



# Supply Chain Fees and Charges Policy 2018/2019

**Summary of Policy:**

This policy sets out the basis on which the College enters into and operates subcontracting arrangements (known as *Business Partner* contracts).

**Senior Manager Responsible for Policy:**

Deputy Principal: Operations/Director of Finance



## **1.0 Introduction**

- 1.1 Gateshead College successfully engages with a wide range of Business Partners (or sub-contractors) in order to fulfil the College purpose “To shape and nurture the most highly prized students in the job market”. Business Partners sign up to the College’s core values of Excellence, Achievement, Positivity, Purposeful, Respect and Partnership.
- 1.2 This document sets out the framework for the operation of sub-contracted provision and provides the required information on *Supply-Chain Fees and Charges* as set out in the Education Skills Funding Agency’s Funding Rules for 2018/19.
- 1.3 The College Governors agree that all subcontracting is in line with the College’s strategic aims, ESFA and ESIF Funding Rules and enhances the quality of offer to learners and that all Business Partners’ engaged are of high quality and low risk.

## **2.0 Rationale for Sub-contracting**

- 2.1 The College recognises and values the contribution made by Business Partners in providing a diverse range of learning opportunities which may otherwise not be available at Gateshead College.
- 2.2 The College enters into contracts for the provision of learning via a Business Partnership where one or more of the following principles apply:
  - The qualification or programme is not available as part of the college direct curriculum offer.
  - Expertise is available in terms of niche delivery or facilities
  - To support employers with a wide geographic operation.
  - To support delivery of ESIF funded provision when a partnership delivery model is a specific requirement.
  - To provide employer choice and meet diverse needs of employers.
- 2.3 The College primarily supports subcontract provision within the North East region, exceptionally, extending nationally to support employers’ operations and funding agencies’ specific requirements.

## **3.0 Management Fees and Services Provided**

- 3.1 The College invests resource in supporting Business Partners to improve the quality of teaching and learning, and in ensuring that the expectations set for the quality of provision are met at all times. In addition, resources are dedicated to ensure the College and Business Partners meet the compliance requirements of ESFA and ESIF Funding Rules.
- 3.2 Specific arrangements to support Business Partner activity are listed below:

- **Dedicated Partnership Management Team**  
 A dedicated Partnership Management Team responsible for procurement, contract compliance and supporting the operation and monitoring of subcontracted provision.
- **Partner CPD Programme**  
 A programme of events and information is in place to support the CPD of Business Partner staff. The primary focus is improving teaching, learning and assessment, as well as discussion of key issues facing the sector eg. Ofsted requirements, funding changes, the sharing of good practise amongst Partners and key policy drivers such as the Prevent Agenda, Bribery & Corruption and Designated Safeguarding Lead Training..
- **Supporting Teaching, Learning & Assessment**  
 Assistant Principals have a dedicated Quality Reviewer to support and mentor Business Partner staff to improve teaching and learning practice. In line with internal department practice, all Business Partners are subject to annual Teaching, Learning & Assessment Reviews against the Ofsted grading framework and ESIF programme requirements. Observation feedback is recorded and used to inform staff development.
- **Management Information Service and data controls advice**  
 Timely checking and processing of ILR data including regular communication and/or meetings with the Funding & Data Manager and Partnership Team to ensure completeness and accuracy of ILR data and payments.
- **Support with English & mathematics**  
 The College will support Partners in providing opportunities for learners to gain relevant GCSE qualifications where appropriate. Specialist support is also available to assist with English and maths development, including joint delivery.
- **Funding and Audit Guidance**  
 Assistance with interpretation of Funding Rules for all types of provision and liaison with regard to audit evidence and other ESFA and ESIF compliance requirements.
- **Guidance on Self-Assessment and Quality Improvement Planning**  
 Support and regular feedback is given in respect of the quality of documentation in order to meet College, Ofsted and Funding Agency requirements.
- **Learner Services Provision**  
 Comprehensive support for Initial Advice & Guidance and progression links to and from Business Partner provision. The College can administer bursary payments and other appropriate welfare resources on behalf of partners
- **Internal Audit Coverage**  
 Regular review by the College's Internal Audit Service to ensure that operation of subcontracted provision is in line with College procedures.

- **College Campus Facilities**

Partners are also offered use of the College campus facilities for College funded learners.

