



# Supply Chain Fees and Charges Policy 2023/2024

<b>Reviewed:</b> July 2023	<b>Next review due:</b> July 2024
<b>Approving Body:</b> Corporation	<b>ELT contact:</b> Chief Financial Operations Officer
<b>Date Approved:</b> July 2023	<b>Author:</b> Head of Finance

\*This procedure may need to be reviewed before the review date stated, to reflect changes in government and other agencies' advice, guidance and legislation

## Contents

1. Introduction
2. Policy Statement
3. Overarching Principle
4. Rationale for Subcontracting
5. Quality Assurance
6. Subcontractor Oversight and Monitoring
7. Risk Assessment
8. Supply Chain Fees and Charges 2023/2024
9. Publication of Information Relating to Subcontracting
10. Subcontractor Declarations

## **1. Introduction**

City College Plymouth (the 'College') is a leading provider of vocational, professional and technical training in the South West, that strives to provide a learning environment and organisational culture that impacts positively on the health, wellbeing and sustainability of our community, to enable all our students and staff to achieve their full potential.

The term 'College Community' includes all staff, governors, students, parents/carers, volunteers and visitors.

### **Our vision:**

- To be the learning destination of choice.

### **Our core values:**

- Respect
- Ownership
- Integrity.

## **2. Policy Statement**

This policy applies to all subcontracting activity supported with funds supplied by the ESFA or any successor organisations.

This policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity. The content of this policy has been developed in line with the Education & Skills Funding Agency (ESFA) funding rules.

## **3. Overarching Principle**

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

- the procurement and management of subcontracting arrangements are fair and transparent
- arrangements are in place to deliver high quality outcomes and destinations for learners
- compliance with all legal and contractual requirements, including Education & Skills Funding Agency (ESFA) funding requirements
- value for money is delivered
- effective risk management practice is undertaken with regard to supply chain management and to manage any risk accordingly
- The funding that is retained by the College 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.

Should disputes arise which cannot be resolved through mutually agreed internal resolution procedures, the College will submit to independent mediation and abide by its findings. 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**

The College engages with subcontractors to better meet customer needs where there is commonality with strategic aims including: centred on employability and enterprise, aligned with the key strategic / sectoral priorities for the city and travel to learn area or delivers sector work based academies addressing skills gaps and enhances the quality of our offer to learners.

Precise reasons are varied but include:

- Providing specialist programmes to complement the College's own provision
- Enhance the quality of our learner and employer offer to meet local priorities and needs
- Supports employers with a wide geographic requirement
- Helping learners in target sectors to upskill and progress
- Providing access to, or engagement with, a new range of customers.
- Provides niche delivery where the cost of developing direct delivery would be inappropriate
- To provide immediate provision whilst expanding direct capacity- this might include working with subcontractors to explore and learn about standards or sectors prior to investment in resources
- To support the unemployed back into work with vocational training routes.
- To temporarily expand provision to meet a short term Learner or Employer need
- To support another provider to develop capacity/quality
- To remove duplication of provision
- To improve cost effectiveness of provision
- To remove barriers to participation especially in underrepresented or non-participating groups

The College will only subcontract where provision is mutually beneficial and is based on joint partnership working to deliver first class provision to learners.

The College will seek to prioritise all subcontracting activity within the Local Enterprise partnership area and wider South West Region. However, if business needs require, we will consider subcontracting outside of this area.

The College is committed to developing a sustainable and reliable supply chain to enable proactive planning and response to managing funding and specific project contracts.

#### **5. Quality Assurance**

Subcontracted activity is an important part of the College's provision. The quality of the provision will be monitored and managed through the existing College Quality Assurance processes and procedures and compliance with all Quality Assurance processes is expected.

This Policy positions subcontracted provision as a core part of College activity to enable continuous improvements in the quality of teaching, learning and assessment for both the College and its subcontractor's. This will be achieved through the sharing of effective practice across the supply chain, regular lesson observations with constructive feedback and the shared resources of professionals to support the subcontractor with any teaching and learning issues.

## **6. Subcontractor Oversight and Monitoring**

Each subcontractor will have an identified main point of contact at the College to ensure the effective oversight of the contract. Specialist College staff will (as required) monitor and support in the following areas:

- Student eligibility and existence, funding, records management and audit compliance
- Invoicing and payment arrangements
- Awarding body registration (if required) and student outcomes
- Quality Assurance
- Contract compliance

Second level subcontracting will not be permissible.

