

# **Subcontractor Fees & Charges Policy 2023 / 2024**

Policy/Procedure Title	Subcontractor Fees and Charges Policy
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## **1. Scope**

This policy applies to all subcontracting activity supported with funds supplied by the Education and Skills Funding Agency (ESFA), or any successor organisations. This policy was previously called the Supply-chain Fees and Charges Policy.

## **2. Context**

The Corporation Board and the Accounting Officer (senior responsible person) must be satisfied that all subcontracting undertaken by the College meets its strategic aims and enhances the quality of the offer to learners.

The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential and existing subcontractors to ensure compliance with the AELP / AoC Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.

Subcontracting work must meet the requirements laid out in relation to subcontracting in the latest versions of the relevant ESFA funding documents.

## **3. Rationale for subcontracting**

The College engages with subcontractors in order to better meet customer needs and to do the following:

- 3.1 To work with providers who effectively reach priority learners in the community and who can demonstrate positive employment outcomes.
- 3.2 To provide access to, or engagement with, a new range of customers.
- 3.3 To support another provider to develop capacity/quality.
- 3.4 To provide niche delivery where the cost of developing direct delivery would be unsustainable.

The rationale for subcontracting a particular piece of work is outlined in the contract provided to each subcontractor.

## **4. Subcontractor Fees**

The College retains a management fee which covers a proportion of the direct costs associated with operating and quality assuring subcontract provision and which provides a contribution towards indirect costs such as finance, student support, IT and other curriculum support costs.

Subcontractors who have maintained a long term relationship with Abingdon and Witney College of delivering high quality provision may be charged a fee of 15% or for Apprenticeship subcontracting any fees will be in accordance with the Apprenticeship Funding Guidelines.

The management fee for new subcontract partnerships will be set at 20% in order to reflect the additional time and resources required to set up and monitor a new partnership. A higher rate may be charged on an exceptional basis with the specific approval of the Finance Director.

The subcontractor fee covers the following specific costs incurred by the college:

- 4.1 15% of gross contract value

Services provided by the College:

- Preparation of all subcontract documentation and processes (4%)
- Provision of funding guidance and support relating to eligibility of learners and provision (1%)
- Course set-up in College system (2%)
- Preparation of funding submissions from subcontract hardcopy / electronic data (3%)
- Design and provision of templates to capture learner data (1%)
- Quality framework, including support for improving the quality of teaching, learning and assessment (as detailed below in section 6) (4%)

#### 4.2 20% of gross contract value

Services provided by the College:

- As above (15%)
- Additional support required in preparation of funding submissions from subcontractor hardcopy data (2.5%)
- Additional support required in respect of contract or curriculum management generally (2.5%)

This list of specific charges outlined above is reviewed each year by the senior management team to determine whether it is reasonable and proportionate. Careful consideration will be given to whether these charges contribute positively to an improvement in the quality of teaching and learning delivered by the subcontractor. Changes will be made if required.

These specific costs are included in the contract issued to each subcontractor and are discussed during the first contract management meeting to ensure that the subcontractor agrees that the costs are reasonable and proportionate and understands how they contribute to delivering high quality learning.

## 5. Payment Terms

The College will make payment to the subcontractor within 30 days of the date of an invoice which incorporates a valid claim for payment, such claim being the part of the price due to the subcontractor for each programme or fraction of a programme completed in the preceding payment period.

## 6. Support Provided to Subcontractors

The College is fully committed to working with providers who are able to provide subcontracted delivery of the highest quality. We work closely with our subcontractors to improve the quality of their teaching and learning where necessary. This supports includes:

- Regular visits to the subcontractors, and a structured contract management process
- Provision of curriculum planning advice and funding updates.
- Observation, and joint observation, of learning activities with feedback provided
- Training sessions, including observation training

## 7. Communication of the Subcontractor Fees & Charges Policy

The Subcontractor Fees & Charges Policy is published on the College website at [www.abingdon-witney.ac.uk](http://www.abingdon-witney.ac.uk) and is sent to all subcontractors. The policy will be discussed with potential subcontractors during the due diligence process. The policy is discussed with current subcontractors during the first contract management meeting of the academic year.

## **8. Reporting**

An annual report will be presented to the Audit Committee and the Board detailing what subcontracting has taken place for the previous year and what is expected to be subcontracted in the forthcoming year.. An annual internal audit report confirming the College's compliance to the funding rules will be presented to the Audit Committee annually.

## **9. Policy Review**

The Subcontractor Fees & Charges Policy is reviewed and updated annually.