



Sub-Contracting Fees and Charges Policy 2016/17

This policy and material referenced in it is available in audio, Braille, other languages and formats as requested. Please ask for assistance from a member of staff in the Learner Experience Centre.

Purpose

The purpose of this Policy is to set out the clear approach to Sub-Contracting Fees in line with Funding Agency regulations and College Strategies for sub-contracted provision

Scope

This policy is a mandatory requirement which must be in place prior to the College participating in any sub-contracting activity which is funded by the Skills Funding Agency (SFA) and/or the Education Funding Agency (EFA). This policy applies to all sub-contracting activity supported with funds supplied by the SFA, the EFA or any successor organisations.

The policy is effective from 1 August 2016. The content of this policy has been developed in line with the AoC/AELP Common Accord, the SFA funding rules. This Policy is published on the Mid Cheshire College Website and is reviewed on an annual basis.

Objectives

The College is committed to being the provider of choice for all employer engagement and work-related training. The College has taken the strategic decision to work with high quality sub-contractors to complement the existing provision offered by Mid Cheshire College in order to respond to emerging opportunities and meet the needs of learners and employers across a broad range of sectors.

The College will ensure that:-

- contracting activities comply with the principles of best practice in the skills sector
- robust due diligence procedures on potential sub-contractors are in place to ensure compliance with the Common Accord at all levels and provision of the highest quality of learning delivery
- there is a legally binding agreement in place with all sub-contractors
- Sub-contractors demonstrate value for money and a positive impact on learners and employers.
- the funding which is retained by the College will correlate to the costs of the services provided. These services, and the levels of funding being retained by the College, will be clearly documented and agreed with the sub-contractors as being justifiable and reasonable in the circumstances.

Intended Outcomes

The College engages with sub-contractors in order to better meet the needs of learners and employers.

Reasons are varied but could include, and are not limited to:-

- temporary expansion of the provision to meet a short-term need;
- test the market appetite in potential new sectors for delivery prior to in house investment in resources;
- Maximise funding agreements

The Director of Business Development & Partnerships is responsible for ensuring that high quality provision is delivered by all sub-contractors and has ultimate responsibility for monitoring the quality of this provision.

The College's quality assurance procedures and processes apply to all sub-contracting activities.

The College will support, develop and share good practice with all sub-contractors in order to secure continuous improvement through quality reviews, compliance visits, monitoring meetings, observations of teaching and learning and learner and employer feedback.

Management Fees;

The College's management fee will typically vary between 15% and 30% of all funding received for the provision to be delivered.

The agreed management fee will be dependent upon the activities being undertaken and the level of support required in order to maintain provision of the highest quality.

Target learner numbers, previous experience, success rates and the level of risk determined by the due diligence process will also be taken into consideration when determining the management fee.

The management fee represents the cost which the College incurs in effectively identifying, selecting and managing all of its sub-contracted provision. The fee also represents the support given to the sub-contractor by Mid Cheshire College to ensure that learners have the optimum chance of success and all funding is claimed and compliant within the rules laid out by the Funding Agencies

Payments due to the sub-contractor will be calculated on a monthly basis following the Individual Learner Record (ILR) upload and receipt of the Provider Financial Report (PFR). Payment will be made to the sub-contractor in accordance with the contractual arrangements.

Data regarding the actual level of funding paid and retained for each sub-contractor will be made available according to the SFA's and/or EFA requirements.

The maximum tolerance level of sub-contract activity as a percentage of the overall College funded activity is 10%.

Carole Timperley
Director of Business Development & Partnerships
June 2016

Equality/Safeguarding Impact Assessment of: Sub-Contracting Fees and Charges Policy

Who are the Key Stakeholders:

SFA
Sub contractors

Identify source of stakeholder views:

Guidance issued by SFA
Subcontractors provided with information prior to commencement of contract

Summarise key messages from stakeholders:

There is nothing that is not contained within the formal guidance

What is the impact on the following:

Have any additional safeguarding risks been identified?

Key characteristics	Comments
Age	None
Disability	None
Gender	None
Racial group	None
Religion or belief	None
Sexual orientation	None
Gender re-assignment	None
Pregnancy and maternity	None

Is a separate Safeguarding Risk Assessment required No
if yes please complete form SR1 Record of Safeguarding Risk Assessment

No major change needed: **NO**
Adjustment required: **NO**
Stop and remove: **NO**

Actions to be addressed: None

Validated by the Equality & Diversity Management Group Date: