

<b>Policy Title</b>	<b>Subcontracting Supply-chain Fees and Charges Policy</b>
<b>Version Number</b>	One
<b>Department</b>	Employer Engagement, Enterprise and Commercial services
<b>Approved by</b>	Vice Principal Employer Engagement, Enterprise and Commercial services
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<b>Impact Assessor</b>	Director of Human Resources and Vice Principal Employer Engagement, Enterprise and Commercial services

## **Subcontracting Supply-chain Fees and Charges Policy**

Northumberland College has a range of supply-chain fees and charges with sub-contractors depending on the type and size of contract. These are agreed with the sub-contractor in the negotiation stage of the contract and are subject to due-diligence and a risk assessment. They are also dependent on agreed success rates and volume measures.

### **Scope:**

This Subcontracting Supply Chain Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1 August 2013. The content of this policy has been developed in line with the SFA Funding Rules, the LSIS Supply Chain Management document and the AOC/AELP Common Accord. This policy relates to activity funded through the Skills Funding Agency (SFA). This policy provides transparency for all sub-contractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under Northumberland College's direct contract with the SFA.

### **Rationale for Subcontracting Northumberland College:**

Upon commencement of the subcontracting process, Northumberland College will consider a Business Case Proposal to ensure that the subcontracting will be in the best interests of all parties.

We will ensure that:

- The proposed delivery is in the best interests of learners and employers
- The proposed delivery has a clear strategic fit with our mission, objectives and values
- There is sufficient expertise within the College to quality assure the provision
- There is sufficient staff resource in support areas to administer the processes
- The Subcontractor is approved by our due-diligence process
- There is sufficient funding available within our funding contract
- The Subcontractor agrees to work within the terms of our contract

### **Quality Improvement Northumberland College:**

- Actively works with subcontractors to review and, if required, improve the quality of the teaching and learning, thereby improve the overall quality of teaching and learning for all College students.
- Undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessment.
- Provides timely and meaningful feedback to both subcontractor and delivery staff and observations are incorporated into the College moderation and standardisation process, in order that improvement actions impact both internal and subcontractor quality.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.

- Supports subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors SARs and QIPs into the whole College SAR.

## Management Fees:

Northumberland College retains a management fee from all subcontracted partner organisations, with this ranging from 15% to 30%. The fees charged reflect the cost of the procurement process and the management of the contracts.

The exact mix and level of support for each Subcontractor will vary depending on the needs of the individual Subcontractor. However, they will receive a high level of support and guidance and access to College systems, including:

- A named person responsible for managing the subcontracting arrangement
- Quality management systems
- Certification and registration with awarding bodies if required
- Management Information Services and data control advice
- Audit of management systems and delivery and observation of teaching, learning and assessment
- Monthly performance monitoring meeting to review and support the progress of learners and compliance with processes
- Safeguarding of Young People and Vulnerable Adults procedures
- Prevent and British Values
- Health and Safety compliance
- Teaching, Learning and Assessment observations and coaching
- CPD Opportunities and planned training and development
- Policy development
- Support with Funding Rules compliance
- Regular national updates regarding funding and policy guidance
- Equality, Diversity and Inclusion

Not all Subcontractors are charged the same management fee with the differences in fees being dependent upon the level of support required, the experience of the Subcontractor, their target learners; their track record, published success rates and the level of risk as determined by the due diligence process.

## Payment Terms:

Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed. Following validation of the evidence in the ILR return, the College will make the appropriate payment to the Subcontractor based on the level of income calculated by the validation process in that month less the agreed management fee.

Northumberland College will pay on receipt of an invoice (within the agreed terms).  
Payments are made by BACS

Northumberland College expects that the Subcontractors will fully engage in the assessment of accuracy of payments and they therefore have the responsibility to review their monthly remittance advices to identify any inaccuracies.

**Communication:**

The Fees and Charges Policy will be routinely communicated to and discussed with current subcontractors as part of the contract review process. The Fees and Charges Policy will be communicated to potential subcontractors as part of the procurement process. The Fees and Charges Policy is available on [www.Northumberland.ac.uk](http://www.Northumberland.ac.uk)

**Policy Review:**

The fees and charges policy will be reviewed annually.

**Due Diligence & Tendering:**

The College has a due diligence framework that approves a contractor for a period of 3 years extendable on a year by year basis and subject to:

- Acceptable running of previous years contract
- Confirmation of updated information
- Supply of annual accounts

Training providers who wish to become a subcontractor with Northumberland College must complete or provide the documentation listed below.

- Due diligence application form
- Two current references from primes with largest contracts
- Annual accounts for last three years
- Success rates for all types of programmes delivered by the applicant
- Full Site Visit (to include Data Services Manager, relevant Head of relevant curriculum area, Health and Safety)
- Tender application
- Submission of specific documents, upon request – see appendix
- Attendance at contract meetings as per the schedule

Northumberland College will consider all subcontracting applications on an individual basis.

## **Appendix A**

### **Due Diligence Document List**

1. Health & Safety Policy
2. Safeguarding Policy
3. Equality & Diversity Policy
4. Employer and Public Liability Insurance
5. Company Registration Documents
6. Initial Assessment Policy
7. Sustainability Policy
8. Data Protection Policy
9. Risk Assessment Policy
10. Internal Verification (IV) Strategy
11. Appeals Procedure
12. Matrix Accreditation
13. External Verifiers Report
14. Awarding Body Approval
15. Company Profile
16. Organisational Structure
17. Past Performance Information
18. Last 3 years audited accounts or company audited balance sheet and profit and loss
19. Credit Check

20. Self-assessment Report

21. Delivery Staff Register (fill template: "Single Central Staff Register example template.xls")