



Sub-Contracting (Fees and Charges) Policy

New College Durham is committed to safeguarding and promoting the welfare of vulnerable groups, and expects all staff and volunteers to share this commitment.

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We will consider any request for this policy to be made available in an alternative format.

We review our policies regularly to update them and to ensure that they are accessible and fair to all. All policies are subject to equality impact assessments. Equality Impact Assessments are carried out to see whether the Policy has, or is likely to have, a different impact on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation or human rights.

We are always keen to hear from anyone who wants to contribute to these impact assessments and we welcome suggestions for improving the accessibility or fairness of the procedure.

To make suggestions or to seek further information please contact:

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Equality Impact Assessed: September 2020

Procedure Title	Sub-Contracting (Fees and Charges) Policy
Document Owner	Vice Principal Apprenticeships, Productivity and Business Development
Owning Directorate	Curriculum
Owning Department	Curriculum
Directorates and Departments affected by this Procedure	Business Development Unit
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Effective from August 2022

1. Scope

The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA), Department of Work and Pensions (DWP) and Devolved Local Authorities.

2. Context

The policy is a mandatory ESFA requirement which has been in place since August 2015. All Providers participating in any sub-contracting activity must have their policy displayed on their website. 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 College will use its supply chain to optimise the impact and effectiveness of service delivery to the end user. The College will therefore ensure that:

- 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.
- The College will at all times undertake fair procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance with the Common Accord at all levels, and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- The funding that is retained by the College will be related to the costs of the services provided. These services, and the levels of funding being retained for them, 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-contractor and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.

- Contract documents will require both parties to agree that the achievements of our supply chain 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 our supply chain will be conducted in good faith in accordance with the Overarching Principle.

4. Rationale for Sub-contracting

The College engages with sub-contractors to better meet customer needs. Reasons are varied and will include:

- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new or specific sectors prior to investing in resources.
- Providing access to or engagement with a new range of customers/employers.
- To ensure delivery of ESF projects are met in line with monthly profiles.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To meet emerging training needs of employers as a result of the existing volatile economic environment.
- To support employers with a wide geographic requirement.
- To maintain continuity of business where the funding source has changed.

5. Quality Assurance

Sub-contracted activity is a fundamental part of the College's provision as defined within its Sub-Contract Strategy. The quality of the provision will be monitored and managed through the existing College QA processes and procedures which fully encompass all sub-contracted activity.

This policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching, learning and assessment for both the College and its sub-contractors. This will be achieved through the sharing of effective practice across the supply chain for example, through the Self-Assessment Report process.

6. Publication of Information Relating to Sub-contracting

In compliance with the ESFA the College will publish its sub-contracting fees and charges policy on its website before the start of each academic year. The actual level of funding paid and retained for each delivery sub-contractor will be communicated to the ESFA territorial manager in line with instructions outlined within the Funding and Performance Management Rules 2022/23.

7. Communication

This policy will be reviewed in each summer term and updated as required. It will be published on the College 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. Current sub-contractors will be sign posted to the policy prior to commencement of any contract and it will be routinely discussed as part of the contract review process. Details of policy location can be found within the standard College contract. Reasons for sub-contracting will be clearly outlined to the sub-contractor and can be evidenced within the procurement process.

8. Fees and Charges 2022/23

The standard College quality and compliance support fee is 30% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision. This includes all aspects of quality assurance to ensure sub-contractors are supported in delivering high quality teaching, learning and assessment to maximise high achievement rates.

The focus of support will be determined for each sub-contractor based on need and will be clearly communicated to sub-contractors prior to commencement of delivery. The College will ensure that all costs are reasonable and proportionate to delivery and ensure that cost contribute to delivering high quality learning. Details of specific costs and how these are reasonable and proportionate will be outlined within each sub-contractor's contract for delivery.

The support sub-contractors will receive in return for the fees charged includes:

- Curriculum planning advice.
- Access to named support staff - contract performance, quality, compliance, data and finance.
- Regular site visits and meetings - performance and quality improvement.

- Training to all staff including safeguarding, data protection, funding, health & safety, Ofsted updates and TLA improvement sessions.
- Access to relevant learner support systems (e.g. BKSB, online platforms).
- Comprehensive, personalised support to ensure compliance with funding rules.
- Regular Teaching and Learning observations.
- Quality Improvement guidance and support with self-assessment process.

The rationale used to determine any different fee other than the standard College management fee will be based on a level of risk. These factors will be assessed using a range of measures detailed as part of the procurement and due diligence process prior to commencement of the contract. The contributory risk factors that would result in differences in fees charged for, or support provided to, different sub-contractors will include:

- Previous track record
- Achievement levels
- Type of customers/employers to be engaged
- Type of provision to be undertaken
- Contract duration

9. Payment Terms

These will be set out within the contract for delivery and are specific to provision type.

Prior to start of delivery sub-contractors will be issued with a payment schedule detailing the College payment dates in relation to paperwork and ILR submission dates.

10. Policy Review

The effectiveness of this document will be monitored annually and reviewed every years in response to funding rules and sector best practice.

Implementation Date	August 2022
Review Date	May 2023