- 3.3 The standard management fee in return for the above support is between 15% and 25% of the funding value of the provision, as recorded on the College's Individualised Learner Record (ILR). Any other rate must be agreed as an exception with a clear rationale. The rationale for the different management fees is based on the contract risk factor and the level of support offered to the Business Partner.

#### **4.0 Selection, Due Diligence and Appointment Process for New Business Partners**

- 4.1 The Governors have agreed a selection and appointment process for potential Business Partners that complies with ESFA Funding Rules 2018/19 and meets OJEU and Public Procurement Regulations.
- 4.2 The College utilises the services of a specialist education procurement organisation to operate an external procurement process to ensure sub-contractors are selected fairly and have sufficient capacity, capability, quality and financial standing to deliver the contracted services.
- 4.3 A comprehensive due diligence process is completed, covering the potential Business Partner's organisational policy and practice in key areas such as health and safety, quality assurance, data management, capability of staff, financial standing, equality and diversity.
- 4.4 Formal approval of Business Partner subcontracting arrangements or variations to existing contracts is required by the Executive Team.
- 4.5 The College ensures that there is in place a legally binding sub-contract with each Partner before delivering commences, that includes terms specified in the Funding Rules.
- 4.6 The College commissions their external auditors to undertake an annual assurance review of the procurement and contracting processes to manage and control subcontracting. An assurance certificate is signed by the external auditors, authorised by the Principal and supplied to the ESFA, on an annual basis.

#### **5.0 Monitoring Arrangements and Annual Cycle**

- 5.1 Business Partners are reviewed against a range of performance criteria and to ensure that high-quality delivery is taking place that meets the Funding Rules. Regular funding contract performance is also collated and reported to the Leadership Team.

- 5.2 Regular monitoring visits are required both at Business Partner premises and in College. Visits to review provision may include announced and short notice and will involve observation and assessment of teaching and learning practice, discussion with staff and learners and review of documentation.
- 5.3 The College sets high expectations for the quality of provision and minimum levels of success are prescribed in the contract. Notices to improve may be issued where the quality of provision does not meet requirements and financial penalties applied. Where there are serious concerns recruitment will be suspended.
- 5.4 A risk register is maintained to monitor quality issues raised as part of the review process. The risk register and corrective action is reported to the Leadership Team on a termly basis.
- 5.5 A Learner Contingency Plan is agreed in the event that the subcontract arrangement ceases or the Business Partner goes into liquidation or administration or the contract is removed due to quality concerns.
- 5.6 Each Business Partner is required to prepare and submit an annual Self-Assessment Report and Quality Improvement Plan meeting College requirements and reflecting the Common Inspection Framework used by Ofsted.

## **6.0 Payment Terms**

- 6.1 The College operates a model of regular monthly payments in arrears to Business Partners according to the value of provision recorded on the College Individualised Learner Record (ILR) and the submission of a valid claim by Business Partners.
- 6.2 The ILR is regularly updated and issued to Business Partners for checking. Partners issue an invoice each month, following liaison with the Business Partners Officer, and are paid within 30 days of receipt of a valid claim for payment.

## **7.0 Published Information**

- 7.1 As required by the Education Skills Funding Agency, details of Business Partner activity will be published on the College's website each year following closedown of the ILR including actual level of funding paid and retained for each Business Partner.
- 7.2 Subcontracting arrangements are outlined in the College's Subcontractor Declaration Form which is submitted to the ESFA twice an academic year.

## **8.0 Relevant Documentation**

- 8.1 Documents referred to in determining College policy and procedures are listed below:

- Sub-contracting Toolkit (LSIS Excellence Gateway)
- Supply Chain Management: A good practice guide for the post 16 skills sector (AELP/LSIS/AoC)
- Sub-Contracting Toolkit for the Learning & Skills sector (LSECT)
- Funding Rules 2018/19 (Education Skills Funding Agency)
- European Social Fund (ESIF) Funding Agreement 2014/2020.

## **9.0 Control of this Document**

- 9.1 This document was prepared by, and is issued and modified by, the Deputy Principal: Operations/Director of Finance after due authorisation from the Corporate Services Committee of the Board of Governors.
- 9.2 The policy will be shared and discussed with all existing Business Partners and potential partners as part of due diligence exercise.
- 9.3 This policy will be reviewed annually.
- 9.4 The latest version of this document will be maintained on the College website

**Prepared by:** Deputy Principal: Operations/Director of Finance

**Equality Impact Assessed:** Deputy Principal: Operations/Director of Finance