

<b>Policy Name</b>	Sub-contracting (Fees and Charges) Policy
<b>Department</b>	Adult & Community Learning
<b>Created by (Job Title)</b>	Director of Adult & Community Learning
<b>Date Reviewed</b>	August 2022
<b>Date of Next Review</b>	August 2023
<b>Equality Impact Assessment</b>	This policy has been reviewed in line with the Equality Act 2010 which recognises the following categories as Protected Characteristics: Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Belief, Sex (gender) and Sexual orientation. We will continue to monitor this policy to ensure that it provides equal access and does not discriminate against anyone, especially any person/s listed under any protected characteristic.

## **Sub-contracting (Fees and Charges) Policy**

### **Scope**

1. This policy relates to activity funded through the Education Skills Funding Agency (ESFA) whereby The Bedford College Group (TBCG) enters into a subcontracting agreement with a supplier for Apprenticeship, 16-18 or Adult Skills recruitment and delivery.

### **Context**

2. A policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2022. The content of this policy has been developed in line with AoC/ AELP Common Accord, the ESFA Funding rules and the LSIS Supply Chain Management document.
3. This policy provides transparency for all sub-contractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under TBCG's direct contract with the ESFA.

### **Overarching Principle**

4. TBCG will use its subcontractors to optimise the impact and effectiveness of service delivery to the end user. TBCG will therefore ensure that:
  - a) Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will be guided by the principles given in the LSIS publication "*Supply Chain Management – a good practice guide for the post-16 skills sector*" (Nov 2012 and subsequent iterations).
  - b) TBCG will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance with the common accord and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
  - c) The funding that is retained by TBCG will be related to the costs of the services provided. These services will be clearly documented and agreed by all parties. The rates of such retained funding will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
  - d) Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.
  - e) Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, TBCG will submit to independent outside arbitration or mediation and abide by its findings.

## **Rationale for sub-contracting**

5. TBCG engages with sub-contractors to better meet customer needs and enhance the quality of our learner offer for varied reasons including:
  - a. To enhance the opportunities available to learners.
  - b. To fill gaps in niche or expert provision or provide better access to training facilities.
  - c. To support better geographical access for learners.
  - d. To support an entry point for disadvantaged groups.
  - e. To support individuals who share protected characteristics, where there might otherwise be gaps.

## **Due Diligence and Quality Assurance**

6. TBGC works with a minimal number of subcontractors to ensure the delivery of high-quality training and education which demonstrates value for money and has a positive impact on learner lives.
7. All subcontractors will be subject to due diligence before being issued with a contract and, where relevant, are subject to the financial health checks as identified in the ESFA subcontractor guidance.
8. All subcontractors must meet high quality standards and most be able to evidence the following...
  - a. A previous track record of high-quality delivery (observation, student feedback, audit, self-assessment, inclusive LTA practice)
  - b. High achievement rates, including for different groups of learners (protected characteristics and disadvantaged groups)
  - c. The type of customers they will be engaging
  - d. The type of provision to be undertaken
  - e. Potential geographical spread of provision
  - f. Contract delivery duration expectation
9. Subcontractors are made aware of the College's Equality and Diversity policy and given a copy of the 'Equality and Diversity in the workplace – A good practice guide' (located on the College's website / About us/ Equality and Diversity). All subcontractors and their staff are expected to comply with the College's Equality and Diversity policy, unless they have an internal policy covering aspects of equality, diversity and inclusion (provide a copy).
10. Sub-contracted activity is a fundamental part of TBCGs' provision. The quality of the provision will be monitored and managed through the existing Bedford College Groups Quality Assurance processes and procedures, as amended in order to fully encompass all sub-contracted activity.
11. This Policy positions sub-contracted provision as a core part of TBCGs activity to enable continuous improvements in the quality of teaching and learning for both,

TBCG and its sub-contractors. This will be achieved through the sharing of effective practice across the supply chain, for example through observations of teaching, learning and assessment, through the analysis and action plans of external quality reports and through the Self-Assessment Report and the Quality Improvement processes.

### **Publication of information relating to sub-contracting**

12. In compliance with ESFA funding rules that apply, TBCG will publish its provision sub-contracting fees and charges policy on its website before the start of each academic year and will publish actual end of year subcontracting fees and charges on its website as required by ESFA.
13. TBCG will ensure all actual and potential sub-contractors have sight of this policy via the website and any other relevant documents, such as the Fees and Charges Risk Factor Table will be shared.

### **Fees and Charges**

14. The College makes a charge of 20% of the full contracted value as a management fee for its sub-contracted provision. This charge covers the costs required to monitor and support this provision effectively (see Appendix A for breakdown).
15. The subcontractor will be responsible for meeting the costs associated with delivery of qualifications including the registration of candidates with awarding bodies and examination fees.

### **Payment Terms**

16. Payment terms will be agreed between TBCG and subcontractor for timing of payments in relation to allocated profile and the timescale for paying retained audit payments.
17. On-programme payments will be calculated monthly based on learners as detailed in the CIS Funding reports on TBCG's dashboard.
18. Achievement payments will be made on successful completion as detailed in the PFR. The 10% retained payment for each completed learner will be paid at the end of the month following that in which TBCG and / or ESFA (as appropriate) has (in its sole opinion) successfully completed its audit of evidence retained at the Partner's premises.
19. A monthly reconciliation report will be issued to the Partner by TBCG on receipt of the CIS Funding reports to enable an accuracy check.

### **Communication**

20. This policy will be reviewed each summer term and updated as required. It will be published on TBCG website during the July prior to the start of the academic year in which it will be applied. Potential sub-contractors will be directed to it as the starting point in any relationship.

## Appendix A

### Fees and Charges breakdown

<b>Expenditure item</b>	<b>Category</b>	<b>Explanation</b>
Contract Management meetings	Administrative Functions	Performance management meeting to discuss progress and highlight and issues/challenges
Finance processing costs	Administrative Functions	Charges related to processing payments and management accounts
ILR data entry, validation and reporting	Administrative Functions	Charges related to data entry, audit compliance and reporting on student and funding values
Visits	Quality Assurance & oversight	Announced and unannounced visit costs to monitor quality of delivery and IAG
Routine monitoring	Quality Assurance & oversight	Related to above item, charges related to reporting of observations from visits
Due diligence	Administrative Functions	One off charge made at the start of new contracting relationships
Checking qualifications/DBS	Administrative Functions	One off charge made at the start of new contracting relationships
Student survey	Quality Assurance & oversight	Quality surveys carried out by the college to monitor student satisfaction and progress
Achievement rate monitoring	Quality Assurance & oversight	Related to performance management meetings to discuss in year retention, achievement and any issues arising and strategies for improvement
Mandatory training	Quality Assurance & oversight	Mandatory training delivered to subcontractor staff