

SUBCONTRACTING FEES AND CHARGES POLICY

2020 – 2021



HART
LEARNING GROUP

INTRODUCTION

North Hertfordshire College¹ (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 RELATIONSHIPS 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 order to maintain this, we would consider entering into three types of partnership working:

- The Group 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 the Group 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 2020/21, the Group will be subcontracting the following funding streams:

- 16 – 18 study programme provision
- Adult Education Budget (ESFA)
- Adult Education Budget (Greater London Authority)

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 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.
- Offer an entry points 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

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.

- 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 Education Inspection Framework, as outlined in the Group's SLA.
- Geographic nature of delivery and the volume of learners compared to the level of support required.
- Provider 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 they pay:

Support contributing to improving quality of teaching, learning & assessment

- 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 organizational performance monitoring processes including monthly performance boards and accessing relevant achievement rate reports

Support contributing to ensuring provision is compliant with associated funding rules

- 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 minimize risk of claw back.
- Monthly upload reports.
- Updates on changes to funding guidance.
- Monthly contract management meetings.
- Quarterly 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 Education Budget 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 Education Budget funding received within the timescales specified will be uploaded by the Group to the ESFA 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 Education Budget 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 ESFA payment methodology.

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
- It will be discussed in monthly contract management meetings, and regular webinar meetings for existing providers.

HOW FREQUENTLY THE POLICY WILL BE REVIEWED

The Group will review its Charges and Fees 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.

PROPOSED ALLOCATED FUNDING ACADEMIC YEAR 20/21

SUBCONTRACTOR	UKPRN	AEB ALLOCATION FOR 2020/21 STARTS	MANAGEMENT FEE %	RATIONALE
Aspire Sporting Academy Ltd	10032029	AEB ESFA - £335,000	19%	Offers an entry point for disadvantaged groups by delivering an employability and sports related package of qualifications. Na offer that differs from our own employability courses.
CECOS Computing International Limited	10037364	AEB ESFA - £100,000 AEB GLA - £100,000	20% 20%	Offers an entry point for disadvantaged groups by delivering Functional Skills to learners within our wider catchment area to support progress into further education or employment.
Herts County Council (Princes Trust)	10003039	AEB ESFA - £115,000 16-18 ESFA - £50,000	20% 15%	Offers an entry point for disadvantaged groups by delivering a Princes Trust employability programme within the local community in Hertfordshire.

FUNDING BREAKDOWN ACADEMIC YEAR 19/20

UKPRN	SUBCONTRACTOR NAME	Contract start/end	Provision Type	Funding paid by the ESFA to the lead provider (in£)	Funding paid to subcontractor by the lead provider (in£)	Funding lead provider has retained (in£)
10032029	ASPIRE SPORTING ACADEMY LTD	01.08.2018 / 31.07.2019	ESFA Adult Education Budget	£539,893.46	£431,882.32	£108,011.13
10032029	ASPIRE SPORTING ACADEMY LTD	01.08.2018 / 31.07.2019	Greater London Authority Adult Education Budget	£204,808.03	£163,846.42	£40,961.61
10019719	FLEXIBLE TRAINING LIMITED	01.08.2017 / 31.07.2018	ESFA Adult Education Budget	£4,737.17	£3,461.00	£1,276.17
10003039	HERTFORDSHIRE COUNTY COUNCIL	01.08.2018 / 31.07.2019	ESFA Adult Education Budget	£39,943.20	£31,954.56	£7,988.64
10003039	HERTFORDSHIRE COUNTY COUNCIL	01.08.2018 / 31.07.2019	16-18 ESFA	£53,786.75	£45,718.74	£8,068.01

UKPRN	SUBCONTRACTOR NAME	Contract start/end	Provision Type	Funding paid by the ESFA to the lead provider (in£)	Funding paid to subcontractor by the lead provider (in£)	Funding lead provider has retained (in£)
10056882	INSPIRE & EDUCATE LTD	01.08.2019 / 31.07.2020	ESFA Adult Education Budget	£112.16	£89.73	£22.43
10008935	LEARNING CURVE GROUP LIMITED	01.08.2019 / 31.07.2020	Apprenticeships 19+ (Excluding Trailblazer Apprenticeships) Pre 1st May 2017	£2,698.34	£2,023.75	£674.58
10025712	NEW GENERATION TRAINING AND CONSULTANCY LIMITED	01.08.2019 / 31.07.2020	Apprenticeships 19+ (Excluding Trailblazer Apprenticeships) Pre 1st May 2017	£177.24	£141.79	£35.45
10025712	NEW GENERATION TRAINING AND CONSULTANCY LIMITED	01.08.2019 / 31.07.2020	ESFA Adult Education Budget	£35,076.20	£26,307.15	£8,769.05
10025712	NEW GENERATION TRAINING AND CONSULTANCY LIMITED	01.08.2019 / 31.07.2020	Greater London Authority Adult Education Budget	£33,212.05	£26,569.64	£6,642.41

UKPRN	SUBCONTRACTOR NAME	Contract start/end	Provision Type	Funding paid by the ESFA to the lead provider (in£)	Funding paid to subcontractor by the lead provider (in£)	Funding lead provider has retained (in£)
10026331	TRAINPLUS LTD	01.08.2019 / 31.07.2020	Apprenticeships 19+ (Excluding Trailblazer Apprenticeships) Pre 1st May 2017	£1,852.98	£1,482.39	£370.60