



## 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, Epping College, Redbridge College and Havering Colleges.

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## **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, Epping College, Redbridge College and Havering Colleges.
- 1.2 This document outlines New City College's Supply Chain Charges and Fees Policy for the 2020/21 academic year.
- 1.3 This policy has been written in accordance with the Education and Skills Funding Agency & The Greater London Authority, Adult Education Budget (AEB): funding rules 2020 to 2021 For the 2020 to 2021 funding year (1 August 2020 to 31 July 2021) and Funding guidance for young people 2019 to 2020 Subcontracting control regulations (July 2019).

### **2. DISCLAIMER**

- 2.1 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:
  - To engage with the wider community and, in so doing, increase participation in education and training
  - To support employers with a wide geographic requirement
  - To offer flexibility by delivering provision at times and venues convenient to both employers and learners
  - 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 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.
- 4.2 Where an organisation meets both the required standards and a business need a full due diligence process will be undertaken before confirming suitability.
- 4.3 The 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.
- 4.4 All subcontractors selected will be required to sign a legally binding contract.

### **5. CONTRACTING**

- 5.1 Based on approval and through discussion or negotiation, both NCC and the subcontractor will agree the contract financial value and learner numbers by funding stream(s). The following core contract components will be agreed:
- Sub-contractor profile
  - Sub-contractor duty (and KPIs)
  - College duty
  - College service offer
  - College management and service charges based on due diligence results
  - Contract volume and value.

- 5.2 The contract will reflect the in-year Funding Rules and updates. All contracts are legally binding and will need to be signed by all parties prior to the commencement of delivery.

## **6. QUALITY ASSURANCE**

- 6.1 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.
- 6.2 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.
- 6.3 New City College will provide opportunities for subcontractors to share good practice through quality monitoring and audit compliance visits including observations of teaching, learning and assessment and utilising learner and employer feedback.
- 6.4 Subcontractors 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.
- 6.5 New City College will regularly validate the outcomes of subcontractors' own quality monitoring processes.
- 6.6 Full details of New City College's requirements are identified in the contract between New City College and the subcontractor.

## **7. PUBLICATION OF INFORMATION**

- 7.1 In compliance with Education & Skills Funding Agency and other agency funding rules that apply, the College will publish its fees and charges policy on its website. The College will return data on the level of funding paid and retained for each of its delivery partners in 2020-21 to the ESFA as and when required. This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks/standards. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework/standard or outreach support).

## **8. MANAGEMENT FEE AND CHARGES 2020-2021**

- 8.1 New City College retains a percentage of the total funding allocated to enable it to discharge its responsibilities in respect of its students.
- 8.2 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.
- 8.3 The management fee for the majority of subcontracted work has been set at 20%.

- 8.4 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 CEO.

## **9. NEW CITY COLLEGE SUPPORT FOR SUBCONTRACTORS**

- 9.1
- 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 & Assessment and audit compliance
  - Access to New City College's staff development and training sessions for staff employed by the subcontractor, 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

## **9.2 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 subcontractor must agree to cooperate 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.

## **10. PAYMENT TERMS**

10.1 Subject to New City College receiving all necessary paperwork from the Subcontractor and subsequent payment in full from the Agency or the Employer, New City College will pay to the Subcontractor, by BACS to a bank account nominated by the Subcontractor, such part of the price due to the Subcontractor as relates to each Programme or fraction of a Programme completed in respect of the preceding Month. Payment shall be made by New City College to the Subcontractor within 30 calendar days of period end provided valid paperwork from the Subcontractor has been received. New City College shall have the right in any subsequent Month to withhold, suspend or set off an appropriate proportion of the Price due in the event of non-completion of a programme or a fraction of a programme by the Subcontractor in a preceding month.

10.2 Payments to subcontractors 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. All percentages are outlined and agreed by New City College and subcontractor on contracts and schedule of services.

10.3 Payments are calculated on a monthly basis and are based on actual funding generated, Subcontractor delivering the Programmes in accordance with the Funding Rules, the management fee, any audit hold-back (see 10.6), payments to date and the delivery of agreed services in accordance with the contract.

10.4 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 on profile. This payment will be authorised by the Deputy CEO

10.5 Where there 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.

10.6 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.

10.7 No payment will be made in relation to a Learner unless New City College has received evidence satisfactory to it to support the making of such payments in accordance with the Funding Rules including, but not limited to, evidence of any relevant Enrolment, Attendance or Achievement by

that Learner in accordance with the provisions set out in the subcontractor contract.

## **11. POLICY DISSEMINATION**

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

## **12. POLICY REVIEW**

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