

Sub-Contracting supply-chain – fees and charges policy 2020/21

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1. Policy Statement

The Manchester College is committed to improve lives and economic success through learning and skills.

Through sub-contracting The Manchester College is able to widen participation, respond to emerging opportunities, and market demands. Partnership allows The Manchester College to engage the wider community, learners and employers who would otherwise not be involved in learning and skills.

In order to achieve this, The Manchester College has taken the strategic decision to sub-contract elements of its activity and provision to partners who can support the delivery of our strategy.

2. Scope

This Policy is published in line with Education and Skills Funding Agency requirements stated in relevant funding rules 2020/21 and any subsequent changes identified by them.

3. Disclaimer

The Manchester College reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of funding bodies.

4. Improving the Quality of Teaching and Learning

In line with our quality improvement cycle, The Manchester College will support, develop and share good practice through; initial advice and guidance, quality reviews, compliance visits, compliance meetings, observations of teaching and learning, and learner and employer feedback.

5. Management Fees

The Manchester College retains a management fee from all sub-contacted partner organisations, typically this is 15%. The fees charged reflect the cost of the procurement process, the management of the contract, and support services provided to our supply-chain. Where less or additional support is required, our fees will be flexed to reflect costs.

6. Support for Sub-Contractors

In return for the management fee charged by The Manchester College, sub-contractors will receive a high level of support and guidance to ensure the delivery of high quality learning. This includes the following;

- advice and guidance at pre-contract stage
- observation of teaching, learning and assessment
- regular review and compliance meetings with progress reports
- support with funding rules compliance
- ongoing administration support, including in-depth checks of evidence submitted, and regular feedback on issues identified
- input of enrolment documentation submitted
- submissions of data to funding organisations
- regular financial reports to inform invoicing
- ongoing data checks and support to resolve data queries
- ongoing support to address any areas for improvement
- quality monitoring activities
- quality improvement support

7. Reasons for Differences in Fees Charged

Not all sub-contractors are charged the same management fee, differences in fees are dependent upon the level of support required, which will be identified and agreed during contract negotiation meetings. Factors that will be taken into account in determining the level of support required, and in determining that each cost within the management fee is reasonable and proportionate, include the experience of the sub-contractor, their target learners, their track record, published success rates, external quality indicators (e.g. Ofsted reports) and the level of risk determined by the due diligence process.

Once the level of support required has been identified and agreed each sub-contractor will be provided with a detailed list of the specific costs for managing them, expressed as a proportion to be allocated against each relevant area listed under Paragraph 6 above.

8. Payment Arrangements

Our standard payment term is 30 days from invoice date, subject to satisfactory validation checks.

9. Publishing Funding Data

For ESFA and GMCA contracts, data regarding the actual level of funding paid and retained for each sub-contractor will be published within 30 days of the 2020/21 ILR closing. Publication requirements for other activity will be made in line with contractual terms.

10. Policy Review

The policy will be reviewed on an annual basis, and/or when there are significant changes in the funding rules.

11. Policy Communication

The policy is available online at www.ltegroup.co.uk and on our business unit websites and is available in hard copy on request. The policy will be discussed and all points fully explored with all current and future sub-contractors during contract negotiation meetings.