



DOCUMENT DETAILS

<b>Document Name:</b>	<b>Supply Chain Fees and Charges Policy</b>
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Document Author	Jill Holland
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Applicability	The following groups have responsibilities relating to this policy, Governors; Senior Leadership Team; Head of Operations (Partnerships Apprenticeship and Enterprise); Partnership Manager; Quality Improvement and Development Lead; MIS & Finance staff
Summary	The Supply Chain Fees and Charges Policy ('The Policy') is a requirement of the Education and Skills Funding Agency Funding Rules Document. It sets out the College rationale for working within sub-contractor arrangements and the approach taken to determine the fees and charges expected within such work.

DOCUMENT CONTROL

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1.3	2 <sup>nd</sup> July 2020	Review date July 2020 First Draft to include changes in / updates to the Fees and Charges	Jill Holland

DOCUMENT APPROVAL

Approving person/body	Job Role (where applicable)	Date Approved
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## 1. INTRODUCTION

- 1.1. The purpose of the Supply Chain Fees & Charges Policy is to set out the College's rationale for working within sub-contractor ("Partnership") arrangements and the approach taken to determine the fees and charges expected within such work. This applies to its funded provision through the Education and Skills Funding Agency.
- 1.2. The College aim is to maintain a range of partnerships which allows it to access learners that it would not be able to reach under normal circumstances, for instance through geography, course aim or channel.
- 1.3. The typical percentage range of fees retained to manage sub-contractors is stated in this document. These fees are calculated by using a 'base cost', which is, then subject to the addition of a 'general' risk factor and where appropriate a 'specific' risk factor.
- 1.4. The Education and Skills Funding Agency imposes guidance in this area and as such, this Policy is directly influenced by this guidance, which is contained within the Funding Rules 2019-20 document.

## 2. AIMS AND OBJECTIVES

- 2.1. This policy relates only to provision, which is sub-contracted, which is the sub-contracting of the delivery of full programmes, and/or frameworks/standards by the College to a third party Partner.
- 2.2. For the purposes of this Policy the following definitions shall apply:
  - The College shall mean Nottingham College or its successor
  - The Sub-contractor shall mean any legal entity that the College sub-contracts its provision to.
  - The Partner shall mean the Sub-contractor.
  - The Learner shall mean anyone undertaking a learning programme or framework/standard that is delivered by a partner through a sub-contract with the College.
  - The Parties shall mean the College and the Sub-contractor.

## 3. RESPONSIBILITIES

- 3.1. Corporation
  - The Corporation is responsible for;
    - Approving the Supply Chain Fees and Charges Policy on an annual basis.
    - Reviewing the contractual position between the Parties on an annual basis.
  - The Audit Committee is responsible for reviewing and ensuring assurance and compliance in the Colleges system of internal control, which includes the systems, and processes in Partnership provision.



### 3.2. Senior Leadership Team:

- The most senior leader for Apprenticeships and Enterprise is responsible for writing and reviewing the Supply Chain Fees and Charges Policy.
- Reviewing the Supply Chain Fees and Charges Policy and recommending it to the Corporation.
- Reviewing the volume, funding, costs and risks attached to partnership provision.

### 3.3. Head of Operations (Partnerships, Apprenticeships and Enterprise) and Partnership Manager:

- Managing the College's Partners and partnership provision, including support for quality.
- Reviewing and forecasting the levels of funding and costs per Partner.
- Liaising with the College solicitors to review and implement the partner contract on an annual basis.
- Maintaining a due diligence review of Partners which informs the decision to sub-contract and the exposure/risk per Partner.

### 3.4. College MIS and Finance Departments:

- The College MIS Department is responsible for:
  - Maintaining a College student record system.
  - Reporting funding out-turns to the ESFA on a timely basis.
- The College Finance Team is responsible for:
  - Agreeing a payment timetable for Partners based on the fortnightly College payment runs.
  - Making payments to the Sub-contractors accurately and as per the agreed payment timetable and contractor payment terms.

## 4. PARTNERSHIP WORKING

4.1. The College has, over a number of years devised a Partnership Strategy, this is revised on an annual basis and the complete approach and rationale to its partnership and sub-contractor work may be found within this document.

4.2. The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential delivery partner/s to ensure compliance with this policy 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.

