



Leeds City College

## **Supply Chain Charges Policy 2015/16**

### **Scope**

This policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations.

### **Context**

The policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2015.

### **Rationale for sub-contracting**

The college engages with sub-contractors in order to better meet customer needs and to do the following:

- To work with providers who effectively reach priority learners in the community and who can demonstrate positive employment outcomes.
- To provide access to, or engagement with, a new range of customers.
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be unsustainable.
- To work with providers that offer sector specific LEP priority engagement.
- All sub-contractors will be subject to the college due diligence process.

### **Quality Assurance and Support Provided to Sub-contractors**

The quality of sub-contract provision is carefully monitored and managed through existing college quality assurance processes and procedures. The college provides training for sub-contractor staff on request including but not limited to:

- A contract mirroring funding body requirement.
- Professional training and development for partner staff.
- Access to learning resources and materials.
- Participation in the college observation of teaching and learning process.
- Participation in the college self-assessment process.
- Access to the range of in-house training delivered by the college e.g. SAR training.
- Monitoring of initial guidance, assessment and delivery of learning programs and associated targets.

College staff will visit sub-contractors regularly and will provide curriculum planning advice and funding updates. Quality audits will be completed and feedback provided with priority being given to new providers or providers where there has been an identified dip in performance.

Support sessions on areas such as equality and diversity based on college data, PREVENT and the new Common Inspection Framework will be provided on request or as a group activity.

Support is provided to sub-contractors through close monitoring and tracking of learner progress using college systems and the continual review of contract performance.

In addition the college supports the sub-contractor in meeting the requirements of the Equality Act, minimizing complaints and drop-out rates through a series of direct contacts with both the learners and employers via learner validation calls, employer and learner surveys. The result of this activity are shared openly and monitored through ISO9001 to support improvement.

### **Percentage Range of Charges**

The college retains a management fee which covers a proportion of the direct costs associated with operating and quality assuring sub-contract provision and which provides a contribution towards indirect costs such as finance, student support, IT and other curriculum support costs.

Sub-contractors who have maintained a long term relationship with Leeds City College delivering high quality provision may be offered a fee of 19%. The management fee for new sub-contracts will be 25%. The fee for higher risk sub-contractors and where the college identifies performance issues will be set at the higher rate of 30% in order to reflect the additional time and resources.

### **Payment Terms**

The college will make payment to the sub-contractor within 30 days of receiving a valid claim for payment. Payments will usually follow the submission of the ILR and receipt of the Occupancy Report (PFR) by the college.

No payment will be made in respect of any learner remaining on programme where there has been no evidence of learning received for a period of 12 weeks.

### **Communication of the Supply Chain Charges Policy**

This policy is published on the college internet at [www.leedscitycollege.ac.uk](http://www.leedscitycollege.ac.uk) and can be sent to all sub-contractors. The policy is discussed with potential sub-contractors during the due diligence and contracting process.

The college will publish a full list of provision with sub-contractors including:

- Name of sub-contractor
- UKPRN
- Contract start and end date
- Provision type
- Funding
  - Total college income
  - Total paid to sub-contractor
  - Total retained in the management fee

### **Policy Review**

This policy is updated annually in line with updates from the SFA funding guidance and will be reviewed **July 2016**.