Hertford Regional College

Supply Chain / Sub-contractor
Fees and Charges Policy 2020/2021
Scope

This Fees and Charges Policy applies to all supply chain / sub-contracted 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 / sub-contracted partner activity during the 2020 – 2021 Academic Year (1st August 2020 to 31 July 2021)

Overarching Principle

The College will use supply chain / sub-contracted 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 / sub-contracted 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 / sub-contracted partners in order to ensure contractual compliance, value for money and positive impact for end users.
- The College and the supply chain / sub-contracted partner have similar values regarding provision of education and training.

Rationale for use of Supply Chain / Sub-contracted 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.

The College will however consider the use of supply chain / sub-contracted 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 / sub-contracted 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.

Prior to entering into any contract, as part of the negotiations, we will agree:

• Our reason for subcontracting with the partner
• The services we will provide when subcontracting to them and the associated costs when doing so, including a list of specific costs for managing the subcontractor, specific costs for quality monitoring activities and specific costs for any other support activities offered to the subcontractor.
• How each cost is reasonable and proportionate to delivery of the subcontracted teaching or learning and how each cost contributes to delivering high quality learning

Support Services Offered to Supply Chain / Sub-contracted Partners

The College will work with supply chain / sub-contracted 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 in order to develop its supply chain / sub-contracted partners.

The College will guide, develop and support supply chain / sub-contracted 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 Advice
• Legal and Financial Compliance
• Marketing

Detailed, specific 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

Detailed, specific costs are outlined to the prospective partner via the draft contract that is issued prior to any learning activity taking place.

Quality Assurance and Audits

The quality of the provision will be monitored and managed through the College Quality Assurance processes and procedures in order to fully encompass all supply chain / sub-contracted 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 / sub-contracted 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 / sub-contracted partner for review and consideration prior to the agreement of any contract.

This policy will be discussed at supply chain / sub-contracted partner meetings.

Any proposed changes to this policy will be circulated to supply chain / sub-contracted 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 / sub-contracted partners fees and charges (paid for the latest complete academic year) on its website.

**Fees and Charges 2020/2021**

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 / sub-contracted partner will be determined by:

- The level of support needed by the supply chain / sub-contracted partner in relation to the services provided by the College.
- The funding required by the supply chain / sub-contracted 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 / sub-contracted partners.

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 / sub-contracted 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
- 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 contracts maximum contract value
- Payments will be made to supply chain / sub-contracted 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:  

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## Document Management:

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