

Supply Chain Fees and Charges Policy 2020/21**1. SCOPE**

- 1.1. This policy statement details how Richmond & Hillcroft Adult & Community College will apply fees and charges to contracts with organisations subcontracted to deliver training on the College's behalf.
- 1.2. This policy is published in line with the requirements of the Education and Skills Funding Agency, the College's principal funding body.
- 1.3. In compliance with the ESFA funding rules, the College will publish its subcontracting fees and charges policy and actual end of year subcontracting fees and charges on its website within 30 days of the close of the ILR for the contract year.

2. DISCLAIMER

- 2.1. The College reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its standard contract for subcontracted provision.

3. POLICY DETAILS**3.1. Reasons for Subcontracting**

- 3.1.1. The College engages with sub-contractors to complement its own provision and to support the strategic objectives of the College. Reasons include, to:
 - a) Deliver provision in which the sub-contractor has specialist expertise, so ensuring a high quality of teaching and learning.
 - b) Ensure cost effectiveness of programme delivery where there is an identified need and it is not viable for the College to develop in-house resources and expertise.
 - c) Respond flexibly to government priorities, changing market demands and emerging opportunities.
 - d) Widen the range of progression opportunities for learners, both from subcontractors to the College's programmes and vice versa.
 - e) Provide development opportunities for both the College and its subcontractors, to share good practice and new ways of working.
 - f) Provide access to, or engagement with, a new range of learners and meet the needs of local communities.

Owner:	Director of Finance & Resources	Approved by:	Board
Review interval:	Annual	Approved on:	16 July 2020
Date of next Review:	July 2021	Post to website:	Yes

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3.2 Selection and Appointment of Subcontractors

3.2.1 In selecting our partners we will consider the following;

- Reputation – including referral from other providers or employers;
- Specialism – particularly in niche provision areas;
- Geographic location;
- Quality Measures – including previous recruitment, retention and success rates, Ofsted rating etc;
- Finance – with reference to credit checks and other due diligence work.

3.2.2 Subcontractors will supply the College with all relevant information requested to protect learners and to ensure the subcontractor is a legally, financially and educationally sound organisation, prior to any contract being signed.

3.3 The College's Contribution to Improving the Quality of Teaching and Learning

3.3.1 The College ensures that subcontractors are included in the College's annual quality cycle and engages in regular review and feedback processes to ensure that College targets are being met.

3.3.2 Subcontractors contribute to the College's Self-Assessment Review and Quality Improvement Plan. Any actions arising are addressed in cooperation between the College and the subcontractor.

3.3.3 Subcontractors are expected to hold course centre approvals in their own right and fully liaise with awarding bodies. The College will regularly review external moderator reports submitted by subcontractors and monitor any follow up required.

3.3.4 The College regularly validates the outcomes of subcontractors' own quality monitoring processes

3.4 Fees Retained by the College

3.4.1. The management fee retained by the College is calculated as a percentage of the total contract value agreed with the subcontractor.

3.4.2. The typical range of fees retained by the College to manage Subcontractors is 15-20%, representing the cost of support by the College to the subcontractor as set out in section 3.5.

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- 3.4.3. The management fee is calculated using risk assessment of the following factors:
- Track record of the subcontractor with regard to meeting success and funding targets.
 - Length and history of previous contract relationship with the College.
 - Financial standing of the subcontractor
 - Anticipated demands of the contract on the College's resources.
 - Contract size with regard to both funding and learner numbers.
- 3.4.4. The management fee is negotiated and reviewed with subcontractors and the final fee is agreed by both parties.

3.5 Support for Subcontractors

- 3.5.1. In return for the management fee charged by the College, subcontractors will receive:
- Advice and guidance at pre-contract stage.
 - Regular review meetings with progress and monitoring reports.
 - Regular monitoring visits with feedback identifying good practice and areas for improvement.
 - Enrolment and audit compliance advice.
 - Ongoing administration support including in-depth checks of evidence submitted and regular feedback on issues identified.
 - Input of enrolment documentation submitted.
 - Submissions of data to funding organisations.
 - Regular financial reports to inform invoicing.
 - Ongoing data checks and support to resolve data queries.
 - Ongoing support to address any areas for improvement.

3.6 Reason for Differences in Fees Charged

- 3.6.1. Fees charged to individual providers may differ depending on the calculation of management fee as specified in 3.4.

3.7 Payment Terms Between the College and its Subcontractors

- 3.7.1. Payments to subcontractors in respect of AEB funded provision are calculated on a monthly basis, taking into account funding generated to date, the management fee and payments to date.
- 3.7.2. Payment calculations are based on actual funding generated for each month.

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3.7.3. For any funding to be generated for a given month, subcontractors are required to submit enrolment and achievement evidence by a certain cut-off date. This is to ensure that the data is processed by the College in time for the monthly ILR return and the subsequent funding calculation.

Payments to sub-contractors in respect of Adult Community Learning (ACL) will be made accordance with the profile agreed in the contract.

3.7.4. After each month end, the College will send monthly funding schedules to subcontractors, confirming the invoice amount.

3.7.5. Invoices are payable 30 days from the date of issue.

3.7.6. Full details of payment arrangements for each individual contract are included in each subcontractor's contract. These include the detailed schedule for evidence submission and monthly financials deadlines, with specific dates for each month.

4. POLICY DISSEMINATION

4.1.1. This policy will be disseminated to current subcontracts via email and a website link.

4.1.2. All potential subcontractors will be made aware of the policy as part of the PQQ and tendering process.

5. POLICY REVIEW

5.1.1. This policy will be reviewed at least annually and in addition in-year as needed to reflect any changes in ESFA funding rules.

5.1.2. Any changes to this policy that are required mid-contract will be discussed with subcontractors.

6. POLICY PUBLICATION

6.1.1. This policy will be published on the College's external website.



Principal



Chair of Governors

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