

Partnership & Projects Policy

Supply Chain / Subcontractor Fees & Charges Policy

<i>Reference and Version number</i>	<i>Supply Chain / Subcontractor Fees & Charges Policy V2.2025</i>
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<i>Designated Owner</i>	<i>VP Enterprise & Innovation</i>
<i>Approving body</i>	<ul style="list-style-type: none"> • <i>Policy and Procedure Panel</i> • <i>SLT</i> • <i>Governors</i>
<i>Date Approved including Impact Assessment</i>	<i>March 2025</i>
<i>Linked policies and procedures</i>	<ul style="list-style-type: none"> • <i>Finance Regulations</i> • <i>Subcontracting Procedure – Contract Management Manual</i> • <i>Subcontracting Reduction Plan</i> • <i>Subcontracting Risk Management and Contingency Plan</i>
<i>Date of next review</i>	<i>March 2026</i>

1. Introduction

1.1 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.

2. Context

2.1 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 2025 – 2026 Academic Year (1st August 2025 to 31 July 2026)

3. Overarching Principle

3.1 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 Accountability Agreement and Local Needs Duty.

- 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.

4. Rationale for use of Supply Chain / Subcontracting Partners

4.1 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.

4.2 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 Accountability Agreement and Local Needs Duty.
- Expand provision on a temporary basis to meet a short-term need that cannot be met by use of its own resources.
- 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.

5. Support Services Offered to Supply Chain / Subcontracted Partners

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

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

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

- Pre-contract Engagement
- Contracting Control and Monitoring
- Performance Reviews
- Management of the ILR
- Policy Watch and Awareness Raising
- Observation of Teaching, Learning and Assessment

- Training
- Financial and Quality Assurance Audits
- Surveys of Learner Voice
- Self-Assessment /QIP Advice and Moderation
- Complaints Support and Investigation
- Health & Safety, Equality & Diversity, Safeguarding and Prevent support
- Legal and Financial Compliance
- Marketing

5.4 Associated costs that are proportionate and reasonable are determined following completion of pre-qualification / 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

6. Quality Assurance and Audits

- 6.1 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.
- 6.2 Quality audits and observations will be completed in line with the Contract Management Plan to ensure that Quality Assurance processes are in place for supply chain / subcontracted partner provision.
- 6.3 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.

7. Policy Communication

- 7.1 This policy is available to each supply chain / subcontracted partner for review and consideration prior to the agreement of any contract.
- 7.2 This policy will be discussed at supply chain / subcontracted partner meetings.

8. Policy Review

- 8.1 This policy will be reviewed in accordance with ESFA / GLA Funding Rules; this policy will be reviewed and updated at least annually.
- 8.2 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.

9. Policy Publication

- 9.1 This policy will be published on the College website prior to the start of the academic year within which it will be applied.
- 9.2 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.

10. Fees and Charges 2025/2026

- 10.1 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, explanation will be provided to the funding body if requested. 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.
- 10.2 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 (of which 5% is for training) and 30% of the fee for administrative functions.
- 10.3 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.
- 10.4 In the case that performance falls below contractual requirements, the College reserves the right to seek repayment of funds as set out within the formal contractual agreement. The College does not automatically retain any funds to cover potential clawback however this remains an option based on individual performance.

11. Payment Terms

- 11.1 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

A handwritten signature in black ink, appearing to read 'Tony Medhurst', with a long horizontal line extending from the end of the signature.

Name: Tony Medhurst