

## SOUTH DEVON COLLEGE

### SUB-CONTRACTING (FEES & CHARGES) POLICY 2016/17 P31



#### Document control

| Version | Date     | Author(s)         | Notes on Revisions               |
|---------|----------|-------------------|----------------------------------|
| 1.0     | 14/11/16 | Richard Stratford | Update for 2016/17 academic year |
|         |          |                   |                                  |

| Owner             | SMT Lead        | Author            | Frequency of review | Next review date | Approval Committee  | Next approval Committee Date | Date of last EIA |
|-------------------|-----------------|-------------------|---------------------|------------------|---------------------|------------------------------|------------------|
| Richard Stratford | Laurence Frewin | Richard Stratford | Annual              | 31/7/17          | Resources Committee | 22/11/16                     | 18/11/16         |
|                   |                 |                   |                     |                  |                     |                              |                  |

## 1. PURPOSE AND SCOPE

- 1.1 This policy applies to current and prospective subcontract partners of South Devon College and sets out the approach to fees and charges for subcontracted provision delivered on behalf of South Devon College by third parties.

## 2. DEFINITIONS

- 2.1 A subcontractor is defined as a separate legal entity that has an agreement with the College to deliver any element of the education and training for which we draw funding from the SFA. A separate legal entity includes any companies owned by the College or part of a College group, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under our direction and control, in the same way as our own employees.

## 3. DUTIES OF THE COLLEGE

- 3.1 The College recognises that it has a duty to select and manage its subcontractors in line with the local demand and according to the principles set out in the Skills Funding Agency: common and performance management funding rules 2016/17.

## 4. STATUTORY FRAMEWORK/PRINCIPLES

- 4.1 This policy responds to the requirements set out in the Skills Funding Agency: common and performance management funding rules 2016/17.

## 5. PROCEDURES/POLICY IMPLEMENTATION

### 5.1 Overarching Principle

The College engages with sub-contractors to better meet customer needs. Reasons are varied but may include:

- To temporarily expand provision to meet a short term local need.
- To provide immediate provision whilst expanding direct capacity.
- Providing access to, or engagement with, a new range of customers.
- To ensure delivery intention is met where there is a recognised risk in direct provision
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement

### 5.2 Quality Assurance

Sub contracted activity is a fundamental part of the College's provision. The quality of the provision will be monitored and managed through the existing College QA processes and procedures, as amended in order to fully encompass all sub contracted activity. This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching and learning for both the college and its subcontractor's. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

### 5.3 Fees and Charges 2016/17

Standard college management fee is 15% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision. This includes the minimum amount of QA activity that the College would attach to the lowest possible risk sub-contractor.

Further charges to cover additional costs may be added to the base 15% fee to cover the cost to the College of any additional support that the College deems necessary to ensure the quality of teaching and learning and the success rates of any sub contracted provision. Additional cost is determined on a case by case basis through the due diligence process and negotiation with sub-contractors. Where delivery is shared between the College and a sub-contractor, these principles are applied to the element of the programme that the sub-contractor is delivering.

### 5.4 Additional Support for Sub Contractors

The precise additional support given to each sub-contractor will be negotiated with that sub-contractor, but will be based on a 'risk based' approach and may include:

- Additional site visits
- Additional lesson observation
- Additional tutor support
- More rigorous verification

### 5.5 Additional charges per learner

The College may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the College
- Internal Verification

#### 5.6 Payment terms

The College will provide a statement within 15 days of an ILR return being confirmed, which will confirm learners in scope for payment and request an invoice form subcontractors. The College then undertakes to make payment to subcontractors within 30 days of receiving an invoice pertaining to the previous ILR return. Depending on activity being delivered, this payment schedule may be monthly or quarterly.

### 6. RELATED POLICIES AND DOCUMENTATION

6.1 This policy should be read in conjunction with other College policies relating to the delivery of training.

### 7. STATEMENT OF THE COLLEGE'S APPROACH TO THE ENVIRONMENT AND TO SUSTAINABILITY

The College affirms its commitment to integrate sustainable and eco-friendly policies and practices into all its activities by operating in a manner that promotes energy and materials conservation and waste reduction. We also commit to encouraging others with whom we do business to analyse, reduce and manage their own environmental impacts and risks where possible.

### 8. MONITORING AND REVIEW OF POLICY

8.1 This policy is available for all current and prospective subcontractors on the South Devon College website. It is reviewed on an annual basis.

| Approved by                  | Signature | Date |
|------------------------------|-----------|------|
| Author:                      |           |      |
| Owner:                       |           |      |
| Chair of Approval Committee: |           |      |
| Next Review due              |           |      |

### 9. APPENDICES

9.1 Supply Chain Fees and Charges for 2015-16 Academic Year

| Subcontractor name                               | Subcontractor UKPRN | Contract start date | Contract end date | Type of provision                             | Funding paid to South Devon College | Funding paid to subcontractor | Funding retained by South Devon College | Funding subcontractor paid to South Devon College for support provided |
|--|---------------------|---------------------|-------------------|---|-------------------------------------|-------------------------------|---|--|
| South Devon Healthcare NHS Foundation Trust      | 10030557            | 01/08/2015          | 31/07/2016        | 19+ apprenticeships (shared delivery)         | £52,581.89                          | £34,178.23                    | £18,403.66                              | £0.00  |
| Plymouth Hospitals National Health Service Trust | 10030285            | 01/08/2015          | 31/07/2016        | Classroom learning                            | £14,513.19                          | £11,610.55                    | £2,902.64                               | £0.00  |
| The Construction Skills People                   | 10030802            | 01/08/2015          | 31/07/2016        | Workplace learning                            | £25,084.02                          | £20,000.00                    | £5,084.02                               | £0.00  |
| Centrax Turbine Components Ltd                   | 10031823            | 01/08/2015          | 31/07/2016        | 16-18 & 19+ apprenticeships (shared delivery) | £19,485.49                          | £11,000.00                    | £8,485.49                               | £0.00  |
| Gershwins Hairdressing Ltd                       | 10049147            | 01/08/2015          | 31/07/2016        | 16-18 apprenticeships (shared delivery)       | £17,923.39                          | £12,546.37                    | £5,377.02                               | £0.00  |
| Construction Training South West Ltd             | 10040208            | 01/08/2015          | 31/07/2016        | 16-18 & 19+ apprenticeships                   | £3,336.36                           | £2,669.09                     | £667.27                                 | £0.00  |