4.3. The College will partner with a group of select external training organisations to deliver programmes to learners. The College will engage with such organisations primarily to meet the following objectives:

- To align with College strategy to meet Government priority targets in learner groups and outcomes
- To broaden the College curriculum offer into new market sectors in line with LEP priorities.
- To align with College strategy to engage hard to reach learners who do not follow typical routes into education'
- To expand College engagement with communities both locally and nationally.
- To build local and national strategic educational relationships.
- To target growth in the development of specific College funding allocations.

Such Partner organisations will share the College's educational aspirations in the form of mutual goals and outcomes that benefit the development of learners, employers, the College and the Partner. These relationships will take the form of collaborative partnerships that synchronise with College strategic developments in the long term.

- 4.4 The College will flexibly engage with partners on an annual basis to meet these strategic objectives. The College may work with Partners to deliver programmes funded through ESFA funding stream.

## 5. CONTRIBUTION TO IMPROVING TEACHING AND LEARNING

- 5.1 The College has a dedicated Partnerships Manager led by the Head of Operations (PAE), who focus on the selection, contracting, monitoring, intervention and review of all sub-contracting arrangements in the College.
- 5.2 The Partnership Manager supported by the Quality Improvement and Development Lead will work closely with sub-contractors to ensure compliance and to work on quality improvement. This could be improvements in academic quality, administration, organisation or finance.
- 5.3 The Policy defines the quality management framework and range of associated services that contribute towards the improving of teaching and learning of the provision being sub- contracted, in relation to the fees and payment terms.
- 5.4 The Policy defines the standard fees charged and the agreed minimum levels of service provided by the College, which shall be set by the College to support improvements in the standards of teaching and learning in this provision.
- 5.5 The Policy defines the fees charged which will be proportionate to the nature, content, distribution and standard of the sub-contracted delivery in order to enable the College to provide the agreed minimum level of service that shall be set to support the improvement of standards in teaching and learning in this provision.
- 5.6 The terms within this Policy enable the direct linkage of the fees and payment to the meeting of agreed standards in teaching and learning and learner success which is determined by the College as necessary to promote the continuous improvement of these standards
- 5.7 This Policy is designed to enable the linkage of the fees to the provision of services by the College which are over and above the agreed minimum level of service but which are deemed as necessary by the College to support continuous improvements in the standards of teaching and learning of the sub-contracted provision.
- 5.8 This Policy will support the continuing progression of individual learners that are a direct requirement of the payment terms.
- 5.9 The Policy will define the range of additional services that shall be available from the College in support of the continuous improvement of the provision but which shall be additional to the agreed minimum services provided within the standard fee

## 6. PROVIDING SERVICES AND SUPPORT

6.1 The College will undertake a thorough initial assessment of the Sub-contractor prior to contracting and shall share the results of this assessment with the Sub-contractor to inform opportunities for development.

6.2 Throughout the term of the contract, as an agreed minimum standard, the College will provide the following services to the Sub-contractor in relation to the sub-contracted provision:

- Access to dedicated Partnership staff at the College
- Access to existing College expertise, as appropriate
- A contract management service to include the regular monitoring and reporting of progress against financial targets
- Guidance on the application of funding methodologies that relate to the sub-contracted provision
- Guidance on the development and application of an appropriate and robust audit trail
- A performance monitoring service that includes the sampling, reporting and analysis of:
  - Individual standards of delivery and assessment in teaching and learning
  - Observation of the quality of teaching, training & assessment
  - Learner and, where appropriate, employer voice
  - Standards of learner work
  - Standards of resourcing to include staffing
  - Learner attendance and progression levels
  - Learner retention, achievement and success levels
  - Internal and External Moderation/ standardisation strategies
  - CPD Opportunities and planned training and development
  - Management Information Services and data control advice
  - Regular national updates regarding funding and policy guidance
  - Safeguarding of Young People and Vulnerable Adults procedures
- Guidance and the sharing of best practice development to include:
  - Guidance and non-financial support in the development of individual staff
  - Guidance and non-financial support on the development of standards in the delivery of the learner journey
  - Guidance and non-financial support in the development of quality management processes to include a framework for the application of self-assessment processes
- A compliance management service for the collation, verification and processing of evidence in relation to the correct claim of funding
- An agreed regular payment of monies due to the Sub-contractor

