

Policy Title	Subcontracting Fees and Charges Policy 2023/24
Date Approved	05/07/2023
Approved by	Board
Date of Equality Impact Assessment	N/A
Next Review Date	July 2024
Executive Lead	Director of Governance & Legal Services
Applicable to:	Staff
Accessible to:	Students, Staff, Governors, Public

1. Policy Statement

- 1.1 Loughborough College (the 'College') is committed to growing and diversifying the range of courses, it delivers to widen participation, target and support the most vulnerable, engage in new and emerging markets and meet the regional and local economic development agenda and increasing prosperity. The service achieves this by operating an externally commissioned delivery model which promotes innovation and responsiveness to identified need. Loughborough College subcontracts a large majority of its provision to partner providers who can evidence high quality delivery.

2. Scope

- 2.1 This policy applies to all supply chain activity supported by funds supplied by the Adult Education Budget and Apprenticeships Funding from the Education and Skills Funding Agency. It also covers funds supplied through the Levy and Non-Levy and European Social Funds and any successor organisations who may subsequently supply these same funds.
- 2.2 This strategy covers two key areas of subcontracting:
- i) Provision subcontracting where there is the delivery of full programmes or frameworks by the Subcontractor
 - ii) Service subcontracting where the delivery of a service as part of the delivery of a programme such as procuring the delivery of part of an Apprenticeship framework or outreach support.
- 2.3 In both instances set out at points (i) and (ii) Loughborough College retains full accountability for contract delivery.

3. Management Fees

- 3.1 The College will retain a management fee from all subcontracted partner organisations, normally within a range of 15% to 30%. All contracts include a justification of the management fee including those over 20% as required by ESFA guidelines.
- 3.2 The fees charged reflect the cost of the day to day management of the subcontracted delivery, including the commissioning and procurement process, capacity development, quality support and administration and management of the subcontracts including the monitoring of learner progress, collecting and updating due diligence, ensuring audit

compliance, dealing with partner queries, coordinating self-assessment processes, quality and compliance monitoring, as well as other similar services as needed.

- 3.3 The fee also includes administration support to process the data, ILR management, support with working with national agencies and funding bodies, advice relating to policies and any ESFA guidance. It will also cover the management of funding and finances i.e. preparation and processing of payments as set out in schedule 1.
- 3.4 For the Diploma in Sporting Excellence programmes, the fee retained by Loughborough College will also vary depending on what aspects of the programme Loughborough College are delivering and any fee taken by the National Governing Body or other partners for delivery.
- 3.5 Management fees may vary between subcontractors and this is subject to the level of support required. The management fee is open to negotiation and review by Subcontractors and the final fee will be agreed by both parties and stated in the signed contract.
- 3.6 The mix, balance and level of support for each subcontractor will vary depending on the specific needs of the subcontractor. The College will however always ensure that each subcontractor receives a high level of support and guidance and access to the College's systems and resources, including but not limited to:
 - Ongoing development of strategy
 - Developing practice in conjunction with funding regulations
 - Implementing the College quality framework
 - Contract and performance monitoring
 - Provision of bespoke Information, Advice and Guidance services • Financial management
 - Provider financial audit
 - Legal
 - Quality management systems
 - Management information services and data control advice
 - Audit of management systems and delivery
 - Unannounced observations of teaching, learning and assessment
 - Safeguarding of Young People and Vulnerable Adults procedures
 - Health and Safety compliance
 - Providing access and maintaining the Partner Portal (Moodle)
 - Coaching
 - Continues Professional Development Opportunities and planned training and development
 - Policy development
 - Support with ESFA funding rules / regulations interpretation and compliance
 - Updates regarding funding and policy guidance
 - Supporting networks
 - Equality and diversity support
 - Administration of the AGE Grant process
 - Administration of 19+ Advanced Learning loans
 - Administration of 16-19 Bursary funds
 - Celebrating learner achievement

4. Payment Arrangements

- 4.1 Subcontractors will earn funding on a monthly basis and will be paid at a frequency agreed with the College as part of the contract clarification process and in line with validated data.
- 4.2 Following validation of the evidence in the ILR / enrolment return, The College will make the appropriate payment to the subcontractor based on the level of income earned Payment shall be made by the College to the Partner within 30 calendar days of receipt of valid paperwork from the Partner, in accordance with the terms and conditions stated in the subcontract agreement with the subcontractor.
- 4.3 All payments will be triggered via invoice and accompanying validated evidence of delivery. Invoices will contain the provider order number of the associated schedule and payments made by BACS on the monthly supplier payment run.
- 4.4 The College expects that subcontractors will participate in the assessment of accuracy of payments and review remittance advice to ensure there are no inaccuracies.

5. Policy Communication

- 5.1 The Policy is available on-line at the college website www.loucoll.ac.uk and can be made available in alternative format or language upon request. A web link to this policy will be included all contracts.
- 5.2 In the spirit of openness and transparency the policy is available in the public domain. The policy will be reviewed at least annually in June of each year. Any changes to the policy will be notified to subcontractors as part of their regular performance review or via separate correspondence.

(Signed on behalf of the Board of Governors)



(Signed by the Chief Executive)

