SUBCONTRACTING FEES AND CHARGES POLICY

2025 – 2026

GOVERNANCE AND CONTROL

Date approved by Group CEO	July 2025
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Accountable member of Group SMT	Skip Singleton
Responsible member of staff	Skip Singleton
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AUDIENCE

Applicable to students?	No
Accessible to students?	Yes
Accessible to public?	Yes

INTRODUCTION

North Hertfordshire College[11] (NHC or "the Group") is an occupationally focused further education college with campuses in Stevenage and Hitchin.

The Group offers full and part-time programmes in a huge range of sectors and occupational areas including: business, catering, construction, engineering, health and social care, motor vehicle, public services, science and sport.

TYPES OF RELATIONSHIP WITH SUBCONTRACTORS

- Over past years, the Group has developed a strong reputation for supporting small organisations to develop new and niche provision through partnering.
- In 2025/26, the Group will be subcontracting the following funding streams:
  - 16 – 18 study programme provision
  - Adult Skills Fund (DfE)
  - Adult Skills Fund (GLA)

THE RATIONALE FOR SUBCONTRACTING PROVISION

- Our priority will be to sub-contract with providers who add value to our existing provision and help us to meet Local Enterprise Partnership and GLA priorities locally or in our wider catchment area because they:
  - Offer provision that the Group does not offer, enhancing opportunities to young people and adults.
  - Deliver provision that is valuable to a sector or community that the Group does not have the required employer or partner relationships to deliver at this time, therefore filling gaps in niche or expert provision.
  - Support better geographical access for learners and delivery across a wider geographical reach than the College currently offers.
  - Offer an entry point for disadvantaged groups by supporting individuals who are out of employment or in low-paid work to develop their employability skills and progress towards positive destinations.
- We offer this provision because it meets local employer needs and is delivered in our broader 'travel to work' areas. We work with partners to undertake delivery in which have less experience.

[1] The Hart Learning Group is the trading name for North Hertfordshire College Further Education Corporation

THE TYPICAL PERCENTAGE RANGE OF FEES RETAINED TO MANAGE SUBCONTRACTORS AND HOW THIS RANGE IS CALCULATED

- Management fees only relate to the provision of Subcontracting.
- The Group will adopt a risk-based approach to management fees.
- For each subcontract relationship North Hertfordshire College shall review the scope of the provision to be subcontracted and the level of experience and expertise of the partner provider to determine the level of support required. The associated costs shall then be calculated through considering any physical resources, and the time and type of personnel required to provide the support identified.
- Subcontract fees will be negotiated with subcontractors and the following will be used to determine the exact % fee retained; however, our typical fee will not exceed 20%.
    - The variety of funding streams and projects the provider is delivering.
    - The experience and track record of the provider in delivering funded provision.
    - The experience and track record of the provider as an established registered centre for qualifications.
    - The provider's ability to quality assure their own provision in line with Ofsted Education Inspection Framework, as outlined in the Group's SLA.
    - The geographic nature of the provider's delivery and the volume of learners compared to the level of support required.
    - The provider's in-year risk rating based on: achievement rates; audit rating; observation grades, learner voice; contract compliance.
- For each subcontract relationship NHC shall then review the associated costs calculated to satisfy themselves that those costs are both reasonable and proportionate to delivery of teaching and learning and will contribute to delivering high quality learning, prior to issuing a Service Level Agreement.
- Where the subcontractor is unable to comply with all elements of the SLA, the Group will provide the service and charge accordingly, for example, where the provider is unable to observe the full range of its provision or the whole learner journey this may be provided and charged for.

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:

Quality assurance and oversight support contributing to the delivery of high-quality learning

- Typically, quality assurance functions and support will account for 5-8% of the retained management fee.
    - Involvement in a programme of professional development across a contract year which includes sharing good practice, pedagogy and subject/provision specialist development.
    - Joint observations of teaching and learning, including the sampling of online training.
    - Reviews of portfolios and learner work focusing on the quality of assessment and learner progress.
    - Review of programme versus intended destination.
    - Review of learner voice.
    - Involvement in the organisational performance monitoring processes including quarterly quality meetings and accessing relevant achievement rate reports.

