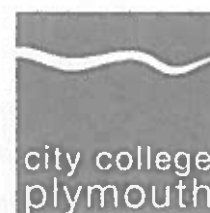


Supply Chain Fees and Charges Policy

2016/17



1. Scope

The policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations whereby City College Plymouth enters into a subcontracting agreement with a supplier to deliver activity.

The content of this policy has been developed in line with AoC/ AELP Common Accord, the relevant Funding Agency Rules and the LSIS Supply Chain Management document.

2. Purpose of Policy

This policy seeks to provide a robust framework for subcontracting activity;

- To ensure the procurement and management of subcontracting arrangements are fair and transparent
- To ensure arrangements are in place to deliver high quality outcomes and destinations for learners
- To ensure compliance with all legal and contractual requirements
- To ensure value for money
- To ensure effective risk management practice is undertaken with regard to supply chain management and to manage any risk accordingly

Should disputes arise which cannot be resolved through mutually agreed internal resolution procedures, the College will submit to independent arbitration or mediation and abide by its findings. Contract signatories submit to both the letter and spirit of partnerships and therefore all discussions, communications, negotiations and actions will be conducted in good faith.

3. Key Principles

This policy will be implemented in a manner that embraces our Core Values:

- We put our students and our community at the heart of all that we do
- We foster excellence, innovation and creativity
- We celebrate diversity and inclusion and the breaking down of barriers to success
- We have high expectations of ourselves, our students and our partners

Our core values underpin our strategies, policies, objectives and procedures by providing an anchor and a reference point for everything that we do. They have

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informed the development of our strategic plan, in particular by reinforcing the primacy of the student experience to our future direction.

4. Rationale for sub-contracting

The College engages with sub-contractors 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:

- Supports employers with a wide geographic requirement
- 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 build capacity
- To support the unemployed back into work with vocational training routes.

The College will only sub-contract 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 sub-contracting activity within the Heart of the South West Local Enterprise partnership area and wider South West Region. However, if business needs require, we will consider sub-contracting 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

Sub contracted 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 sub-contracted 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. Sub-Contractor Management and Monitoring

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

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- 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 sub-contracting will not be permissible.

7. Risk Assessment

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

The Sub Contracting 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 management fee charged. These risk factors include (but are not restricted to):

- the duration of the contract
- the value of the contract
- track record of the sub-contractor
- historic non-completion, leaver or drop-out rates
- the requirement for additional or enhanced outcomes
- geographical coverage
- proposed delivery model
- sub-contractor staff turnover
- sensitivity of the client group
- industry type and vocational area
- new sub-contractor (first engagement)
- health and safety/equal opportunities

Sub-contracting 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.

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

8. Supply Chain Fees and Charges

Management Fees

The fixed management fee applied to sub contracted activity will typically range between 15 and 25%. The fee level is dependent upon risk and will account for any additional support that the College deems necessary to ensure the quality of teaching and learning or is required to manage and monitor the sub contractor's performance.

This Management Fee covers all standard activity undertaken in support of the sub-contractor, however additional fees may be charged as defined in the 'Additional Charges' sections below.

Activities included as part of the management fee 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 management charges may be mutually agreed between City College Plymouth and the Sub-contractor.

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.

Additional service charges

City College Plymouth have available 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 HR & Staff Development
 - o Finance & Procurement

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- MIS
- 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 sub-contractor 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 sub-contractor.

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 sub-contracting

In compliance with Skills Funding Agency and other agency funding rules that apply, the College will publish its sub-contracting fees and charges policy on its website before the start of each academic year. Potential sub-contractors 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 sub-contractors 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.



Phil Davies
Principal and Chief Executive



Nick Holman
Chair of Governors

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