

**NEWHAM  
COLLEGE  
LONDON**

**Sub-Contractor Fees and Charges Policy 2023-24**

**Approved by Finance & Resources Committee on 05/07/2023**

**Version & Date of Issue:** Version 1. June 2023

**QS Reference: Subcontractor Fees and Charges  
2023-24**

**Issued by:** J Abbott

**Authorised by:** Paul Stephen

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## RATIONALE FOR SUBCONTRACTING

1. Newham College’s mission is to help local people acquire the skills and qualifications to secure great jobs or progression to higher levels of education. Effective use of sub-contracting arrangements can complement the direct delivery undertaken by the College.
2. The College emphasises curriculum pathways aligned to local labour market intelligence as a key factor in securing student success. It may from time-to-time work collaboratively with a small number of approved sub-contractors by exception to meet specific gaps in its curriculum delivery plan. Our criteria in looking for sub-contracting relationships have been set as some or all of:
  - 2.1. Must enhance the opportunities available to young people and adults
  - 2.2. Must fill gaps in niche or expert provision, or provide better access to training facilities
  - 2.3. Must serve a local catchment area in or within the immediate proximity of east London and support better geographical access for learners
  - 2.4. Must offer an entry point for a disadvantaged group
  - 2.5. Must be aligned to the College strategic plan, and ideally to one of our three specialist areas – health sciences; engineering & construction; and digital
  - 2.6. Must have synergy with and present progression opportunities into the College, whether apprenticeships, Higher Technical Qualifications or London City Institute of Technology.

## MANAGEMENT FEES

3. The management fee typically charged for sub-contracted delivery is 20%. This level may vary if exceptional levels of support are required to address quality or compliance issues. The 80% paid to the sub-contractor is paid only for the portion of the contract that is delivered and a proportion of this will be withheld pending validation of achievement data, as detailed in the annual contract. The College reserves the right to with-hold or claw back funding paid in relation to under delivery (e.g due to late withdrawal of learners from the ILR) or other reasons (e.g. cost of management time spent considerably exceeds the contract fee).
4. These fees are calculated based on the average level of administrative and management time spent on the analysis, management and development of sub-contracted provision. It also takes into account the software licensing and technical maintenance costs that are directly attributable to sub-contracted provision.
5. In return for the management fee, Newham College sub-contractors will benefit from:
  - 5.1. Monitoring and support to improve the quality of provision, including both planned and unplanned visits
  - 5.2. An extensive suite of management information and regular updates on policy developments and their impact on revenue
  - 5.3. Regular partnership meetings and opportunities to network
  - 5.4. Opportunities for staff and curriculum development
  - 5.5. The potential to access alternative funding streams through the College’s successful track records in securing bids for additional grants and funding

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- 5.6. Regular access and availability of expert advice and systems support
- 5.7. Learners accessing the College’s online learning system.

**PROCESS FOR APPROVING VARIATION TO THE ABOVE RATES**

- 6. If there is a significant variance to the typical management fee of either + or – 5% the approval must be sought from the Executive Board. Criteria for re-evaluation will be based on:
  - 6.1. Proven Timely Success Rates
  - 6.2. Proven Achievement and Retention Rates
  - 6.3. Administratively Compliant/Reviews/Registers in order
  - 6.4. Volume and Capacity to Deliver
  - 6.5. The quality of Teaching and Learning

**PAYMENTS TO SUB-CONTRACTORS**

- 7. Unless otherwise agreed, Newham College will only accept liability for fees if the programmes being delivered by the sub-contractor are accepted by the relevant funding body as fundable, and the conditions of funding are met.
- 8. The College is committed to writing to sub-contractors within four working days of the ILR submission deadline to provide them with their ILR reconciliation reports and inform them of the amount that should be invoiced.
- 9. The table below sets out the final date for sub-contractors to submit enrolment paperwork to ensure that the information will be included in the monthly submission of the ILR and funding statement. The College **cannot** guarantee to process paperwork submitted after these dates in time to be included in that period’s funding statement.
- 10. Payment for enrolments received after the deadline dates will be paid in the following month. Note that any enrolment paperwork received after 20<sup>th</sup> July 2024 will not be processed.

