

Supply Chain Fees & Charges Policy

Issue 4

Date *04-07-2023*
Owner *Director of Operations Management*
Review Date *01-07-2024*

TO BE A BEACON OF **EDUCATIONAL EXCELLENCE**,
TRANSFORMING THE LIVES OF THE **INDIVIDUALS**
AND **COMMUNITIES** WE SERVE.

1. Policy Statement

The College is a public body. This policy demonstrates to the public that the College conducts its business in an open and transparent manner. This document aims to provide consistency of approach and transparency to the College's supply chain fees and charges in relation to its provision subcontracting.

2. Scope

This policy applies to all subcontracting arrangements.

3. Reference

- College Financial Regulations
- College Partnership Provision Strategy
- College Subcontracting Policy

4. Documentation

The policy will be made available on the SCC Group internet and hard copies will be available on request. This will also be available on the SCC Group Website.

5. Monitoring and Review

The policy will be reviewed on a regular basis in accordance with legislative developments and the need for good practice.

Responsibility for review:	Director of Operations Management
Review Date:	July 2024
Endorsed by:	Group Principal Senior Leadership Team Corporation
Owned and Authorised by:	Director of Operations Management
To Ensure:	Compliance with the College's Financial Regulations

Definition of Terms

Standard Management Fee – this fee is 15% and is the fee applied to all such contracts to account for standard costs incurred by the College through its management of these contracts.

Additional Management Fee – sometimes there will be a need to apply an additional management fee of 5% to offset additional costs incurred by the College for the management of individual subcontracted contracts (this fee will be determined on a contract-by-contract basis).

Education and Skills Funding Agency (ESFA) – Government funded agency that supports provision for learners in further education, including Apprentices.

Greater Manchester Combined Authority (GMCA) – Government Funding devolved to the Mayoral Combined Authority for the purposes of meeting local skills needs for adults.

Reasons for subcontracting

The College recognises the need to offer as diverse a range of provision as possible, in as flexible and cost effective a way as possible. By working in partnership with subcontractors the College is able to do the following:

- Training linked to employer demand throughout the Salford and Greater Manchester region.
- Opportunity to develop the College offer in new markets.
- Community engagement offering non-accredited provision in the most deprived areas of the city such as those areas identified as cold spots for provision.
- Access to new cohorts of learners who would not otherwise be able to access the College.
- Opportunity to increase the College's reach, including those who are unable/unwilling to attend main College sites, by offering flexibility in delivery of provision at times and venues convenient to learners and employers.
- Access to key target learner groups throughout the City.
- Progression into employment or education, particularly onto College programmes such as HNC/HND.
- Well established, bespoke facilities and staff expertise to support good teaching and learning.

Contracting Process

A robust process is in place to identify and contract with new partners. The Supply Chain subcontracting policy is discussed with potential partners during early negotiations. A due diligence process takes place that includes legal, financial and quality checks, and includes an initial quality visit. In line with ESFA and GMCA policies, all organisations considered for subcontracted provision must hold a valid UKPRN number. Organisations delivering GMCA provision must be declared on the Delivery & Financial Schedule prior to the start of the new academic year. ESFA

funded subcontractors will be subject to scrutiny as per the ESFA Subcontracting Standard. During the contracting year, as required by the ESFA we will complete & submit the Subcontractor Declaration Form.

At the end of the year, we will publish data on actual level of funding paid and retained for each subcontractor.

Improving Quality

The College is committed to continual improvement in teaching and learning, both in its own direct provision and in its subcontracted provision. A range of approaches are employed in order to do this, such as session observations and Self-Assessment Reports. The following processes are in place to help monitor the quality of subcontracted provision, and actively improve quality on an on-going basis:

- A robust schedule of Quality Assurance Audits that are carried out throughout the year.
- Annual Reviews with target setting.
- Regular monitoring meetings between the College and all its subcontractors (with a minimum of one per half term).
- Training and Development workshops (as appropriate).
- Performance Management Framework, where applicable.

Fees

Standard Management Fee

This fee is applied to all subcontracted contracts, and is the proportion of ESFA or GMCA funding retained by the College to cover standard costs incurred through its management of these contracts. These costs include:

- Administration.
- Quality assurance.
- MIS functions relating to the submission of funding claims to the ESFA.
- Provision of management meetings.
- Provision of professional advice regarding ESFA funding matters.
- Due Diligence support, guidance and checking.

Additional Management Fee

In some cases, the College will undertake further, additional functions in terms of managing the subcontracted provision, such as, but not limited to:

- Registering learners with awarding bodies.
- Incurring the cost of examination fees.
- Responsibility for Internal Quality Assurance of provision.
- Increased Quality Assurance Audits if provision is new or is underperforming.

