**Introduction and scope**

This policy applies to all provision delivered by third party organisations / individuals under subcontract to CSW Group Ltd (CSW).

CSW recognises that it retains full accountability for the delivery of contracts and this cannot be assigned to subcontractors. Roles and responsibilities for CSW and our subcontractors are clearly defined from the outset of the partnership. All subcontractors are required to agree and sign a contract prior to delivering services for CSW.

This policy ensures that there is openness and transparency in the fees and charges relating to subcontracts, so that when entering into a subcontracting relationship the potential partner is aware of the support services provided and the management fee that will be charged.

**Management Fees**

CSW normally charges subcontractors a management fee for a standard subcontracting agreement. The fee will be calculated as a percentage of the whole subcontract value and will usually be accrued in proportion to actual delivery of the subcontract.

The fee is calculated to cover day-to-day management of subcontracted delivery, monitoring of progress, collecting and updating due diligence, ensuring audit compliance, dealing with partner queries, coordinating self-assessment processes, quality and compliance monitoring, as well as other similar services as needed.

The fee also covers administration support to process the data, ILR management, middle and senior management support (working with national agencies, funding bodies, giving advice relating to policies, ESFA or other commissioners’ guidance, etc.), and management of funding and finances (preparation and processing of payments).

The level of support required for each subcontract will determine the percentage management fee; this will be specified in tender documentation.

**Payment terms**

Payment terms are set out in detail in the subcontract agreement referred to above and are available for potential subcontractors to view before entering into a formal agreement with CSW.

Subcontractors will be paid via BACS in line with the terms and conditions as set out in the subcontract agreement subject to meeting all contractual requirements. Alternative payment conditions may operate following discussions and formal agreement between CSW and the subcontractor, depending on the contract delivery model and contract delivery time.

**Communication and Review**

This policy is discussed with current and potential subcontractors as part of the contract planning and contract review process on an annual basis prior to potential subcontracts being agreed.

This policy will be reviewed annually. The policy owner is the Director of Operations.