.

3.7. Funding Data

Data regarding the actual level of funding paid and retained for each sub-contractor will be made available according to the Education and Skills Funding Agency's requirements.

3.8. Policy Review

This policy will be reviewed on an annual basis and updated as required.

3.9. Communication

This policy and actual end-of-year sub-contracting fees and charges are available on the College's website under 'Policies and Reports. Potential sub-contractors will be directed to it and any other relevant documents as the starting point in any relationship. It will also be discussed with current sub-contractors during review meetings.

4. Method of Monitoring

- 4.1. Any prospective sub-contractor will be required to complete the College's Due Diligence Questionnaire to assess the level of risk should the College decide to enter a contractual agreement with that organisation.
- 4.2. Provision funded through the ESFA Adult Skills budget and the ESFA budget must comply respectively with the ESFA Funding Rules and ESFA Funding Guidance for Young People (sub-contracting control regulations) for the relevant academic year and any updates published by the funding agencies during the year.
- 4.3. Sub-contractor performance will be monitored on an ongoing basis. Feedback on performance will be provided in writing, at face to face meetings, by telephone or e-mail. The methods used will be dependent upon the circumstances at any point in time. Feedback will also be provided at periodic contract performance review meetings.
- 4.4. During the period of contractual agreement monitoring will follow the normal College Quality Timeline
- 4.5. Where a subcontractor is found to be providing a supply of services that does not meet agreed targets and expectations of quality, the College can terminate any agreements.
- 4.6. The College can terminate any agreements. The College may seek recovery of funds particularly where the funding agencies' conditions of funding have not been met or there is any other irregularity.

5. Sub-contractors Requirements

5.1. Sub-contractors are required to ensure:

- The College is provided with Individual Learner Record (ILR) data to accurately reflect the agreed sub-contracted delivery
- The College and funding agencies (or other bodies nominated by the College or agencies) have access to the sub-contractor's premises and all documents relevant to tracking student's progress, funding claims and any other purpose relating to the agreed sub-contracted delivery
- The College has access to the sub-contractor's premises to monitor and quality assure the delivery of learning, including interviewing staff and students and directly observing the initial guidance and assessment (IAG) process
- All students sign a learning agreement at the time of enrolment reflecting the outcome of initial guidance and assessment (IAG) and setting out their learning programme
- The agreed sub-contracted delivery is not further sub-contracted
- Funding for the agreed sub-contracted delivery is not "double-funded", i.e. students are not funded by the ESFA at any other institution

6. External Assurance

6.1. The College will undertake external assurance through an independent auditor to review sub-contracted delivery controls over all ESFA funded provision in line with guidelines for the current academic year.

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This document is available in a variety of formats. Student Services or main reception will supply guidance on the range