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| <b>Policy Name</b>                    | <b>Sub-contracting (Fees and Charges) Policy</b>   |
| <b>Department</b>                     | Adult & Community Learning   |
| <b>Created by<br/>(Job Title)</b>     | Director of Adult & Community Learning   |
| <b>Date Reviewed</b>                  | September 2019   |
| <b>Date of Next Review</b>            | September 2020   |
| <b>Equality Impact<br/>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

## 1. Scope

This policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA) or any successor organisations.

## 2. Context

A policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2018. 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. Overarching Principle

The Group will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. The Group 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. The Group 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 The Group 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, The Group will submit to independent outside arbitration or mediation and abide by its findings.

## 4. Rationale for sub-contracting

The Group engages with sub-contractors to better meet customer needs and for varied reasons including:

- To provide niche or specialist delivery where the cost of developing direct delivery would be inappropriate
- To support employers with a wide geographic requirement
- To support another provider to develop capacity/quality
- To provide immediate provision whilst expanding direct capacity
- To provide access to, or engagement with, a new range of customers
- To ensure delivery intention is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised).

## **5. Quality Assurance**

Sub-contracted activity is a fundamental part of The Groups' provision. The quality of the provision will be monitored and managed through the existing Bedford College Groups QA processes and procedures, as amended in order to fully encompass all sub-contracted activity.

This Policy positions sub-contracted provision as a core part of The Group activity to enable continuous improvements in the quality of teaching and learning for both The Group 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.

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

In compliance with ESFA funding rules that apply, The Group 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 sub-contracting fees and charges on its website as required by ESFA.

The Group will ensure all actual and potential sub-contractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table.

## **7. The Fees and Charges Risk Factor Table**

This table includes:

- The typical percentage range of fees retained to manage sub-contractors
- The risk-based rationale used to determine the level of fee retained
- The contributory risk factors include:
  - Previous track record (observation, student feedback, audit, self-assessment)
  - Success rates
  - Type of customers to be engaged
  - Type of provision to be undertaken
  - Geographical spread of provision
  - Contract delivery duration
- The risk bands used to calculate The Group fees. Higher risk sub-contractors will be allocated less funding but receive more monitoring and support.
- Charges for additional services, equipment or accommodation will be based on actual costs and will be agreed with the sub-contractor.

## **8. Payment Terms**

Payment terms will be agreed between The Group and subcontractor for timing of payments in relation to allocated profile and the timescale for paying retained audit payments. On-programme payments will be calculated monthly based on learners as detailed in the CIS Funding reports on The Group's dashboard. 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 The Bedford College Group and / or ESFA (as appropriate) has (in its sole opinion) successfully completed its audit of evidence retained at the Partner's premises.

A monthly reconciliation report will be issued to the Partner by The Group on receipt of the CIS Funding reports to enable an accuracy check.

## **9. Communication**

This policy will be reviewed each summer term and updated as required. It will be published on The Group web site 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.