

## **Subcontracting Fees and Charges Policy**

**Academic Year(s): 2025–26 (reviewed annually)**

### **1. Purpose of the Policy**

This Subcontracting Fees and Charges Policy sets out how Bishop Auckland College (“the College”) ensures that all fees retained from subcontracted Adult Skills Fund (ASF) provision:

- Are transparent and clearly justified
- Represent actual costs incurred
- Deliver value for money
- Comply fully with Department for Education (DfE) subcontracting funding rules

The policy applies to all subcontracted delivery funded through the Adult Skills Fund.

### **2. Scope**

This policy applies to:

- All subcontracted Adult Skills Fund provision
- All subcontractors engaged by the College to deliver ASF-funded activity
- All retained funding deducted from subcontractor payments

This policy should be read alongside the College’s:

- Subcontracting Strategy
- Funding Agreement / Contract for Services
- Financial Regulations

### **3. Regulatory Framework**

The College complies with:

- Subcontracting Funding Rules for Post-16 Education and Training
- Adult Skills Fund funding and performance management rules
- Education and Skills Funding contractual requirements

The College recognises that it remains fully accountable to the DfE for all aspects of subcontracted provision, including quality, compliance, performance and financial stewardship.

### **4. Principles Governing Fees and Charges**

The College operates to the following principles when determining fees and charges:

1. **Transparency**  
Fees retained by the College are clearly documented and shared with subcontractors prior to contract agreement.
2. **Proportionality**  
Charges reflect the level, scale and risk of the subcontracted activity.
3. **Cost-based Charging**  
Fees represent the actual cost of services provided by the College, not profit.
4. **Value for Money**  
Subcontracted arrangements must demonstrate benefit to learners and the public purse.
5. **Equity and Fairness**  
Fees are applied consistently and reviewed regularly.

## **5. Services Covered by Retained Funding**

The College may retain funding from subcontracted provision only to recover the cost of services it provides. These services may include, but are not limited to:

### **5.1 Quality Assurance and Improvement**

- Teaching, learning and assessment observations
- Quality reviews and performance monitoring
- Moderation and standardisation activity
- Improvement planning and support

### **5.2 Funding Assurance and Compliance**

- Learner eligibility checks
- Evidence sampling and validation
- ILR data checking and submission
- Funding rule interpretation and guidance

### **5.3 Contract Management**

- Subcontractor performance meetings
- Monitoring delivery volumes and outcomes
- Risk assessment and escalation
- Contractual oversight and reporting

### **5.4 Safeguarding and Learner Protection**

- Safeguarding oversight and compliance checks
- Prevent duty support and monitoring
- Health and safety assurance

### **5.5 Audit and Governance**

- Internal audit and assurance activity

- External audit support
- Reporting to senior leadership and governors

## **6. Fee Structure**

### **6.1 Fee Levels**

The College retains a management fee expressed as a percentage of funding earned on subcontracted provision.

The retained percentage is determined annually and reflects:

- Volume of subcontracted delivery
- Risk profile of provision
- Costs of services provided
- Compliance and assurance requirements

The College does not retain funding where it does not provide corresponding services.

### **6.2 Avoidance of Profit**

The College will not seek to profit from subcontracting arrangements.

Any surplus identified through periodic review will be addressed through fee adjustment or reinvestment into quality support.

## **7. Transparency and Disclosure**

- The College publishes this Fees and Charges Policy on its website
- Subcontractors receive a written breakdown of:
  - Services provided
  - Fees retained
  - Payment schedules
- Fee arrangements are detailed within individual subcontract agreements

## **8. Payment Arrangements**

- Payments to subcontractors are made promptly and in line with contractual terms
- Payments are dependent on:
  - Verified delivery
  - Accurate ILR returns
  - Compliance with funding rules
- The College reserves the right to withhold payment where compliance concerns are identified, in line with contract terms

## **9. Review and Monitoring**

- Fees and charges are reviewed at least annually

- Reviews consider:
  - Actual cost of services
  - Changes to funding rules
  - Scale and risk of subcontracted provision
- Any changes to fees are approved by the Governing Body

## **10. Governance and Accountability**

The Governing Body:

- Approves this policy annually
- Receives assurance that fees retained are justified
- Oversees value for money and risk management

Senior leaders are responsible for ensuring the policy is applied consistently and compliantly.

## **11. Policy Review**

This policy will be reviewed annually, or sooner if:

- Funding rules change
- Subcontracting volumes significantly increase
- Audit or assurance findings require amendment

## **12. Statement of Accountability**

The College confirms that all subcontracting fees and charges:

- Are transparent
- Are cost-based
- Represent value for money
- Comply with all DfE funding requirements