

Subcontracting strategy and policy for 2022-2023

1. Introduction

- 1.1 This policy covers supply-chain fees and charges applicable to subcontractors.
- 1.2 This policy applies to all courses offered by subcontractors of BSix Sixth Form College, as listed on the "Declaration of Subcontractors".
- 1.3 BSix Sixth Form College recognises that it holds full accountability for the delivery of the contract and this cannot be assigned to subcontractors. Both BSix Sixth Form College and its subcontractors refer to the Education and Skills Funding Agency Funding Rules documents and any future updates in all matters regarding the delivery of the contract.
- 1.4 Roles and responsibilities for BSix Sixth Form College and the subcontractors are clearly defined from the outset of the partnership. All subcontractors are required to agree and sign a contract for the provision of training services with BSix Sixth Form College.

2. Responsibility for Implementation

- 2.1 The Corporation is required to agree to the fees policy for BSix Sixth Form College as part of its responsibilities for the College's educational character. The Vice Principal Finance & Resources is responsible for providing adequate advice as the basis for the setting of fees, course costing and other related issues.

3. Policy Objectives

- 3.1 BSix Sixth Form College subcontracts for one or more of the following reasons:
 - i) To capacity build
 - ii) To engage with new markets
 - iii) To ensure revenue/margin protection
 - iv) To ensure greater cost efficiency
 - v) To maintain the delivery of the niche provision
- 3.2 The key principals of selecting a new subcontracting partner are whether they:
 - i) Fit with the strategic objectives of the College
 - ii) Bring positive local community benefits/widening participation (attracting learners who would not normally go to a further education college)
 - iii) Add value to the work the College does
 - iv) Complement but not compete with the existing product portfolio of the College
 - v) Are aligned to key sectors that the College or Government has prioritised
 - vi) Have a track record of high success rates
 - vii) Are willing to engage in a mutually supportive relationship built on trust and respect
 - viii) Have reputation and standing in the sector/market
 - ix) Comply with UK public procurement regulations

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4. The policy's contribution to improving our and our subcontractor's quality of teaching and learning

4.1 This policy ensures that there is openness and transparency in the fees and charges relating to subcontractors, so that when entering into a subcontracting relationship the potential partner is aware of the support services provided within the management fee. This allows the subcontractor to work with the College to improve the quality of teaching and learning.

4.2 Specific measures the College implements to ensure improving quality of teaching and learning include having sight of any quality assurance documentation, internal and external, and related action plans; graded lesson observations with course tutors and assessors; quality assurance monitoring visits to check course files, schemes of work etc.

5. The typical percentage range of fees retained to manage subcontractors, and how this range is calculated

5.1 BSix Sixth Form College normally charges subcontractors a management fee for a standard subcontracting agreement. The fee is typically set at 20% of the funding and fees generated by the provision delivered by the subcontractor, but could vary within the range 15% -30%.

5.2 The fee is calculated to cover day-to-day management of subcontracted delivery, 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.

5.3 The fee also includes administration support to process the data, ILR management, middle and senior management support (working with national agencies, funding bodies, advice relating to policies, ESFA guidance, etc), and management of funding and finances (preparation and processing of payments). The level of support required for each subcontractor will determine the percentage management fee.

6. The reason for any differences in fees charged for or support provided to different subcontractors

6.1 The management fee is increased if:

- i) The risk rating on a particular subcontractor is "medium" or "high", as a result of a College Risk Assessment.
- ii) If additional/exceptional services are provided to the subcontractor, there will be a separate fee agreed to be charged above the core management fee based on usage (such as internal verification etc).
- iii) The subcontractor is new to the College necessitating the development of quality processes.

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7. Payment terms between the College and subcontractors

- 7.1 The payment terms are set out in detail in the subcontract agreement referred to above and available for potential subcontractors to view before entering into agreement with BSix Sixth Form College.
- 7.2 In summary, subcontractors will be paid within 30 days of receipt of a valid invoice, drawn up in accordance with the subcontracting contract and is subject to meeting contractual requirements. Alternative payment conditions may operate, following discussions with the subcontractor, depending on the contract delivery model and contract delivery time.
- 7.3 All subcontractors will be set up as “suppliers” on the College’s finance system. The payment will be made to the subcontractor via BACS.
- 7.4 How and when the policy is communicated to and discussed with current and potential subcontractors as part of the curriculum planning process on an annual basis prior to subcontracts being agreed.
- 7.5 The tuition fees policy can be found on the fees policy link.

8. Review of this policy

- 8.1 This policy is reviewed and agreed by the Corporation on an annual basis.
- 8.2 The next review date is July 2023.