

# Supply chain and subcontractor fees policy

## Introduction

Harrow College is committed to working with high quality subcontracted partner organisations that provide training which will support national, regional and local economic development.

The partner organisation must be able to demonstrate the ability to deliver high quality training and education and that they have a strong financial standing.

## Scope

Harrow College aims to deliver vocational learning and training provision within its vicinity that meets both student and employer needs. Where the College is not currently able, and is not in a position to readily develop the ability to deliver such provision in-house, it will seek reliable partners to whom the College can sub-contract the delivery of this provision, with the College providing the support and oversight required to ensure that the provision delivered is of high quality.

This fees policy applies to Provision Subcontracting where the College subcontracts the delivery of full programmes or frameworks with Harrow College retaining full responsibility for contract delivery.

This policy outlines the College's subcontracting fees and charges policy for the 2016/17 academic year and applies to all subcontracted partner arrangements. It sets out how the College will apply fees and charges to contracts with organisations subcontracted to deliver training and education on the College's behalf.

This policy is published in line with Skills Funding Agency requirements stated in the Funding Rules 2016-17 and the Education Funding Agency Funding Regulations for Post 16 Provision.

## Rationale

The College is committed to provide high quality education and training to meet both local and national skills priorities. The College recognises that in order to provide such services subcontracting and partnership working is essential. The main reasons for subcontracting are:

- to build capacity;
- to deliver training in skills priority areas;
- to offer niche provision through specialist providers;
- to engage with new markets;
- to ensure greater cost efficiency;
- to provide cost effective provision that meets demand.

We work with a range of sub-contracted partners who share our values of quality provision putting the student at the centre of all that we do. All sub-contractors will undergo a comprehensive Due Diligence process prior to any delivery. Providers are selected based on the type of provision delivered, their location to ensure national coverage whilst effectively responding to the employer and student demand plus reflecting local skills priorities. Our selection helps to provide greater choice for students and maintain the delivery of niche provision.

The College will ensure that the subcontractor:

- delivers a high quality service;
- will not further subcontract provision to other colleges or training organisations;
- employs high calibre staff to deliver to students and informs the College if these staff change;
- complies with the College's policies and procedures;
- complies with the law e.g. Health and Safety, Data Protection, Equality and Diversity;
- has been risk assessed;
- is registered with the UK Register of Learning Providers;
- is aware of the clear lines of responsibility and understands the consequences of any breach of contract.

Subcontractors will participate in:

- safeguarding students;
- equality and diversity;
- regular unannounced quality assurance checks;
- short notice audit visits;
- observations of teaching and learning;
- performance review meetings;
- Learner satisfaction surveys.

## **The policy's contribution to improving our and our subcontractor's quality of teaching and learning**

The quality of the provision will be monitored and managed through our existing quality Improvement processes. The Harrow College Self-Assessment Report process will ensure continuous improvement in the quality of teaching and learning, allowing good practice to be shared across the supply chain.

Specific measures the College implements to ensure improving quality of teaching and learning include having sight of any EQA reports and related actions plans. This will also include lesson observations with course tutors and assessors, quality assurance monitoring visits to check course files, scheme of work etc.

We will support, develop and share good practice through quality reviews, operational meetings, observations of teaching and learning and student and employer feedback.

## **Subcontracting Charges and Fees**

For all funded provision, we pay the full value allocated by the funding body, including any uplifts applied less the agreed management fee. Our management fees are determined by risk factors identified through our Due Diligence process which will identify an "approval" level based on the approval level. Through discussion or negotiation we will agree the contract content and value, in line with our Subcontractor Policy.

New sub-contract provision will be subject to higher management fees during the first delivery year, though close monitoring management fees will be adjusted subject to quality of delivery and contract performance.

Based on a risk banded scale the management fees retained by the College will range from

between 10% and 20%.

The management fee will be agreed before the contract is confirmed with the subcontractor and will be subject to review and negotiation dependent on performance, risk and delivery model.

## **What our Management Fees Cover**

- Course set up
- Enrolment input and compliance checks of documentation
- Course file monitoring (quality)
- Account with online portfolio management
- Monthly review data in relation to retention, progression and achievement
- Updates in relation to funding, provision and curriculum planning
- Observation of Teaching & Learning
- Monthly updates and quarterly contract review meetings
- Access to training and CPD undertaken by Harrow College staff
- Information Advice and Guidance for students from a Matrix accredited team
- Lead provider for bids
- Opportunities for lead generation and joint marketing
- Assistance with self-assessment reports
- Health & Safety Consultant support
- Safeguarding training & support
- Student evaluation collation and summary
- Assessments/audits

## **Payment Terms**

Payments will be made in proportion to the income generated, per learner, monthly in arrears in line with the College's financial procedures.

Full details of payment arrangements for each individual contract are included in each subcontractor's contract. These include the detailed schedule for evidence submission and monthly financial deadlines, with specific dates for each month.

At the end of the contract year (March 2017), subcontractors will be paid for all activity that is submitted as part the agreed monthly cut off dates. Any late notified starts, leavers and achievers will be paid after final reconciliations has taken place in October 2017 (or at the point that SFA notify contractors) once Harrow College receive payment/recovery.

Any reconciliation payments and/or recoveries would be expected to take place in November 2017 (or at the point Harrow College receive payment/recovery).

## **Publication of information relating to sub-contracting**

In compliance with Skills Funding Agency and other agency funding rules that apply,

Harrow College will publish this Sub-contracting Fees and Charges Policy as well as its actual end-of-year sub-contracting fees and charges on its website at the start of each academic year (and in the case of actual end of year data, as required by SFA).

This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of 'service subcontracting' as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local SFA Officials prior to publication.

## **Policy Review**

The Vice Principal has responsibility for ensuring that the Subcontracting Fees and Charges Policy is reviewed annually. The Vice Principal will ensure that subcontracting procedures and other such documents comply with, and are implemented in line with Skills Funding Agency requirements and best practice.

This policy will be reviewed annually in June of each year and will be supplied to any new subcontractors as part of Due Diligence; any subsequent changes will be notified to existing subcontractors as part of either the regular contract review or via separate correspondence.

## **Disclaimer**

The College reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its standard contract for subcontracted provision.