



TyneCoastCollege

Subcontracting Supply Chain Fees and Charges Policy

This policy is available on-line at: www.tynecoast.ac.uk

- We will consider any request for this policy to be made available in an alternative format or language. Please note that the College may charge for this. Please contact: Director of Business Engagement, Partnerships & Apprenticeships
- We review our policies regularly to update them and to ensure that they are accessible and fair to all. We welcome suggestions for improving the accessibility or fairness of this policy.
- All our policies are subject to equality impact assessments*. We are always keen to hear from anyone who wishes to contribute to these impact assessments. Please contact: Head of Student Services.

*Equality Impact Assessments are carried out to see whether the policy has, or is likely to have, a negative impact on grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

Approved by:	Version:	Issue Date:	Review Date:	Contact Person:
CMT/F&R/Board	12	May 2022	June 2023	Principal

Equal Opportunities: Impact Assessed

POLICY NUMBER 72

Subcontracting Supply-Chain Fees and Charges Policy

1. Policy Statement and Rationale

Tyne Coast College is committed to providing outstanding educational opportunities to the benefit of the students and communities we serve. In order to achieve this and enhance the quality of the offer, we have taken the decision to subcontract some of our provision to partner organisations that can support our mission, vision and values.

Our rationale for subcontracting provision is to achieve one or more of the following:

- Enhance the opportunities available to students
- Fill gaps in niche or expert provision or provide better access to training facilities
- Support better geographical access for students
- Provide an entry point for disadvantaged groups
- Support individuals who share protected characteristics where there might otherwise be gaps

We do not subcontract delivery to meet short term funding objectives and the specific rationale for entering into subcontracting arrangements will be clearly identified at the start of the subcontracting process and reviewed annually.

We will only use Subcontractors for the delivery of provision, if the staff within our organisation have the knowledge, skills and experience to:

- Successfully select subcontractors in line with the requirements of the ESFA Subcontracting funding rules and the College's contract with the ESFA
- Actively manage the subcontractors
- Ensure the subcontractors are of high quality and low risk to public funds
- Ensure that robust procedures are in place to ensure subcontracting does not lead to the inadvertent funding of extremist organisations

2. Scope

This policy applies to all potential and current partner organisations delivering ESFA funded provision through a subcontract arrangement with the college.

3. Management Fees

The management fee retained by the college is calculated as a percentage of the total contract value. Fees are specific to each subcontract arrangement based on the delivery model, level of support required, and level of risk associated with the delivery. They do not exceed 20%. Fees are clearly identified at the start of the subcontracting process and reviewed annually.

Management fees are retained to cover the following:

- Contract management, including quality assurance and oversight
- Administration, including data returns, processing of registrations and certifications
- Collecting and reviewing due diligence
- Ensuring compliance with audit requirements
- Any other support as required
- Any mandatory training delivered to Subcontracting staff

4. Monitoring Arrangements

The college manages and monitors all partner organisations through monthly performance monitoring meetings between the college and partner. Internal meetings involving senior managers representing Finance, MIS and Quality are held fortnightly. Reports are provided to College Management Team (CMT) meetings bi-monthly and termly reports presented to the Finance and Resources Committee. These focus on performance against contractual targets (volumes and values) and outcomes of quality assurance checks.

Regular quality assurance checks are performed to ensure that high quality delivery is taking place that meets college expectations. These include short notice visits; learning walks; interviews with staff and students and student surveys. Additionally, checks are made to ensure learners exist and are eligible based on the relevant funding rules.

5. Payment Arrangements

Payments are only made to the subcontractor once the college has received the funding from the ESFA. The college calculates the amount payable to the subcontractor each month as follows:

Following validation of the evidence in the ILR return, the college makes the appropriate payment to the subcontractor based on the amount earned, not exceeding the maximum contract value. The subcontractor will be notified of the payment and the agreed amount transferred by BACS. The college will normally pay the subcontractor within 30 days of receiving the funding from the ESFA. Any anomalies that arise following payment will be subject to reconciliation in the following month.

Subcontractors will only be paid for the actual funding delivered. Any difference between payments and actual funding earned will be subject to clawback.

6. Policy Communication

The Policy is available on-line at www.tynecoast.ac.uk and can be made available in hard copy upon request. The Policy will be discussed with all current and future subcontractors during contract negotiation meetings.

7. Policy Review

This policy, including the rationale, will be reviewed annually ahead of each funding year and approved through the Finance and Resources Committee.