6.3 Services that are available to the Sub-contractor that are additional to the agreed minimum level of service may include but are not limited to:

- The provision of a College centre approval facility to include learner registration and certification
- The provision of Internal Quality Assurance services by College staff
- The delivery of externally charged staff development
- The provision of a marketing or learner find service

6.4 The introduction of the Employer Levy has seen changes in the flow of funding, with larger employers taking control of their apprenticeship funding and having more discretion on how this is spent. This will allow the College to offer an additional service to sub-contractors or employers where the College uses its proven expertise to:

- administer their student records and ILR funding returns
- provide quality assurance support

6.5 The College may choose to work in partnership with other direct contract holders to deliver any elements of the above services at an agreed fee, which will be representative of the scope of those services. This will not be limited solely to apprenticeship provision.

## 7. CHARGING APPROACH TO PARTNERSHIP WORKING

7.1 The fee charged by the College shall be agreed in the contract between the parties and shall be determined by the following:

- i. The Fee structure shall include a standard management fee in support of the delivery of the agreed minimum level of service by the College, which shall be at a standard proportion of the funding earned.
- ii. The Fee structure will allow the College to be competitive when dealing with Sub-contractors who have provision in highly competitive market areas.
- iii. The Fee structure shall include the option for the College to reduce or increase the standard management fee in proportion to the nature, content, risk and distribution of the Sub-contracted delivery, which shall be determined by the College.
- iv. The Fee structure shall enable the College to increase the standard management fee in relation to the failure by the Sub-contractor to hit agreed standards and targets.
- v. The Fee structure shall enable the College to provide additional non-specific services that are deemed necessary by the College to support the continuous improvement of standards in the sub-contracted provision that are over and above the agreed minimum level of service.
- vi. The Fee structure will enable the provider to purchase additional services from the College that are so required by the Sub-contractor and outside of the agreed minimum services.

7.2 The Fee structure will be established with individual Sub-contractors with the following guidelines in mind

Provision of services by the College	Standard Fee as proportion of funding earned	Possible Range of fee as proportion of funding earned	Direct Charge for specific service
Agreed minimum standard	20%	15% to 30%	n/a
Additional non-specific services	n/a	15% to 30%	n/a
Additional specific services	n/a	n/a	Charged in accordance with cost of specific service to College

7.3 In addition and in line with ESFA AEB Funding requirements we will publish on the College website the details of the subcontractor fees and charges as per below:

- Name of each delivery subcontractor
- UK Provider Reference Number (UKPRN) of each delivery subcontractor
- Contract start and end date for each delivery subcontractor
- ESFA Funding paid to the College for AEB delivery by each delivery subcontractor in that funding year
- ESFA Funding paid to each delivery subcontractor for AEB delivery in that funding year
- Details of the funding retained in relation to each delivery subcontractor's ESFA funded AEB delivery for that funding year
- Where applicable, funding each delivery subcontractor has paid to the College for services or support we have provided in connection with the subcontracted

## 8. PAYMENT TERMS

8.1 The College and the Sub-contractor will agree the level of fee charged by the College in relation to the charging approach and fee range in this policy and this shall be set out within the contract between the parties.

8.2 The contract between the parties will further set out the agreed payment terms which shall be against the funding claimed by the College in relation to the sub-contracted delivery and shall include and be no less than:

- A monthly schedule of payment and final payment reconciliation which shall be in arrears against funding claimed by the College in the contract period and in accordance with the receipt of satisfactory evidence as so deemed by the College and as stipulated in the schedules of the contract
- A requirement by the College to advise the Sub-contractor in a timely manner and in accordance with the monthly schedule of the monthly invoice total required
- A requirement by the Sub-contractor to invoice the College for the agreed proportion of the funding in accordance with and as notified by the College within the monthly schedule
- A requirement for the College to make payment to the Sub-contractor against the monthly invoice and within the payment terms of the College
- An option for the College to withhold payment of the monthly invoice where there is a risk to the funding as so identified by the College
- The standard payment terms of the College shall be 30 days, although the College will endeavour to make payments within the timescales stated within the Monthly Schedule of Payment.