- Additional support necessitated due to subcontractors' poor performance (in relation to delivery of provision, poor achievement rates or administration processes linked to provision).
- New subcontractor due to the increased administrative burden and higher risk resulting in increased monitoring.

In these cases, an Additional Management Fee will be applied to the subcontracted provision in addition to the Standard Management Fee. This fee will be agreed with subcontractors prior to the issuing of contracts, and will be reviewed prior to annual re-contracting. Such arrangements are expected to be in place for a year but with a view to them reducing subject to satisfactory evidence being collected during the year.

Support provided to the subcontractor

A plan of support, advice and quality improvement if required is discussed, agreed and implemented prior to the potential subcontractor making a formal application for selection. The subcontractor is supported throughout this time to enable them to meet the outcomes of any agreed action plan.

The planning process commences with the formulation of a projected profile of activity based on previous performance, capacity and capability to deliver and alignment to the College strategic aims and objectives, values and ethos. Provision subcontractors are given the necessary tools to plan their activity and to effectively monitor and manage their actual against projected outputs throughout the period of the agreed contract.

The Director of Operations Management will work with the subcontractor to provide specialist support, advice and guidance, to build strong relationships and manage the contract.

A Curriculum Quality Lead, acting as Contract Manager, is assigned to the subcontractor with a focus on improving the management and delivery of teaching and learning and provides support for Quality Self-Assessment and action planning. A framework of quality impact reviews, observations of teaching and learning; customer voice activities are undertaken with each subcontractor.

Subcontractors are provided with timely and accurate data on a monthly basis to enable them to analyse their performance against key performance indicators (KPIs).

A meeting will take place at a minimum of once per half-term and will be arranged between the subcontractor and SCCG Contract Manager. An agenda will be drawn up for each meeting to ensure the quality of delivery of the programmes.

Payment Terms

Payment terms will be dependent upon the type and length of provision subcontracted. Payments will be made monthly based on income generated in the latest Individualised Learner Record (ILR) submission, and upon receipt of a signed claim form from the partner, confirming all details on the claim form are correct. When the learner achieves, a certificate of achievement or other acceptable awarding body documentation must be submitted.

Payment Process

- On or after the claim dates, the Partner will invoice the College for the partner income earned in that claim period through the delivery of eligible learning aims, frameworks, standards or study programme starts. The College will produce and send to the Partner a claim form each month for all activity during that time. The claim form will be authorised as correct by the partner and returned to the College with the invoice.
- The payments will be calculated in accordance with the funding generated by the submission of the ILR to the ESFA and GMCA. No payment will be made in relation to the participation in a programme of any learner who:
 - a) has not been enrolled in accordance with the provisions relating to enrolment in the contract agreement; or
 - b) is a person considered under the guidelines to be fully funded by a source other than the Agency or funded by the Agency more than once in relation to the same programme; or
 - c) has not attended the programme activities for the required length of time or number of occasions, or has been withdrawn and not generated any funding
- Payment will not be made to any partner until the College has received payment from the relevant Funding Agency or upon receipt of Levy funds where applicable from an employer Digital Account.
- No payment will be made in relation to a learner where the partner has failed to notify the College of any relevant enrolment, attendance or achievement by that learner in accordance with the provisions of the contract, or where a learner has failed to meet the start criteria in relation to funding eligibility.
- The College will not be under any obligation to make payment to the partner in respect of learners over and above any upper limit on the number of learners or the maximum amount of funding allocated to the partner.
- If the College pays any amounts to a partner in relation to any learner who is subsequently deemed not to be eligible for payment of funding by the respective Agency, the College will be entitled to be fully refunded by the Partner. At the discretion of the College such a refund will either be payable within 30 days of notice by the College to the partner, or may be deducted from the funding payable in relation to a subsequent payment period.
- If in respect of any funded learner the Agency shall for any reason whatsoever (being a reason outside the control of the College) refuse or fail to pay the funding of any learner the College shall be under no obligation to pay any part of the funds relating to that learner to the partner and any part

of the funding relating to the said learner shall be fully refunded to the College by the partner.

- The partner is required to charge a fee to the learner at a rate specified in writing from time to time by the College, if applicable.
- The College will make payment to the partner within 30 days of receipt of an invoice from the partner that is consistent with the details in the claim form provided by the College.

Policy Review

The College will review this policy annually. This review will take place in July of each year, and any policy revisions will be completed and published prior to the commencement of the next academic year.

Communication

Any changes to the policy will be communicated to existing subcontractors at contract management meetings. Furthermore, the College will distribute a copy of this policy to all potential new subcontractors and discuss it with them as part of the College's pre-contracting process.

Publication of Policy

An up-to-date copy of this policy will be posted on the College's website. Paper copies of the policy will be made available on request.