

Subcontracting & Fees policy

1. Introduction

When able to and appropriate to do so, City College Southampton will subcontract work to other providers to deliver training services. This is done to offer specialist training in areas that the College's does not have expertise in, or to reach learners who might not be able to benefit from training opportunities otherwise.

This policy is intended to:

- Ensure the strategic vision and quality standards of the College are met by subcontracts
- To ensure that learners have a high quality experience
- To ensure value for money is achieved for all government funding
- limit the risk involved in managing sub-contracted provision

2. Scope of this policy

This policy applies to all staff who work for City College Southampton, regardless of position and contract status. This policy covers all subcontracted provision within City College Southampton. It is to be used to ensure consistency of approach when working with sub-contractors.

3. Principles of subcontracting

Only those organisations which are able to complement existing college provision will be invited to hold a subcontract

All sub contracted provision will meet current Education and Skills Funding Agency (ESFA) funding rules.

Initial due diligence checks form an essential part of the contracting process, along with annual reviews.

Each subcontractor will be required to abide by relevant City College Southampton policies and procedures.

If for any reason a subcontractor of City College Southampton cannot fulfil its training commitments, the College will make every effort to ensure that learners are able to complete their qualifications or training either with the College or with another provider.

Subcontracting performance is effectively monitored by the Senior Management Team.

4. Financial Principles

All subcontracts entered into by City College Southampton will be signed for by the Principal. The annual contract document will set out the maximum amount of funding available to each subcontractor.

Any contract proposing to award more than £100,000 to a single subcontractor has to be approved by the College Board.

Any change to a subcontractor's agreement which means that their funding in one year would exceed £100,000, has to be approved by the College Board.

No subcontractor will be given access to funding until due diligence has been completed and a contract of agreement has been signed by the Principal of City College Southampton and a senior representative of the subcontracting organisation.

Each subcontractor will receive sufficient funding to cover the duration of the programme for each enrolled learner.

5. Support from the College

The precise support provided by the College will be negotiated with the subcontractor and will include:

- Advice and guidance at the pre-contract stage
- Site visits
- Observations of teaching, learning and assessment
- Tutor support
- Observation of information, advice & guidance, enrolment and examination sessions
- Participation in IAG and enrolment sessions

- Support with funding rules compliance
- Regular financial reports to support invoicing
- Ongoing support to address any areas for improvement
- In depth check of evidence submitted and regular feedback on issues identified
- Input of enrolment documentation
- Regular review meetings
- Providing regular progress and success rates reports

6. Subcontract Fees Policy

The typical percentage of retained fees for contracts with subcontractors is 20%. This will fund the administration, the leadership and management time to ensure quality is delivered and to improve the provision if required. The college will also deduct any costs associated with delivery of any education to the learners.

At the beginning of each month, the College submits an Individualised Learner Record file to the ESFA. This return is the basis on which the subcontractor payment values are calculated. Subcontract partners are advised of the payment value after submission of the ILR return with invoices being submitted to the College. Invoices will be paid within 30 days of the invoice date.

The payments to the contractor will be based upon the following:-

Actual monthly College subcontract provision earnings per ILR return	X
Less the retained fee of 20% and any cost of the college delivering learning	<u>(X)</u>
Balance payable to the subcontractor	X

The ESFA retain 20% of funding until the learning aim has been successfully achieved, and this is reflected in the payment methodology outlined above. Learner achievement will be claimed once all necessary evidence and paperwork has been submitted to college.

7. Status of this Policy

This policy was re-approved by the College Board in July 2016 and supersedes all previous policies and versions. The operation of this policy/procedure will be kept under review by the Vice Principal Finance & Resources.

This policy/procedure has been impact assessed to ensure that it does not adversely affect sub-contractors or their staff on the grounds of their disability, gender or race.

Approved by: City College Board

Date first approved: October 2015

Date last reviewed: July 2021

Date of next review: July 2023