



Leeds City College

SUPPLY CHAIN FEES AND CHARGES POLICY 2016/17

1. 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.

2. Context

The policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1 August 2016.

3. 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 additional 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.

4. 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 requirements
- Professional training and development for partner staff
- Access to learning resources and materials
- Participation in the college observation of teaching, learning and assessment process
- Participation in the college self-assessment process
- Access to a range of in-house training delivered by the college e.g. SAR training
- Monitoring of initial guidance, assessment, 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 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, minimising 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 results of this activity are shared openly and monitored through ISO9001 to support improvement.

5. 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.

The typical percentage fee range retained by the college is between 19% and 30%. The fee rate takes into account the level of capacity and skills of the contractor, and the risk assessed through the tendering process. The management fee for new sub-contracts will be 25%.

6. Payment terms

The college will make payment to the sub-contractor within 30 days of receiving a valid claim for payment or invoice. Payments will usually follow the submission of the ILR (individual learner record) 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.

7. Communication of the supply chain charges policy

This policy is published on the college internet at 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 (provider reference number)
- Contract start date and end date
- Provision type
- Funding
- Total college income
- Total paid to sub-contractor
- Total retained in the management fee

8. Policy review

This policy is updated annually in line with updates from the SFA funding guidance and will be reviewed in July 2017.