

SUPPLY CHAIN FEES & CHARGES 2025-26 (SUBCONTRACTING POLICY)

APPROVING AUTHORITY	SLT
RESPONSIBLE OFFICER	Assistant Principal - Curriculum
EFFECTIVE DATE (APPROVAL DATE)	13th October 2023
NEXT REVIEW	July 2026
RELATED DOCUMENTS	Subcontracting Statement
AMENDMENT DATES	August 2025 removed ESFA and replaced with DFE

Subcontracting – Supply Chain Fees & Charges Policy

1. Scope

The policy applies to supply chain activity supported with funds supplied by the Department for Education (DFE), and the Greater London Authority (GLA).

2. Context

The policy is now a mandatory requirement that has been in place prior to participating in any subcontracting activity since 2013/14. It has since been expanded to all post 16 education providers.

3. Overarching Principle

Redbridge Institute will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. Redbridge Institute will therefore ensure that:

- a. Supply chain management activities comply with the principles of best practice in the FE and Skills sector.
- b. Redbridge Institute will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- c. The funding that is retained by Redbridge Institute will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- d. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, Redbridge Institute will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations, and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.

4. Rationale for subcontracting

Redbridge Institute engages with subcontractors to better meet customer needs. Reasons are varied but could be:

- To provide immediate provision whilst expanding direct capacity. This might include working with subcontractors to explore and learn about new frameworks or sectors prior to investment in resources
- Providing access to, or engagement with, a new range of customers
- To meet a specific local community need, including delivering learning to priority groups within the Borough
- To support another provider to develop capacity/quality
- To provide niche delivery where the cost of developing direct delivery would be inappropriate
- To support employers with a wide geographic requirement
- To support another provider to remove barriers to work and training for different groups.

5. Quality Assurance

Subcontracted provision is an important part of Redbridge Institute's activity. The quality of all subcontracted provision will be monitored and managed through the existing Redbridge Institute Quality Assurance (QA) processes and procedures, as amended in order to fully encompass all subcontracted activity.

To enable continuous improvements in the quality of teaching, learning and assessment for both Redbridge Institute and its subcontractors, Redbridge Institute will seek to promote the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

6. Fees retained by Redbridge Institute

The standard Redbridge Institute management fee is up to 20% of all funding drawdown against the provision to be delivered. This figure represents the total cost that Redbridge Institute incurs in effectively identifying, selecting and managing all subcontracted provision. This includes the minimum amount of QA activity that the College would attach to the lowest possible risk subcontractor.

7. Difference in fees retained by Redbridge Institute

Fees charged to individual providers may differ. Fee differences would cover additional costs which may be added to the base fee to cover any additional support that the College deems necessary to ensure the quality of teaching and learning and the success rates of any subcontracted provision.

Redbridge Institute will only subcontract provision to prospective partners deemed to be of high quality and low risk. This notwithstanding, Redbridge Institute recognises that there will be factors which may require different levels of management fee to apply to different low-risk subcontractors.

Additional cost is determined through a review of risk factors, designed to ensure that the cost of any additional support provided to a subcontractor is covered through the funding retained. Additional costs will be recalculated and negotiated each year at contract renewal,

giving subcontractors the opportunity to reduce their additional fees through continuous improvement. This approach will allow Redbridge Institute to focus support where and when it is needed.

8. Additional charges to Subcontractors

Redbridge Institute may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the subcontractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from Redbridge Institute
- Internal Verification
- Marketing
- IAG and Recruitment

9. Support for Subcontractors

In return for the management fee retained by Redbridge Institute, all Subcontractors will receive:

- A designated subcontractor partner manager
- Regular contract review meetings
- Inputting of submitted paperwork
- Data checks and support to resolve data queries
- MIS returns completed
- Regular funding reports
- Access to learner support
- Regular performance and quality visits
- Audits of paperwork, processes and procedures
- Ongoing support to address areas for improvement
- Support on key quality processes such as self-assessment report (SAR) writing
- CPD opportunities
- Updates regarding funding and policy guidance.

10. Additional support for Subcontractors

The precise additional support given to each subcontractor according to their risk factor will be negotiated with that subcontractor but could include:

- Additional site visits
- Additional learning walks
- Additional tutor support
- Additional funding and compliance support

11. Payment terms

Redbridge Institute and the subcontractor will agree a maximum contract value and standard payment terms that are set out in each subcontractors Service Level Agreement. These are based on actual delivery recorded on the Redbridge Institute ILR.

Redbridge Institute expects subcontractors to fully assess the accuracy of payments and to have a responsibility to review their financial reports to identify any inaccuracies.

Where applicable, the subcontractor may set and collect fees from learners, according to a fees policy which must be agreed by Redbridge Institute.

12. Contingency plan

The Institute will take steps to ensure that provision is made to preserve the continuity of the provision and that learners involved are able to complete their qualification and/or training to a high quality. The Institute's overall aim is to reduce the inconvenience to learners and maximise their achievement and learning outcome.

Following withdrawal from a contract the next step would be for senior managers to hold a planning meeting and determine the best way forward. The subcontractor may also be invited to the planned meeting. Learners are the responsibility of Redbridge Institute, and they would be the primary focus of any contingency plan.

The Institute will use the following plan:

- Informing the funding agency of withdrawal from the subcontracting arrangement.
- A review of learner progress and assessment.
- To ensure learners complete their learning and qualifications, going forward a decision would be made to identify the best delivery plan to ensure continuity of learning and minimise any disruption to learners. One of four possible routes will be identified as set out below:
 - The Institute would deliver the provision.
 - The Institute would identify an existing sub-contractor with the capability and capacity to deliver the provision.
 - The Institute would engage with a new sub-contractor (subject to completion of the due diligence process) to deliver the provision.
 - As a last resort, if the Institute is unable to meet the needs of the learners through either direct delivery, using an existing sub-contractor or engaging with a new sub-contractor, it will work with the relevant funding bodies (DFE, GLA) to identify an alternative provider to transfer the learners to.
- Informing and communicating plans to learners.
- Awarding Organisation.
 - The Institute will make contact with existing awarding organisation(s) to see if learners can be transferred to the college.
 - Ascertain whether existing work can be transferred to an alternative AO and APL applied.
 - The Institute will pay for any registration and certification costs that cannot be transferred from the outgoing subcontractor's centre.
- Setting clear time scales for identified actions to be implemented.
- Recover and remove all Department (DFE/GLA) data held on systems and recover relevant documentation.

- Allocating key roles and responsibilities to institute staff for implementing, monitoring, and reviewing the plan.

12. Publication and communication

Redbridge Institute will ensure all actual and potential subcontractors have sight of this policy. It will be published on the Redbridge Institute website in July at the start of the academic year in which it will be applied, and potential subcontractors will be directed to it as the starting point in any relationship. Alongside this policy, Redbridge Institute will also publish the actual level of funding paid and retained for each of its subcontractors insofar as this relates to 'provision subcontracting.'