

## Subcontracting Fees & Charges Policy 2018/19

<b>Lead:</b> Jason Pepper	<b>Status:</b> Approved
<b>Version:</b> Final	<b>Date of Version:</b>
<b>Approving Body:</b> Governing Body	<b>Supersedes:</b> Subcontracting Fees & Charges Policy 2017/18
<b>Approved on:</b> 12 February 2019	<b>Next Review date:</b> February 2020

### Equality analysis tool<sup>1</sup>

1.	Is the policy relevant to the public sector equality duty?	Yes
2.	Have any concerns previously been raised about this policy or practice?	No
3.	Is likely to result in discrimination against a protected group?	No
4.	Does this policy positively contribute to the participation of under-represented groups in the College's activities?	Yes

### Version Control

Version	Date	Change(s)
2018/19	February 2019	Original Version

### Access

Location	Address/Link
Sharepoint	
Service Centre	
Document Centre	

### Communication

Medium	Audience
College website	External stakeholders. In particular the ESFA and existing and potential subcontractors.

<sup>1</sup>The Screening Template relating to the Subcontracting Fees and Charges Policy can be found on page 8 of this document.

# Sub-contracting Fees & Charges Policy

## 2018/2019

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<b>Review Cycle:</b>	Annually
<b>Next Review Date:</b>	February 2020
<b>Person Responsible:</b>	Executive Director of Finance and Resources
<b>Approving Body:</b>	Board of Governors

### 1 Introduction

1.1 This policy applies to all supply chain activity supported with funds provided by the Education & Skills Funding Agency (ESFA). It sets out a robust framework for the selection and payment of sub-contractors and delivery partners to support the College in achieving its wider strategic goals; specifically:

- To be known as a leading provider of high-quality teaching and learning, and;
- To be a major contributor to meeting the skills needs identified by local employers.

1.2 The ESFA defines a sub-contractor as an organisation that is engaged in a contractual and legally binding arrangement with a lead provider to deliver provision ultimately funded by the ESFA.

1.3 Wakefield College seeks to work with sub-contractors who:

- Can demonstrate consistent delivery of the highest quality teaching and learning.
- Can facilitate a high level of progression into employment or higher learning for our students. (We are particularly keen to work with sub-contractors that can deliver student progression onto apprenticeship, further or higher education courses at Wakefield College).
- Are financially secure and can enter a sustainable relationship with Wakefield College.
- Have robust quality assurance processes that complement those in place at Wakefield College.
- Facilitate the engagement of employers within the Wakefield District and the wider Yorkshire & Humberside region.
- Are of strategic value to the College and the Wakefield District.

1.4 This policy will be published on the Wakefield College website and must be provided to any potential subcontractor and delivery partner prior to the issue of any Provider Delivery Contract.

- 2 Contracting Arrangements
  - 2.1 All sub-contractors and delivery partners engaged by Wakefield College will be issued with a Provider Delivery Contract.
  - 2.2 The Provider Delivery Contract will set out the maximum amount of funding that is available to the subcontractor. Wakefield College will agree a fee structure with each subcontractor that recognises the full extent of the subcontracted provision.
  - 2.3 Wakefield College will agree with the subcontractor the total contract value and monthly profile amount that they are expected to achieve. Wakefield College will manage the subcontractor period allocation within the context of the whole Wakefield College prime contract and if necessary, vary the profile to meet the requirements of the ESFA funding rules and the published ESFA performance management rules that currently apply. Where a subcontractor does not achieve the contracted profile, Wakefield College may adjust the remaining profiles within the subcontractor whole contract.
  - 2.4 The standard college management fee is 15% of all funding drawn down in respect of the provision delivered by the subcontractor. This figure represents a reasonable contribution towards the cost that the College incurs in effectively identifying, selecting and managing sub-contracted provision that is determined to be low risk. This fee rate is designed to cover the appropriate amount of quality assurance activity that Wakefield College would attach to the lowest possible risk sub-contracted partner.
  - 2.5 Further charges to cover additional costs may be added to the base 15% fee to cover the cost to Wakefield 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.
  - 2.6 Additional costs will be re-negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement. This approach will allow Wakefield College to focus support where and when it is needed.
  - 2.7 Where Wakefield College is required to support a subcontractor beyond normal administration processes or deliver a part of a qualification or Apprenticeship framework an agreed fee will be charged.
  - 2.8 The subcontractor will submit an invoice to Wakefield College upon request for all learners on programme within the invoiced month. All subcontractors will be paid within 30 days of receipt of a valid invoice, properly authorised in line with Wakefield College Financial Regulations.

3 Funding Element Retained for Sub-Contractor Management:

Volume	Low Risk	Medium Risk	High Risk
Under £50,000	20%	25%	30%
£50,000 -£100,000	20%	25%	30%
Over £100,000	15%	20%	30%

4 The following activities are included in the standard contract management and covered by the retained funding element:

Activity	Number/Frequency included in standard retained funding element
<b>Pre-Contract Processes</b>	
Due diligence desk top checks	1 at set-up
Due diligence visit	1 per site, up to 3 sites
Annual due diligence	1 per year
Issuing standard sub-contract agreement	1 per year
<b>Registry &amp; MIS Processes</b>	
Issuing Wakefield College document templates and forms to be used by the subcontractor	As and when amended
Agreeing use of sub-contractor templates and forms (if at least as good as The Sheffield College documents)	1 per year
Entering learner data and amendments onto ILR	Min 12 per year
Entering attendance data and reconciling with ILR	Min 12 per year
Calculating fees due and processing payments received	Min 12 per year
Data-match checks with other main contractors with whom the subcontractor works	Various
<b>Quality Assurance Processes</b>	

