

Subcontract Management Fees and Charging Policy 2022/2023 Academic Year

Introduction and Scope

This policy applies to all provision delivered by third party organisations / individuals under subcontract to CSW Group Ltd (CSW) for Education, Skills & Funding Agency (ESFA) contracts funded by the European Social Fund (ESF).

CSW's delivery model is to act as lead partner (prime contractor) for the delivery of these contracts. Whilst we may undertake some limited delivery on some contracts (e.g., CEIAG and pre-employment) we substantively work with sub-contractor delivery partners to fulfil the requirements of these contracts.

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 promotional activity, 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 current management fee is 20% which we believe reflects the opportunity and services provided by the CSW as prime and is equitable in terms of viability for both parties. This rate is open to review and could potentially be varied for a non-standard requirement.

CSW seek to improve the quality of teaching and learning through monitoring outcomes, participant exit interviews / customer satisfaction surveys, observing delivery, providing regular feedback, providing partner access to relevant online training and through best practice delivery partner forums.

Payment terms

Payments to Subcontractors are calculated using any relevant formulas (e.g., ESF/ ESFA – available on the HUB). Values are in the contract and this information on the Hub is in the public domain to ensure to ensure transparency. Payments to Subcontractors are subject to the management fee indicated in the contract.

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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. The current payment terms are 30 days.

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 in October and may be amended in accordance with the issue of new Funding Guidance if required. The policy owner is CSW's Operations Manager.

The policy is published on CSW's website www.cswgroup.co.uk and is shared with potential sub-contractors during pre-contract negotiations.

APPROVED BY:



Name: Chris Saxby

Position: Managing Director

Date: 12 October 2022