

**Hertford Regional College**

**Supply Chain / Subcontractor Fees & Charges Policy 2021/22**

**Scope**

This Fees and Charges Policy applies to all supply chain / subcontracted partner activity supported by funds received from the Education Skills Funding Agency (ESFA), Greater London Authority (GLA) or any other funding agency / successor funding organisations.

**Context**

This Fees and Charges Policy is a mandatory requirement that must be in place prior to the College participating in any supply chain / subcontracted partner activity during the 2021 – 2022 Academic Year (1st August 2021 to 31 July 2022)

**Overarching Principle**

The College will use supply chain / subcontracted partners where suitable to optimise the impact and effectiveness of service delivery. Ensuring that:

* Subcontracted provision aligns with the College's Curriculum Intent Strategy
* Supply chain / subcontracted activities comply with the principles of

best practice in the skills sector.

* The College undertakes fair and transparent procurement activities

and conducts robust due diligence checks on potential and existing supply

chain / subcontracted partners to ensure contractual compliance,

value for money and positive impact for end users.

* The College and the supply chain / subcontracted partner have similar values

regarding provision of education and training.

**Rationale for use of Supply Chain / Subcontracted Partners**

The College will aim to deliver learning and training provision within the remit of its Strategic Objectives wherever it is able or in a position to readily do so. This ensures that the College is adhering to the subcontracting reduction plan introduced in December 2020.

The College will however consider the use of supply chain / subcontracted partners to:

* Develop its provision in a manner which compliments and strengthens its core

business as outlined within its Strategic Plan and Curriculum Intent Strategy

* Expand provision on a temporary basis to meet a short-term need that cannot

be met by use of its own resources e.g. Covid – 19 response

* Provide immediate provision whilst expanding direct capacity. This might

include the College working with supply chain / subcontracted

partners to ‘explore and learn’ prior to making any significant investment in

resources linked to its own direct delivery.

* Gain access to, or engage with, a new range of customers linked to changing

market opportunities.

* Ensure delivery intention / commitments are met where there is a recognised

risk in the Colleges direct delivery of provision.

* Provide small scale responsive niche delivery where the cost of developing

direct delivery would be inappropriate to the College.

* Support employers who operate across a wider operational /

geographical footprint.

**Support Services Offered to Supply Chain / Subcontracted Partners**

The College will work with supply chain / subcontracted partners to enable the delivery of effective and high-quality provision.

The College will provide advice, support, and training across a wide range of areas to develop its supply chain / subcontracted partners.

The College will guide, develop, and support supply chain / subcontracted partners in areas that include:

* Due Diligence Annual Checks
* Pre-contract Engagement
* Contracting Control and Monitoring
* Performance Reviews
* Management of the ILR
* Policy Watch and Awareness Raising
* Observation and Improvement of Teaching, Learning and Assessment
* Financial and Quality Assurance Audits
* Surveys of Learner, Employer and Stakeholder Voice
* Self-Assessment Advice and Moderation
* Complaints Support and Investigation
* Health & Safety, Equality & Diversity, Safeguarding and Prevent Agenda

Compliance and Advice

* Legal and Financial Compliance
* Marketing

Associated costs that are proportionate and reasonable are determined following completion of due diligence and associated risk ratings, Self-Assessment, and linked Quality Improvement Plans, and are informed by:

* Risk Rating
* Performance Track Record
* Moderated SAR grades
* Effectiveness of Teaching, Learning and Assessment
* Programme Type and Length
* Learner Volume

**Quality Assurance and Audits**

The quality of the provision will be monitored and managed through the College Quality Assurance processes and procedures to fully encompass all supply chain / subcontracted partner activity.

Quality audits and observations will be completed as part of the annual due diligence review process to ensure that Quality Assurance processes are in place for supply chain / subcontracted partner provision.

In year monitoring and contractual compliance is carried out / recorded, any identified actions for improvements in teaching, learning and assessment or in operational controls are reviewed as part of this process.

**Policy Communication**

This policy is available to each supply chain / subcontracted partner for review and consideration prior to the agreement of any contract.

This policy will be discussed at supply chain / subcontracted partner meetings.

Any proposed changes to this policy will be circulated to supply chain / subcontracted partners for the purpose of consultation no less than 30 days prior to the adoption of any changes.

**Policy Review**

This policy will be reviewed in accordance with ESFA / GLA Funding Rules; this policy will be reviewed and updated at least annually.

Should the ESFA / GLA Funding Rules or Financial Memorandum change following publication in such a manner as to contradict this policy then the ESFA / GLA position will take precedence.

**Policy Publication**

This policy will be published on the College website prior to the start of the academic year within which it will be applied.

In compliance with ESFA / GLA Funding Rules, the College will also publish full details of actual end-of-year supply chain / subcontracted partners fees and charges (paid for the latest complete academic year) on its website.

**Fees and Charges 2021/2022**

The College will normally retain a fee of between 15% and 20% of funding for providing services. In exceptional cases, the fee may be higher if additional support is required. The percentage applied to each supply chain / subcontracted partner will be determined by:

* The level of support needed by the supply chain / subcontracted partner in

relation to the services provided by the College.

* The funding required by the supply chain / subcontracted partner to enable

sustainable and high-quality provision to be delivered.

The fee represents the cost that the College incurs in effectively identifying, selecting, and managing all supply chain / subcontracted partners. The college retains 70% of the fee for quality assurance and oversight and 30% of the fee for administrative functions.

Further charges to cover additional costs may be added (on a case by case basis) to the base fee to meet the cost to the College of any additional support that the College deems necessary to ensure the quality of teaching, learning and assessment and achievement of success rates are effectively met.

**Payment Terms**

The College will pay the supply chain / subcontracted partner 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 funding body and is as stipulated within the contract

* Payment will only be made where costs have been determined as proportionate to the delivery of high quality teaching and learning and this be determined through the quality assurance and audit activity as described above
* Supporting documentation is made available for the payment which would

satisfy the requirements of a funding body audit. Payment may be

retained until the Audit requirements have been met

* The total value of payments will be restricted to the maximum

contract value

* Payments will be made to supply chain / subcontracted partners within 30

days of receipt of a valid invoice that compiles with the above points

All payments will be made via electronic transfer (BACS).

Any payment disputes when raised will be dealt with in a timely manner.

Signed by Accounting Officer:

 Signature

Name: Tony Medhurst

**Document Management:**

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| **Date of next review**   | March 2022  |