<b>Activity</b>	<b>Number/Frequency included in standard retained funding element</b>
Quality assurance visits and lesson/assessor observations	Min 3 per year
SAR meetings 2 per year	2 per year
Annual survey of learners	1 per year
Annual survey of employers (if applicable)	1 per year
Annual audit of MIS data including enrolment forms and attendance records	1 per year
Review of learner documents including tracking records, reviews and ILPs	Min 3 per year
Annual review of the sub-contractor provision within the college self-assessment process and Quality Improvement Plan	1 per year
Incorporate the sub-contractor provision within the College system for all Apprenticeship programs of delivery and where applicable for AEB and Traineeships	Extract and sample data input 4 per year
Sub-contractor staff to attend college CPD activity	As agreed

- 5 The sub-contractor will incur the following charges if additional activity is required to address poor performance or reduce risk:

<b>Activity</b>	<b>Cost to sub-contractor</b>
<b>Pre-Contract Processes</b>	
Additional due diligence investigation, e.g. to investigate financial records or take additional references	£45 per hour
Produce action plan as a result of unsatisfactory due diligence checks or visits	£45 per hour
Additional due diligence visit to monitor improvements	£45 per hour
Additional due diligence visit to additional delivery locations	£45 per hour plus transport costs

Activity	Cost to sub-contractor
<b>MIS Processes</b>	
Returning enrolment forms or other documents due to incorrect completion (10% threshold)	Normally no charge but continued non-compliance will incur noncompliance letter charge
Non-compliance letter from College Business Development Manager for Sub-contracting requiring improvement	£45
<b>Quality Assurance Processes</b>	
Self-assessment report (if not produced to satisfactory standard by sub-contractor)	£45 per hour
Quality Improvement Plan (if not produced to a satisfactory standard by sub-contractor)	£45 per hour
Quality assurance – site visits	£45 per hour plus transport costs
Quality assurance – remote (desk top review)	£45 per hour
Contract Management review meetings	£45 per hour
Additional survey of learners	£250 + external survey costs
Additional survey of employers (if applicable)	£250 + external survey costs
Providing consultancy support (Head level)	£65 per hour

- 6 The following rates will apply to additional services which the college may provide for the subcontractor:

Service	Cost
Registration of learners on college centre with awarding bodies	Cost + 10%
Certification of learners from awarding body	Cost + 10%
Certification of apprentices with ACE	Cost + 10%
Internal verification	To be agreed depending on provision

<b>Service</b>	<b>Cost</b>
Providing consultancy support (Head level)	£65 per hour

## Appendix One: Screening Tool

### Public sector equality duty

The Public Sector Equality Duty requires College to have **due regard** for the need to:

- eliminate discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- advance equality of opportunity between people from different groups; this involves considering the need to:
- remove or minimise disadvantages suffered by people due to their protected characteristics;
- meet the needs of people with protected characteristics;
- encourage people with protected characteristics to participate in activities where their participation is low; and to
- foster good relations between people from different groups - this involves tackling prejudice and promoting understanding between people from different groups.

Consequently, we need to assure ourselves that our policies will not have an adverse differential impact on any particular group. This pre-screening section will enable you to identify whether your policy is likely to have an adverse differential impact.

Please use the following template to help determine whether an equality analysis is required

<b>Name of the policy: Subcontracting Fees &amp; Charges Policy 2018/19</b>
Author(s): Jason Pepper

<b>Author(s) of Equality Analysis:</b>
Name: Jason Pepper
Job title: Executive Director of Finance & Resources
Date: 12 February 2019
Signature: JP

In order to decide whether the policy requires further action, please complete the following questions:

**1. What are the main aims, purpose and outcomes of the policy?**

To set out the approach of the College to procuring subcontractors, associated contracting arrangements, and our subcontractor payment terms.

**2. Will these aims affect our duty to:**

	<b>Yes / No</b>	<b>How?</b>
advance equality of opportunity?	No	
eliminate discrimination?	No	
eliminate harassment?	No	
foster good relations between people from different groups ?	No	
tackle prejudice and promote understanding between people from different groups?	No	

**3. What aspects of the policy, including how it is delivered, or accessed, could contribute to inequality?**

The procurement of subcontracted provision will need to be managed to ensure that the College and its agents fully meets public sector equality duties.

**4. Will the policy have an impact (positive or negative) upon the experience of people, including those who share a protected characteristic?**

Please complete the following table:

Protected characteristic	Meet needs of people with this characteristic	Encourage participation (if under-represented)	Remove or minimise disadvantages	Possible negative impact
Race	X		X	
Gender	X		X	
Disability	X		X	
Religion / belief	X		X	
Sexual orientation	X		X	
Gender reassignment	X		X	
Pregnancy /maternity	X		X	
Age	X		X	
Marriage / civil partnership*	X		X	

**Evidence:**

The College has no evidence that the Subcontracting Fees & Charges policy discriminates on the basis of any of the protected characteristics listed above. The College believes that by offering potential learners with protected characteristics an alternative route to learning, its subcontracted provision may help discharge its public sector equality duties.

**6. What different needs, experiences or attitudes are particular communities or groups likely to have in relation to this policy?**

Learners that may struggle to engage with our traditional, direct delivery may find our subcontracted provision more accessible.

**Next steps**

If your answers to these questions have identified potential negative impacts, then you should consider further consultation or action to minimise the differential impact. Please contact the Executive Director Quality and Planning for support.

If no further action is required, please sign the declaration below and include with all published copies of the policy.

## Declaration

The policy does not have a significant impact upon equality issues and therefore does not require any further action.

<b>Author(s) of EA.</b>
Name: Jason Pepper
Job title: Executive Director of Finance & Resources
Date: 12 Feb 2019
Signature: J Pepper