| Period | Return date               | Month    | Final Date for Submitting Paperwork | ILR reconciliation reports and requests for invoices to partners | Deadline for submitting invoices to the College. |
|--------|---------------------------|----------|-------------------------------------|--|--|
| 1      | 6 <sup>th</sup> Sept 2023 | Aug 2023 | 18 <sup>th</sup> Aug 2023           | 13 <sup>th</sup> Sept 2023                                       | 18 <sup>th</sup> Sep 2023                        |
| 2      | 5 <sup>th</sup> Oct 2023  | Sep 2023 | 22 <sup>nd</sup> Sep 2023           | 12 <sup>th</sup> Oct 2023  | 21 <sup>st</sup> Oct 2023                        |
| 3      | 6 <sup>th</sup> Nov 2023  | Oct 2023 | 20 <sup>th</sup> Oct 2023           | 13 <sup>th</sup> Nov 2023  | 20 <sup>th</sup> Nov 2023                        |
| 4      | 6 <sup>th</sup> Dec 2023  | Nov 2023 | 17 <sup>th</sup> Nov 2023           | 13 <sup>th</sup> Dec 2023  | 15 <sup>th</sup> Dec 2023                        |
| 5      | 5 <sup>th</sup> Jan 2024  | Dec 2023 | 8 <sup>th</sup> Dec 2023            | 11 <sup>th</sup> Jan 2024  | 18 <sup>th</sup> Jan 2024                        |
| 6      | 6 <sup>th</sup> Feb 2024  | Jan 2024 | 19 <sup>th</sup> Jan 2024           | 13 <sup>th</sup> Feb 2024  | 20 <sup>th</sup> Feb 2024                        |
| 7      | 6 <sup>th</sup> Mar 2024  | Feb 2024 | 16 <sup>th</sup> Feb 2024           | 13 <sup>th</sup> Mar 2024  | 20 <sup>th</sup> Mar 2024                        |
| 8      | 5 <sup>th</sup> Apr 2024  | Mar 2024 | 22 <sup>nd</sup> Mar 2024           | 12 <sup>th</sup> Apr 2024  | 19 <sup>th</sup> Apr 2024                        |

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| Period          | Return date                | Month    | Final Date for Submitting Paperwork | ILR reconciliation reports and requests for invoices to partners | Deadline for submitting invoices to the College. |
|-----------------|----------------------------|----------|-------------------------------------|--|--|
| 9               | 7 <sup>th</sup> May 2024   | Apr 2024 | 19 <sup>th</sup> Apr 2024           | 14 <sup>th</sup> May 2024  | 21 <sup>st</sup> May 2024                        |
| 10              | 6 <sup>th</sup> Jun 2024   | May 2024 | 17 <sup>th</sup> May 2024           | 13 <sup>th</sup> Jun 2024  | 20 <sup>th</sup> Jun 2024                        |
| 11              | 4 <sup>th</sup> Jul 2024   | Jun 2024 | 14 <sup>th</sup> Jun 2024           | 11 <sup>th</sup> Jul 2024  | 18 <sup>th</sup> Jul 2024                        |
| 12              | 6 <sup>th</sup> Aug 2024   | Jul 2024 | 19 <sup>th</sup> Jul 2024           | 13 <sup>th</sup> Aug 2024  | 20 <sup>th</sup> Aug 2024                        |
| 13 <sup>1</sup> | 16 <sup>th</sup> Sept 2024 | Jul 2024 | 30 <sup>th</sup> Aug 2024           | 23 <sup>rd</sup> Sept 2024                                       | 30 <sup>th</sup> Sept 2024                       |
| 14 <sup>2</sup> | 17 <sup>th</sup> Oct 2024  | Jul 2024 | 3 <sup>rd</sup> Oct 2024            | 24 <sup>th</sup> Oct 2024  | 31 <sup>st</sup> Oct 2024                        |

<sup>1</sup> This date is the **final, hard close** date for 2023-24. All achievement information must have been submitted to the College by this date.

<sup>2</sup> This date is the **final, hard close** date for 2023-24. All data amendments and information must have been submitted to the College by this date.

#### DISSEMINATION OF POLICY

11. This policy is available on the College's web site and is reviewed on an annual basis.

#### FUNDING PAID AND RETAINED FOR EACH SUB-CONTRACTOR IN 2023/24

12. Data will be published no later than 15 November 2024.

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