

Policy Title	Fees and Charges Policy for Subcontracts
Date Approved	January 2014
Approved by	Executive
Next Review Date	September 2014
Executive Lead	Finance Director
Accessible to Students?	No

1. Scope and Purpose of the Policy

This policy sets out the college's position on the fees and charges of subcontracting delivery of provision, as required and specified by the SFA.

2. Policy Statement

See below

3. Equality and Diversity Statement

An Equality Analysis has been conducted by Anne Williams (Equality & Diversity Co-ordinator) and Steve Gregory (Interim Finance Director) on 6th March 2014 and any necessary amendments made to the policy.

4. Linked Policies

None

5. Linked Procedures

Appendix 1 [Additional charges](#)

6. Location and Access to the Policy

College website [Fees and Charges Policy](#)

7. Persons Responsible for the Policy

Director of Finance

Subcontracting Fees and Charges Policy

Introduction and Rationale for Subcontracting

Loughborough College has a proven track record of working with a range of partners, and we will continue to work with specialist providers of high quality who will add value and enable us to achieve our mission of Inspiring Success and Enriching Lives.

We will subcontract delivery of provision where this enables us to develop capacity and to increase our breadth of provision to meet Local Enterprise Partnership (LEP) priorities. Subcontractors may be able to offer provision that Loughborough College currently does not offer, or may be based in different geographical locations which are more convenient for employers and learners.

The College will subcontract the delivery of provision funded by various streams or projects including:

Apprenticeships
16 to 18 Learner Responsive
19+ Adult Budget
ESF Workplace Learning

Types of Relationship with Subcontractors

Over the past few years the college has worked with partners to develop new and niche provision; in order to maintain this we have three arrangements for partnership working:

- a) Loughborough College is the provider and the training organisation is subcontracted to deliver elements of the apprenticeship framework or qualification where specialisms are required, where the partner needs to develop capacity, or where the candidates are at a considerable distance from the college.
- b) The subcontractor is the provider but may require Loughborough College to provide elements of delivery or services such as functional skills, second line assessment and internal verification.
- c) The training provider is a full subcontractor and requires no support or services from Loughborough College other than the normal contract management relationship and overall monitoring.

Improving the Quality of Teaching and Learning

Loughborough College sees Subcontracting as a means of improving the quality of its provision, as it enables the college to develop capacity, to increase our breadth of provision, and to work in a wider range of geographic areas, all with a range of high

quality providers. We ensure that teaching and learning is of high quality and meet the college's quality standards by applying the college's rigorous quality processes to all programmes.

The typical percentage range of fees retained to manage subcontractors, and how this range is calculated

Loughborough College takes a risk based approach to management fees. The base rate management fee retained by Loughborough College will typically be 10% - 20%.

The base rate of 10% assumes that the subcontractor complies with all elements of the contract and does not require any additional intervention by the College. Where additional fees are charged, they will depend on the level of contract compliance and support required by the subcontractor and the risk they pose to the College. A schedule of additional charges is included as Appendix 1.

Where the subcontractor is unable to comply with all elements of the contract the college will provide the service and charge accordingly, for example, where the provider is unable to carry out observations of the full range of its provision or the whole learner journey this may be provided and charged for.

Variations will be negotiated with subcontractors and the following will be used to determine the exact percentage fee retained:

- the variety of funding streams and projects the subcontractor is delivering
- the subcontractor's experience and track record of delivering funded provision
- the subcontractor's experience and track record as an established registered centre for qualifications
- the subcontractor's ability to quality assure their own provision in line with the Ofsted Common Inspection Framework, as outlined in the contract
- the geographic nature of delivery and the number of learners, compared to the level of support required
- the subcontractor's in-year risk rating based on: success rates; audit rating; observation
- success rates
- contract compliance.

To encourage growth, the College may negotiate with high quality providers a discounted rate where the provider is delivering significant volumes of a particular type of provision and achieving success rates significantly above the national average.

The support subcontractors will receive in return for the management fees retained.

Sub contracted providers will receive the following in return for the management fee they pay:

Quality assurance of enrolment documentation prior to funding claims
Internal review for each funding stream to minimise risk of claw back
Employer and Learner surveys

Regular reports on retention, success and achievement
Updates on changes to funding guidance
Contract management reviews at least once a quarter
Opportunities to partner on other projects
Access to Loughborough College e-portfolio, initial assessment tools and e-learning materials where appropriate

Timescales for receiving claims and Payment terms between Loughborough College and subcontractors

Subcontracted providers are expected to submit ILR details accurately and in a timely manner.

Enrolments for all funded programmes must be received within 10 working days of the declared start date of the programme of study.
Claims for Apprenticeships, Adult Skills and ESF must be made periodically throughout the month and all paperwork and any error corrections must be received by Loughborough College by the 25th of each month.

Where submissions are not being submitted periodically throughout the month, the final submission date will be 20th of each month

Any evidence received after this date may not be processed until the following month, unless there is written agreement from Loughborough College's Director of Finance.

All submissions for Apprenticeships, Adult Skills and ESF received within the timescales specified will be uploaded by Loughborough College to the SFA by the 4th working day of the following month.

All submissions for 16 to 18 Programmes of Study and Adult Classroom based delivery will be uploaded at the standard upload points which are 5 December 2013 and 6 February 2014. However, providers are still expected to submit claims within 10 days of the programme of learning commencing.

Timing of payments and timescale for paying invoices

Where subcontractors have submitted timely claims for Apprenticeships, Adult Skills and ESF, they will be paid monthly in areas based on actual start and will be paid within 30 days of the monthly upload by BACs transfer.

Management fees will be deducted at source and payments for funded programmes will be made in line with SFA/EFA payment methodology for Apprenticeships and Adult Skills Provision.

The payment methodology for 16 to 18 Programmes of Study and Adult Classroom based provision will be specified in the provider Service Level Agreement.

Communication and Dissemination of the Fees and Charges Policy

Loughborough College will communicate its Fees and Charges Policy in the following ways:

- by publishing it on the College website [Fees and Charges Policy](#)
- through the due diligence process with subcontractors,
- as part of the agreed contract for subcontracted delivery
- through discussion in quarterly contract management meetings with subcontractors

Review of the Fees and Charges Policy

Loughborough College will review its Fees and Charges Policy at least annually, or when amendments need to be made.

Where the policy is published

The policy is available on the college website at this link: [Fees and Charges Policy](#)