

Subcontracting Fees and Charges Policy 2023-24

Newcastle and Stafford Colleges Group (NSCG) is committed to working with high quality subcontracted partner organisations who provide training which will support national, regional and local economic development.

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

This policy applies to all subcontracted partner arrangements. It sets out how NSCG will apply fees and charges to contracts with organisations subcontracted to deliver training and education on NSCG's behalf.

This document outlines NSCG's subcontracting fees and charges policy for the 2023-24 academic year. This policy is published in line with Education & Skills Funding Agency requirements stated in the Funding Rules 2023-24, Subcontracting Funding Rules for ESFA funded post-16 funding 2023-24 and the Apprenticeship Funding and Performance-management Rules for Training Providers.

Policy Statement

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

- enhance the opportunities available to young people and adults
- fill gaps in niche or expert provision, or provide better access to training facilities
- support better geographical access for learners
- offer an entry point for disadvantaged groups

Implementation

NSCG will ensure that the subcontractor is subject to a rigorous Due Diligence process and:

- delivers a high quality service;
- will not further subcontract provision to other colleges or training organisations;
- employs high calibre staff to deliver to learners and informs NSCG if these staff change;
- complies with NSCG's policies and procedures;
- complies with the law e.g. Health and Safety, Data Protection, Equality and Diversity;
- has been risk assessed;

- is aware of the clear lines of responsibility and understands the consequences of any breach of contract

Subcontractors will participate in:

- safeguarding learners (including Prevent responsibilities)
- equality and diversity
- regular unannounced quality assurance checks
- short notice audit visits
- observation of teaching and learning
- performance meetings
- learner satisfaction surveys

Improving the Quality of Teaching and Learning

In line with our quality improvement cycle, Newcastle and Stafford Colleges Group will support, develop and share good practice through; quality reviews, compliance visits, compliance meetings, observations of teaching and learning, and learner and employer feedback.

Management Fees

NSCG will incur costs to manage the subcontracting process. These costs will be in proportion to the level of pre-contract assessment, performance management and risk management associated with the subcontracted activity. Also included in the costs are the quality assurance requirements outlined in the previous section. The quality assurance costs for subcontractors delivering out of area will be greater than those delivering locally owing to quality visits etc.

Based on a risk banded scale the average management fees retained by NSCG will range from between 17.5% and 20%. The management fee will be agreed before the contract is confirmed with the subcontractor and will be subject to review and negotiation dependant on performance, risk and delivery model.

The management fee will be split between the following activities and each subcontractor will be reviewed on an individual basis:

Management of the subcontractor – 9.25% - 11.5%
Quality assurance – 3.75% - 4%
Other support activities – 4.5%

Payment Terms and Conditions

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

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

the event of non-delivery the College will clawback any funding paid to the subcontractor.

Responsibilities and Duties

The Director of Finance & Corporate Services has responsibility for ensuring that the Subcontracting Fees and Charges Policy is reviewed annually. The Director of Finance & Corporate Services will ensure that Subcontracting procedures and other such documents comply with, and are implemented in line with Education & Skills Funding Agency requirements and best practice.

All potential subcontractors will be made aware of the policy as part of the tendering process.

Disclaimer

NSCG 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.

This policy is published on the NSCG website or may be obtained directly from the Clerk to the Corporation.