

NEW CITY COLLEGE

Supply Chain Fees & Charges Policy

This policy outlines how the New City College will apply fees and charges to contracts with organisations sub-contracted to deliver education and training provision for Tower Hamlets College, Hackney College and Redbridge College

Document Status	
Author	Group Director, Apprenticeships and Business Development
Date of Origin	February 2018
Version	1
Date of Approval	21s March 2018
Date of Next Review	March 2018
Approval Body	NCC Corporation

POLICY STATEMENT

1. SCOPE

- 1.1 This policy statement details how the New City College will apply fees and charges to contracts with organisations sub-contracted to deliver education and training provision for Tower Hamlets College, Hackney College and Redbridge College
- 1.2 This document outlines New City College's Supply Chain Charges and Fees Policy for the 2017/18 academic year.
- 1.3 This policy has been written in accordance with the Education and Skills Funding Agency Apprenticeship funding and performance-management rules for training providers: May 2017 to March 2018 version 3- April 2017 and Adult Education Budget Funding and Performance Management Rules 2017 to 2018 version 2 - August 2017

2. DISCLAIMER

New City College reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in its standard contract for sub-contracted provision.

3. POLICY DETAILS

- 3.1 New City College will look to contracting with organisations for the delivery of activities or services to undertake provision which reflects its strategic aims and enhances the quality of its learner offer.
- 3.2 New City College will engage with subcontractors in order to respond to specific demands including:
 - 1) To complement our own delivery of full or part-time apprenticeship frameworks and standards, if requested by an employer and agreed at the start of an apprenticeship
 - 2) To engage with the wider community and, in so doing, increase participation in education and training
 - 3) To support employers with a wide geographic requirement
 - 4) To offer flexibility by delivering provision at times and venues convenient to both employers and learners
 - 5) The need to increase local and regional development opportunities to meet employer and learner demand

4. SELECTION PROCESS

- 4.1 Organisations must be able to demonstrate that they meet all the requirements of ESFA Funding and Performance Management Rules. Specifically they either:

Be on the published Register of Apprenticeship Training Providers and have applied by the main or supporting application routes OR

Be the apprentice's employer or a connected company or charity as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route OR

They are not on the published Register of Apprenticeship Training Providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 May 2017 and 31 March 2018

- 4.2 Organisations must be able to demonstrate that they meet all the requirements of New City College to fulfil its commitments to quality assurance and financial and legal viability. Potential sub-contractors will be required to complete a Partnership Pre-Qualification Questionnaire (PQQ) to enable New City College to assess the quality of the applicant organisation
- 4.3 Where an organisation meets both the required standards and a business need a full due diligence process will be undertaken before confirming suitability
- 4.4 The Deputy CEO will undertake the final authorisation of all potential sub-contractor proposals and must be satisfied that the proposed contract meets strategic aims and enhances the quality of New City College's offer to learners
- 4.5 All subcontractors selected will be required to sign a legally binding contract

5. **QUALITY ASSURANCE**

- 5.1 To ensure that all sub-contracted provision is of the highest quality all partners will be included in New City College's Quality Assurance Cycle and will be guided and supported by New City College to follow this process.
- 5.2 New City College will provide training, guidance and support to improve the quality of teaching, learning and assessment (TLA), including observation training and the implementation of post observation action plans.
- 5.3 New City College will provide opportunities for sub-contractors to share good practice through quality monitoring and audit compliance visits including observations of teaching, learning and assessment and utilising learner and employer feedback.
- 5.4 Sub-contractors are required to hold course centre approvals in their own right and fully liaise with the awarding bodies. Sub-contracted provision may be required to undergo course approval with New City College. In addition, New City College will regularly review External Moderator reports submitted by sub-contractors and monitor actions arising from these as required.
- 5.5 New City College will regularly validate the outcomes of sub-contractors' own quality monitoring processes.
- 5.6 Full details of New City College's requirements are identified in the contract between New City College and the sub-contractor

6. **MANAGEMENT FEE AND CHARGES 2017-2018**

- 6.1 New City College retains a percentage of the total funding allocated by the Education and Skills funding Agency to enable it to discharge its responsibilities in respect of its students
- 6.2 The management fee retained by New City College is calculated as a percentage of the total contract value agreed with the sub-contractor, which is reviewed and published on an annual basis
- 6.3 The management fee for the majority of subcontracted work has been set at 20%
- 6.4 Any variations to this management fee are agreed on a contract and case by case basis and will only be undertaken by negotiation and agreement by both parties. Any variation will be authorised by the Deputy CEO.

7. **NEW CITY COLLEGE SUPPORT FOR SUBCONTRACTORS**

- 7.1 The management fee charged will cover the cost of New City College providing the Subcontractor with overall management and administration of their Contract, and specifically including the following services:
 - Advice and guidance and due diligence assessment at pre-contract stage
 - Assigned Manager and Co-ordinator to oversee the provision and to ensure subcontractor is meeting all aspects of the Contract
 - Learner support including: paperwork, advice and guidance on eligibility, processing enrolment documents, on-programme and completion support
 - Complete data management and entry of learner data onto ILR to ensure timely and accurate processing and submission of data to funding body
 - Financial management including calculation of fees due, processing of invoices and calculation
 - Monthly monitoring of learner achievements and success rates
 - Regular and on-going provision of administrative, technical and management information support, from initial starts, on programme support, through to completion and achievement
 - Quality assurance visits and learning walks with detailed feedback identifying good practice and areas for improvement
 - Audit visits – announced and unannounced
 - Contract monitoring visits
 - Termly Standard Review meetings
 - Specific training including: Self-Assessment preparation and completion, Teaching, Learning and Assessment and audit compliance
 - Access to New City College's staff development and training sessions for staff employed by the sub-contractor, where appropriate
 - Annual survey of learners
 - Annual audit of MIS data including enrolment forms and attendance records
 - Review of learner documentation including tracking records, reviews and ILPs

7.2 THE RESPONSIBILITIES OF SUBCONTRACTORS

All learners provided with education and training under a subcontractor engaged by New City College remain the responsibility of New City College.

