



Report to:	Finance and Resources Committee
Date of Meeting	21 June 2017
Title of Report:	Subcontractor Fees and Charges Approvals
For:	Information and Approval
Author:	Eva Dixon, Director of Finance, Planning and Funding
Date prepared / information up to	13 June 2017
Equality and Diversity Implications:	No
Safeguarding Implications	No
Financial Implications:	Yes
Legal Implications:	No
Risk Status:	N/A

Which of the Responsibilities of the Corporation does this paper address? (Article 3(1) Instrument and Articles of Government)

<i>a. Oversight of College Activities</i>	<input checked="" type="checkbox"/>
<i>b. Educational Character and Mission</i>	<input type="checkbox"/>
<i>c. Approving Quality Strategy</i>	<input type="checkbox"/>
<i>d. Effective and Efficient Use of Resources</i>	<input checked="" type="checkbox"/>
<i>e. Approving Annual Estimates of Income and Expenditure</i>	<input type="checkbox"/>
<i>f. Senior Postholder Employment and Remuneration</i>	<input type="checkbox"/>
<i>g. Pay and Conditions for Other Staff</i>	<input type="checkbox"/>
<i>h. Governors' responsibility for their own procedures</i>	<input type="checkbox"/>

1. Executive summary	<p>The college has been in partnership with 3 subcontracting companies, 2 of these have been engaged with the college for a number of years and a 3rd one was engaged during 2016/17. The quality of provision for these subcontractors is good. The attached policy highlights the way we work with the subcontractors.</p>
2 Recommendation to Governors	<p>Governors are recommended approve the attached Policy</p>

Introduction

This policy outlines the way in which we work with training providers with whom we have entered into subcontracting partnerships. It applies to all provision detailed in individual contracts with each partner.

Responsibility for implementation

The Corporation approves the College fees policy each year in advance of commencement of delivery. The College Leadership Team provides advice on delivery costing, setting of fees and anticipated contribution. The policy for 2016/17 was approved on 06/07/2016. The policy for 2017/18 will be submitted for approval on 05/07/2017.

Rationale for subcontracting

- Effective subcontracting extends accessibility of provision thereby contributing to the economic prosperity of neighbouring local communities.
- We can widen participation amongst learner groups that would otherwise be “hard to reach” and who face barriers to participation in learning and work.
- We can extend the breadth of College provision and offer opportunities to engage with new markets e.g. widening the range of apprenticeship frameworks and business sectors in which we operate.

Selection of partners

- The College will undertake due diligence and carry out proscribed checks in advance of any contract being agreed.
- The partner should already have an excellent reputation and standing in the sector.
- The College will contract only with partners deemed by the College Leadership Team to be high quality and low risk.
- The provision must fit with College strategic objectives (to complement the College offer).
- Location, delivery patterns and curriculum must present opportunities for learning and employment and wider participation within local and neighbouring communities.
- There must be evidence of high success rates and potential for Outstanding provision.
- The partner must provide evidence that they have implemented sound safeguarding and PREVENT practices

Quality Improvement

- The College actively works with subcontractors to develop the quality of teaching and learning, thereby improving overall quality of teaching and learning for all College learners.
- The College supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- The College undertakes observations on all aspects of teaching and learning including information, advice and guidance, progress reviews and assessments.
- The College provides timely and meaningful feedback to subcontractors, and incorporates observations into the College moderation and standardisation process to impact internal and subcontractor quality.
- The College carries out learner voice surveys to gather feedback from learners.
- The College supports subcontractors to develop an effective Self Assessment Report (SAR) and Quality Improvement Plan (QIP) and incorporates subcontractors’ SARs and QIPS into the whole College SAR.

Support provided to subcontractors

- The College provides a Contract manager to manage the relationship with the subcontractors.
- The College Head of Quality ensures that the subcontractors' delivery meets expectations and supports the continuous improvement of the subcontractors' provision.
- College administration ensures timely and accurate recording of learner information on the ILR.
- The College undertakes a regular and substantial programme of quality assurance checks on the education and training provided, including visits at short or no notice and face-to-face interviews with staff and learners. This includes learner existence and eligibility verification, direct observation of initial guidance, assessment and delivery of learning.
- The College ensure that the subcontractors comply with SFA / EFA funding guidance, rules and audit requirements.
- The College offers CPD activities to teachers / delivery staff to support improvements in teaching, learning and assessment

Fees and charges

The table represents funding and pass-on to subcontractors in the current and previous years. The pass-on % is calculated based on the level of resource required: to manage effectively the individual subcontractor relationship; to ensure funding returns and requirements are met and to ensure that the quality of delivery to learners is maintained and that any risk to the College and Skills Funding Agency is mitigated. The typical range of pass-on is 75% to 80%.

Subcontractor	UKPRN	Type of Provision	2017/18 Planned			2016/17 Approved		
			Provision £ (Gross)	Paid £ to subcontractor	Contract Start / End	Provision £ (Gross)	Paid £ to subcontractor	Contract Start / End
Adult Training Network Ltd	10000147	Adult Skills Classroom based (Excluding 19-24 Traineeships)	£393,333	£295,000	01/08/2017 to 31/07/2018	£393,333	£295,000	01/08/2016 to 31/07/2017
Life Long Learning Centre Ltd	10024635	Adult Skills Classroom based (Excluding 19-24 Traineeships)	£393,333	£295,000	01/08/2017 to 31/07/2018	£393,333	£295,000	01/08/2016 to 31/07/2017
Let Me Play Ltd	10040664	Apprenticeships (16-18 and 19+) Supporting PE / Sport Delivery in Schools, Business Administration	£0	£0	Carrying-in values of 16/17	£102,668	£83,150	01/08/2016 to 31/07/2017
Total			£786,666	£590,000	75%	£889,334	£673,150	76%

Payment terms

Payment will be based on actual delivery evidenced through the College's ILR. The College will not pay in advance for delivery proposed but for which no evidence has been provided. Payment will not exceed the Maximum Contract Value specified in the signed contract.

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 will be published on the College's website.