Mandatory training & support contributing to the delivery of high-quality learning and funding compliance

- Typically, mandatory training functions and support will account for 1-3% of the retained management fee.
    - Partner induction conference.
    - Involvement in a programme of professional development across a contract year which includes sharing good practice, pedagogy and subject/provision specialist development.

Administrative support functions contributing to ensuring provision is compliant with associated funding rules

- Typically, administrative functions and support will account for 12-15% of the retained management fee.
    - Quality assurance of paperwork prior to claiming funding by the Group's Management Information Systems (MIS) team prior to data entry.
    - Internal audit for each funding stream to minimise risk of claw back.
    - Monthly upload reports.
    - Updates on changes to funding guidance.
    - Monthly contract management meetings.
    - Termly quality review meetings

COMMUNICATION TO SUBCONTRACTORS OF THE SERVICES NHC WILL PROVIDE AND THEIR ASSOCIATED COSTS

- Each subcontractor shall receive a draft Service Level Agreement (SLA) for review prior to entering a contract.
- That SLA shall contain:
- The reason for subcontracting.
- The services NHC shall provide when subcontracting to them and the associated costs when doing so.
- How each cost is reasonable and proportionate to delivery.
- How each cost contributes to delivering high quality learning.

TIMESCALES FOR RECEIVING CLAIMS AND PAYMENT TERMS BETWEEN PROVIDERS AND THEIR SUBCONTRACTORS

- Sub-contracted 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 Adult Skills Funding must be made periodically throughout the month and all paperwork and any error corrections must be received by the Group 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 the Group.
- All submissions for Adult Skills Funding received within the timescales specified will be uploaded by the Group to the DfE by the 4th working day of the following month.

TIMING OF PAYMENTS AND TIMESCALES FOR PAYING INVOICES

- Where subcontractors have submitted timely claims for Adult Skills Funding and/or GLA funding they will be paid monthly in arrears based on actual start dates for individual learners and will be paid within 30 days of the monthly upload by BACs transfer.
- Management fees will be deducted at source and payments will be made in line with DfE payment methodology.

CLAWBACK OF FUNDS

- Where providers report late withdrawals, or for any other reason, there results in overpayments to the provider, North Hertfordshire College will seek to recover any overpayment as part of the R14 year-end reconciliation process.

COMMUNICATION AND DISSEMINATION OF THE FEES AND CHARGES POLICY

- The Group will disseminate and publish its Fees and Charges Policy in the following ways:
  - On the North Hertfordshire College website and through the due diligence process.
  - Issued alongside the Service Level Agreement on entering any new subcontract arrangement.
  - By being discussed in monthly contract management meetings, and regular webinar meetings for existing providers.

FUNDING BREAKDOWN ACADEMIC YEAR 2024/25

- Further information to follow after the R14 ILR submission for 2024/2025 in October 2025.

HOW FREQUENTLY THE POLICY WILL BE REVIEWED

- The Group will review its Fees and Charges Policy annually.

IMPROVING THE QUALITY OF TEACHING AND LEARNING

- The Group Fees and Charges Policy, together with its criteria for partner selection, will ensure that only high-quality provision is publicly funded. The Group has a strong track record of partner development which it will continue to maintain through the services provided as part of the management fees. Contract management, quality audit and data interrogation will identify areas of improvement which will inform the training plan delivered annually by the Group for its subcontractors. The Group will continue to provide opportunities for high level training interventions, consultancy and capacity building activities to ensure that all providers improve the quality of their teaching and learning.
- Good practice in teaching and learning will be identified through observations of all aspects of the learner journey, employer and learner voice, opportunities for peer reviews and peer audit and will be shared through training, partnership meetings and conferences.