

SUBCONTRACTING FEES AND CHARGES POLICY
2017 – 2018



INTRODUCTION

North Hertfordshire College (NHC) is an occupationally focused further education college with campuses in Stevenage, Hitchin and Letchworth.

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

North Hertfordshire College has a proven track record of subcontractor management which has been developed over a number of years to broaden the curriculum offer provided to students.

The College will be subcontracting the delivery of provision funded by single or multi funding streams or projects including:

- Apprenticeships
- 16-18 Learner Responsive
- Adult Education Budget

TYPES OF RELATIONSHIPS WITH SUBCONTRACTORS

Over past years, the college has developed a strong reputation for supporting small organisations to develop new and niche provision through partnering; in order to maintain this we would consider entering into three types of partnership working:

- NHC is the provider and the training organisation is sub-contracted to deliver elements where specialisms are required or the partner needs to develop capacity.
- The sub-contractor is the provider but requires NHC to provide elements of delivery or services such as functional skills, second line assessment and internal verification.
- The training provider is a full sub-contractor and requires no support or services other than the normal contract management relationship.

In 2017-18, North Hertfordshire College will be subcontracting the following funding streams:

- Apprenticeships
- 16-18 learner responsive
- Adult Education Budget
- The mix of funding streams will be allocated to providers who can demonstrate that they are developing a pipeline of provision leading to further apprenticeship starts or that they wish to provide a holistic service to employers or the community they operate in, which includes not only Adult Education Budget but also apprenticeship provision.

THE RATIONALE FOR SUBCONTRACTING PROVISION

Our priority will be to sub-contract with providers who add value to our existing provision and support us to meet Local Enterprise Partnership priorities locally or in our wider catchment area because they:

- Offer provision that NHC does not offer.
- Deliver provision that is valuable to a sector or community that the College does not have the required employer or partner relationships to deliver this time.
- Operate in an area or field that the College will look to enter once further experience and understanding of the requirements are known.

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.

North Hertfordshire College will be adopting a risk-based approach to management fees. The base rate management fee retained by North Hertfordshire College will be 20%.

The base rate of 20% assumes that the subcontract complies with all elements of the Service Level Agreement and does not require any additional intervention by the College. Where additional fees are charged, they will depend on the level of contract compliance and support required by the subcontractor and the risk they pose to the College.

Where the subcontractor is unable to comply with all elements of the SLA the college 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.

Variations will be negotiated with subcontractors and the following will be used to determine the exact % fee retained.

- Variety of funding streams and projects the provider is delivering.
- Experience and track record of delivering funded provision.
- Experience and track record as an established registered centre for qualifications.
- Ability to quality assure their own provision in line with Ofsted Common Inspection Framework, as outlined in the College Service Level Agreement.
- Geographic nature of delivery and the volume of learners compared to the level of support required.
- Provider in year risk rating based on: success rates; audit rating; observation grades; contract compliance.

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 they pay:

- Access to an appropriate MIS system.
- Quality assurance of paperwork prior to claiming funding.
- Support with internal audit for each funding stream to minimize risk of claw back.
- Employer and Learner surveys carried out on their behalf.
- Regular success rate reports.
- Monthly upload reports.
- Updates on changes to funding guidance.
- Training opportunities.
- Minimum of quarterly contract management meetings.
- Opportunity to partner on other projects.
- Annual conference.
- Two quarterly partner meetings to disseminate information and share good practice.
- Reduced cost access to e-portfolio, initial assessment tools and e-learning materials.
- Opportunity for Peer Audit and Peer Review of quality assurance systems.
- Independent observations of Teaching, Learning and Assessment, and portfolio audits.

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

- Subcontracted 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 Apprenticeships and Adult Education Budget must be made periodically throughout the month and all paperwork and any error corrections must be received by NHC 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 NHC Contract Manager.
- All submissions for Apprenticeships and Adult Education Budget funding received within the timescales specified will be uploaded by NHC to the SFA by the 4th working day of the following month. All submissions for 16 to 18 Programmes of Study and Adult Education Budget based delivery will be uploaded at the standard upload points which are 6 December 2017, 6 February 2018, 6 June 2018, 14 September 2018, 19

October 2018. However, providers are still expected to submit claims within 10 days of the programme of learning commencing.

TIMING OF PAYMENTS AND TIMESCALES FOR PAYING INVOICES

Where subcontractors have submitted timely claims for Apprenticeships and Adult Education Budget funding they will be paid monthly in areas based on actual start 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 ESFA payment methodology. The payment methodology for 16 to 18 Programmes of Study will be specified in the provider Service Level Agreement.

COMMUNICATION AND DISSEMINATION OF THE FEES AND CHARGES POLICY

North Hertfordshire College will disseminate and publish their Fees and Charges Policy in the following ways:

- On the North Hertfordshire College website, through the due diligence process and it will be built into the annual Service Level Agreement.
- It will be discussed in quarterly contract management meetings, annual and regular meetings for existing providers.

HOW FREQUENTLY THE POLICY WILL BE REVIEWED

North Hertfordshire College will review its' Charges and Fees Policy annually.

IMPROVING THE QUALITY OF TEACHING AND LEARNING

The North Hertfordshire College Fees and Charges Policy, together with its criteria for partner selection, will ensure that only high quality provision is publically funded. The College 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 College for its subcontractors. The College 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.

FUNDING BREAKDOWN ACADEMIC YEAR 16/17

SFA 2016/2017	UKPRN	Provision Type	Contract start/end	Total received from SFA	Management fee	Total paid to Partner
Gateway Education (London) Ltd	10044985	AEB	01/08/2016 - 31/07/2017	£294,524.06	£64,795.29	£229,728.77
Groundwork East	10002799	AEB	01/08/2016 - 31/07/2017	£123,907.48	£24,781.50	£99,125.98
Herts College of Music (SYNERGY)	10043405	AEB	01/08/2016 - 31/07/2017	£5,861.13	£1,465.28	£4,395.85
Hertfordshire County Council (Princes Trust)	10003039	AEB	01/08/2016 - 31/07/2017	£23,294.22	£4,658.85	£18,635.37
Hertfordshire Football Association	10028569	AEB	01/08/2016 - 31/07/2017	£20,003.99	£4,000.80	£16,003.19
Holts	10038772	AEB	01/08/2016 - 31/07/2017	1,412,444.85	338,986.76	1,073,458.09

SFA 2016/2017	UKPRN	Provision Type	Contract start/end	Total received from SFA	Management fee	Total paid to Partner
Learning Curve	10008935	AEB	01/08/2016 - 31/07/2017	£269,966.03	£53,993.21	£215,972.82
Manley Summers	10019798	AEB	01/08/2016 - 31/07/2017	£248.79	£49.76	£199.03
New Generation Training & Consultancy	10025712	AEB	01/08/2016 - 31/07/2017	£289.60	£57.92	£231.68
Seymour Davies Ltd	10005769	AEB	01/08/2016 - 31/07/2017	£577.51	£115.50	£462.01
Stevenage Leisure Limited	10042976	AEB	01/08/2016 - 31/07/2017	£12,518.66	£2,503.73	£ 10,014.93