

## Management Fee and Supply Chain Charges

The College recognises that the bulk of funding should follow the learner. The typical percentage range charged by Tameside College is 15% to 20%. This management fee is deducted from the ESFA rate based on funding income received by Tameside College. The amount charged will be negotiated with the Subcontractor and depend on a range of factors including performance, experience, level of risk associated with the provision and evidence of the level of support required from Tameside College. The management fee will fund the quality assurance and quality improvement work required, the leadership and the management time to ensure that quality is delivered, and to improve the provision if required. The college can also deduct any costs associated with delivery of any education to the learners.

We will identify specific costs for managing the subcontractor, for quality monitoring activities and for any other support activities offered by Tameside College to the subcontractor. These costs will be shared with the supplier prior to commencement of any contract.

This list of specific costs will include, but is not limited to:

- Due diligence checks for potential and existing subcontractors (reviewed annually)
- Production of Contracts
- Subcontract set up costs to record and monitor activity and progress
- Training in relation to college enrolment and paperwork requirements
- Review and recommendation in relation to courses delivered and/or Study programme content
- Checking for learner eligibility, funding and accuracy to comply with ESFA rules
- Data input of learner details for enrolment and completion
- Quality and Contract Review Meetings
- Quality assurance and improvement activity in partner institutions including quality sampling of learners to track learner progress
- Travel to subcontractor and delivery premises
- Monthly ILR reconciliations and processing of payments
- Announced and unannounced observations with checks on student attendance and constructive feedback to improve the quality of teaching, learning and assessment
- Monthly safeguarding return monitoring
- Subcontractor staffing reviews (Safeguarding / Qualifications and Experience / DBS)
- Learner surveys to gain feedback of learner experience and prompt any action
- External audit of subcontracted provision to meet Ofsted and ESFA requirements

Costs against each of these areas will be determined by the size of the contract (both value and number of learners to be enrolled), and the input required by the College. This will be based on a risk assessment of the subcontractors own policies and processes, taking into account:

- Previous performance in relation to the delivery of subcontract contracts
- Historical achievement rate data.
- Financial standing of the Subcontractor.
- Anticipated demands of the contract on the College's resources including levels of support.

The percentage management fee will then be reviewed in relation to the standard management fee of 15% - 20% to ensure that the College is making the best use of public funds.