## **7. Risk Assessment**

As a prerequisite, the College requires that any partners that wish to be considered for a subcontract must be active on the Register of Training providers (RoATP) (known as the Register). This is a check prior to the College's own Due Diligence processes, summarised below.

The Subcontracting process – including required Due Diligence processes - will assess the level of risk associated with any proposed arrangement including the provider's capacity and capability to deliver the proposed contract in full.

To support this process a series of risk factors will be considered which will impact upon both the level of oversight required on behalf of the College and subsequently the level of fee retained to facilitate vocational training.

These risk factors include (but are not restricted to):

- the duration of the contract
- the value of the contract
- track record of the subcontractor
- historic non-completion, leaver or drop-out rates
- the requirement for additional or enhanced outcomes
- geographical coverage
- proposed delivery model
- subcontractor staff turnover
- sensitivity of the client group
- industry type and vocational area

- new subcontractor (first engagement)
- health and safety/equal opportunities

Subcontracting partners will be selected using a robust due diligence process and are required to supply the College with all relevant information requested to protect learners and to ensure the subcontractor is a legally, financially and an educationally sound organisation, prior to any contract being signed. The College only wishes to work with partners that are of a high quality and low risk.

The College will set standards and performance levels required and will ensure that partners fully understand their commitments.

## **8. Supply Chain Fees and Charges 2023/24**

All fees and charges will be clearly itemised and cost in each subcontract agreement. The College will ensure that costs are reasonable and proportionate to the delivery of the subcontracted teaching or learning and how each cost contributes to high quality learning. As an overview charges will include the following:

Fees retained in order to facilitate vocational training

The College retains fees for facilitating vocational training to the provider's students, subject to a maximum of 20%. The fees retained are dependent upon risk and will account for the support that the College deems necessary to ensure the quality of teaching and learning provided, and in accordance with EFSA requirements will be fully costed for each subcontract arrangement.

Fees retained covers all standard activity undertaken in order to facilitate vocational training, however additional fees may be charged as defined in the 'Additional Charges' sections below.

Indicative activities include:

- Contract set up and support
- Due Diligence and Risk Management
- On-going performance monitoring against agreed contract levels
- Provision of regular performance reports
- Data processing and validation
- Audit Compliance
- Access to funding support and optimisation
- Quality Assurance

Further charges may be mutually agreed between City College Plymouth and the Subcontractor.

Any payment due will only be approved once any contractual requirements with regard to evidence of activity is provided. The evidence requirements will vary between funding streams therefore, it is vital that the subcontractor understand the specific requirements within their contract. Once a payment has been approved as due, invoices will be paid on a 30 day term in

line with the College's Financial Regulations. For major contracts payments may be made by monthly standing order following contract signing, subject to ongoing satisfactory quality monitoring.

#### Additional service charges

City College Plymouth has a range of additional services that can be charged to a partner. These services may include but are not limited to:

- Access to / support from internal College services such as
  - o Student Services
  - o PM & Staff Development
  - o Finance & Procurement
  - o MIS
  - o Reprographics
- Enhanced Quality Assurance: Additional site visits, additional lesson observations, additional tutor support, stakeholder feedback, enhanced verification support.

#### Additional charges per learner

The College 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 the College
- Additional Insurance Cover
- Internal Verification

Following the outcome of risk assessment processes additional services and associated charges may be identified as a mandatory element of any subcontracting arrangement.

Further additional services may be mutually agreed between City College Plymouth and the subcontractor.

Additional Services may be charged as a one off fee or as a percentage of contract value. This will be dependent upon the contract in question.

### **9. Publication of information relating to subcontracting**

In compliance with Education & Skills Funding Agency funding rules that apply, the College will publish its subcontracting fees and charges policy on its website before the start of each academic year. Potential subcontractors will be directed to it as the starting point in any relationship.

This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme (for example, outreach support).

This policy will be reviewed in each summer term and updated as required.

In line with requirements City College Plymouth will also publish an annual summary of subcontractors to show the actual level of funding paid and the amounts retained per partner per contract alongside this fee policy for a given academic year to allow this information to be viewed in context.

#### **10. Subcontractor Declarations**

In accordance with ESFA funding rules, the College will complete a declaration of subcontracting values on the ESFA portal.

Signed:

Jackie Grubb  
Chief Executive and Principal

Signed:

Richard Stevens  
Chair of Governors