

## SUBCONTRACTOR FEES POLICY 2023/24

### 1 Introduction

This Policy covers all supply-chain fees and charges applicable to subcontractors, set by East Surrey College Corporation for 2023/24.

### 2 Scope

This Policy applies to all courses offered by subcontractors of the College, as listed on the 'Declaration of Subcontractors'.

### 3 Responsibility for implementation

The Corporation is required to agree the subcontractor fees policy for the College as part of their responsibilities for the College's educational character. The Chief Operating Officer is responsible for providing adequate advice as the basis for the setting of fees, course costing and other related issues.

### 4 Policy Objectives

#### 4.1 Our reasoning for subcontracting

The College subcontracts for one or more of the following reasons:

- To build capacity
- To engage with new markets
- To ensure greater cost efficiency
- To maintain the delivery of niche provision

The key principles of selecting a sub-contracting partner are, whether they:

- Fit with the strategic objectives of the College
- Bring positive local community benefits / widening participation (attracting learners who would not normally go to a FE college)
- Add value to the work the College does
- Complement but not compete with the existing product portfolio of the College
- Are aligned to key sectors that the College or Government has prioritised
- Provide an outstanding experience to students
- Have a track record of achieving excellent outcomes and progressions
- Meet local employer and industry needs
- Are willing to engage in a mutually supportive relationship built on trust and respect
- Have reputation and standing in the sector / market
- Comply with WTO regulations (GPA) where applicable

*The College ensures the subcontractor's quality of teaching and learning is in line with good practice and the Quality standards set by the Education and Skills Funding Agency (ESFA) in their contract with the College*

This policy ensures that there is openness and transparency in the fees and charges relating to subcontractors, so that when entering into a subcontracting relationship the potential partner is aware of the support services provided within the education delivery monitoring charge. This allows the subcontractor to work with the College to deliver the quality of teaching and learning.

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Specific measures the College implements to ensure improving quality of teaching and learning include having sight of any EV and EQA reports and related actions plans; graded lesson observations with course tutors and assessors; quality assurance monitoring visits to check course files, scheme of work etc. All subcontractors receive an extract from the College's Quality Improvement Framework document.

### *4.2 Fees and Payments*

Fees are retained in line with the costs incurred by the College to ensure the subcontractor meets the standards as described above. These are normally set at 20% of the contract value. The College as the principal contract holder carries the full responsibility of ensuring the terms of its contract with the ESFA are met. To this end the College provides the following services to its subcontractors

1. Annual contract review and planning meetings
2. Monitoring meetings (at least once a term) (4%)
3. MIS and Quality audits of subcontractor delivery (4%)
4. Access to the Colleges OTLA (Observation, Teaching, Learning, Assessment) Programme (3%)
5. Ensuring funding compliance and recording of all data in the ILR (2%)
6. Annual audits carried out by the College Internal auditors to ensure independent checks of point 3 above (2%)
7. Training and support on administrative process, systems and paperwork (3%)
8. Timely records, payments, invoicing arrangements
9. Single point of contact for queries
10. Access to Prevent / Safeguarding / Equality & Diversity training and materials (2%)

Additional Charges apply for:

1. Exam registration
2. Internal Verification services
3. Liaison with External Verification
4. Exam centre registration
5. Purchase of resources
6. Additional checks on destination or progression of students

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.

All partners will have a standard 'Invoice Profile' prepared as part of the contract, detailing the payment amounts, payment dates, invoicing requirements and how to deal with disputed invoices.

### *4.3 Payment Terms*

All invoices submitted by a sub-contractor must be supported by documentation as required in the contract. Where there are no issues relating to a sub-contractor's submitted invoice, the College will endeavour to ensure that the payment of the invoice is made within 30 days of receipt. The College may undertake a clawback of funding for under delivery or other reasons

### *4.4 How and when the policy is communicated to and discussed with current and potential subcontractors*

The subcontractor fees policy is included in the Subcontractor Handbook which is provided to all subcontractors following the due diligence process. The policy is available on the College's website and all subcontractors are made aware of this at the planning meetings.

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### **5 References**

- OSC32 Financial Regulations
- OSC38 Fees Policy
- Education and Skills Funding Agency 'Funding Rules 2023-24

### **6 Access to Policy**

This Policy is available on the College website.

### **7 Mechanisms for Feedback**

Constructive comments on the continued improvement of this Policy are welcomed and should be forwarded to the Chief Operating Officer.

### **8 Training and Guidance**

Questions about this policy and/or procedure, and requests for training, guidance or information on this policy and/or procedure should be directed to the HR Team.

### **9 Further information**

None

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|--------------------------------|---------------------------------|---------------------------|
| <b>10 Produced/updated by:</b> | Chief Operating Officer         | <b>Date:</b> June 2023    |
| <b>11 Approved by:</b>         | Executive                       | <b>Date:</b> June 2023    |
| <b>12 Reviewed by:</b>         | Finance and Resources Committee | <b>Date:</b> 19 June 2023 |
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