Subcontractors must ensure that they meet all the requirements of New City College to fulfil its commitments to quality assurance, financial and legal viability and learner success and achievement.

The subcontractor is responsible for:

- Providing all essential information requested by the College as part of the Due Diligence process. The documentation must be updated regularly and/or at New City College's request for the duration of the contract.
- Informing New City College of any changes of ownership of the organisation, management structure, loss of centre accreditation and/or direct claim status.
- Ensuring learners are eligible for funding in accordance with ESFA Funding Rules (and, where appropriate, European Social Fund (ESF) funding rules).
- Ensuring that their organisation's systems and processes are robust and appropriate to enable full compliance with the above funding rules
- New City College and, if necessary, the ESFA (or their nominated representatives) must be given reasonable access to their premises and their documentation for the purposes of quality assuring the training delivery falling under the scope of this sub-contract.
- Providing suitably qualified and competent staff for the delivery of the qualifications and training under this sub-contract arrangement. New City College will require evidence of staff qualifications and experience.
- Informing New City College if they discover any irregular financial or delivery activity in their organisation including:
 - Non delivery of training when funds have been paid.
 - Sanctions imposed by an awarding organisation.
 - An inadequate Ofsted grade.
 - Complaints or allegations by learners, staff or other relevant parties.
 - Allegations of fraud.
- Submission of learner enrolments, registers and completion of all documentary evidence in a timely manner and with minimal errors or omissions.
- Learner registration and certification processes for learners
- Internal and external verification activity
- Providing details of any accidents or dangerous occurrences affecting learners or the learning environment.
- Providing details of any Safeguarding issues.
- Providing an annual Self-Assessment Report.
- Informing and encouraging learners and employers benefitting from this contractual arrangement of the requirement to participate in New City College's Quality Monitoring activities and surveys when required. They may also be required to participate in an OFSTED inspection, or other external quality assurance activity

Should either party need to withdraw from this contract, the sub-contractor must agree to co-operate with the New City College to ensure there is continuity of learning for

the learners. All learner details, files, paperwork and or electronic records should be passed to New City College at the earliest possible convenience for the purposes of finding and supporting suitable, high quality alternative provision.

8. PAYMENT TERMS

- 8.1 Payments to sub-contracts are calculated as a percentage of the funding generated by actual activity recorded in New City College's Individual Learner Record (ILR) up to the maximum contract value.
- 8.2 Payments are calculated on a monthly basis and are based on actual funding generated, the management fee, any audit hold-back (see 8.4), payments to date and the delivery of agreed services in accordance with the contract.
- 8.3 In exceptional circumstances, for example where there has been a failure relating to systems or processes to enable generation of funds, New City College may authorise a payment n profile. This payment will be authorised by the Deputy CEO
- 8.4 Where there are is any evidence of non-compliance with the conditions of the contract or this policy, or related issues or concerns, New City College reserves the right to withhold payment until conditions are fully met.
- 8.5 If there are any concerns about impact on the outcome of external or internal audit, New City College reserves the right to withhold 10% of payments due to the subcontractor as audit hold back. This audit hold back will be paid to the subcontractor at the end of the financial year, subject to submission of all evidence and successful external or internal audit.
- 8.6 For any funding to be generated for a given month, sub-contractors are required to submit enrolment and achievement evidence to ensure that the data is processed by New City College in time for the monthly ILR return and the subsequent funding calculation. The detailed schedule for evidence submission and monthly financial deadlines, with specific dates for each month is detailed below:

Period	Partner Paperwork	SFA ILR	Payments to Partners
R01	22-Aug-17	06/09/2017	Partner invoices are processed as soon as received and will be put in the first available BACs payment run after authorisation. In most cases BACs payments will occur at the end of the month in which the ILR is submitted (column 3) and take up to 2 days to be credited into the partners account. The exception to this is the final reconciliation R14, where partners will be notified of invoice or credit note values in the following month and processed as soon as authorised.
R02	20-Sep-17	05/10/2017	
R03	23-Oct-17	06/11/2017	
R04	21-Nov-17	06/12/2017	
R05	18-Dec-17	05/01/2018	
R06	22-Jan-18	06/02/2018	
R07	19-Mar-18	06/03/2018	
R08	22-Mar-18	06/04/2018	
R09	19-May-18	04/05/2018	
R10	22-May-18	06/06/2018	
R11	20-Jun-18	05/07/2018	
R12	19-Jul-18	06/08/2018	
R13	30/08/2018**	14/09/2018	
R14	02/10/2018**	18/10/2018	

** dates subject to change depending on enrolment arrangements and staff resources

9. POLICY DISSEMINATION

- 9.1 This policy will be disseminated to current sub-contractors via email and a Website link.
- 9.2 All potential sub-contractors will be made aware of the policy as part of any tendering process.
- 9.3 New City College will publish the actual level of funding paid and retained for each sub-contractor annually on New City College web sites. This data will be published within 30 days of the final ILR closing date.

10. POLICY REVIEW

- 10.1 This policy will be reviewed by the Corporation to ensure it reflects any changes in funding rules and requirements.
- 10.2 Any changes to this policy that are required mid-contract will be discussed with the sub-contractors, prior to changes being implemented.