

Subcontracting (Supply Chain) Fees and Charges Policy

POLICY VERSION NUMBER	3
MEMBER OF STAFF RESPONSIBLE FOR POLICY	Director Teaching, Learning and Assessment

RECORD OF REVISIONS TO POLICY		
DATE	DETAILS	APPROVED BY
August 2018	Annual review	Board 29 August 2018
November 2017	Annual review	Board 12 December 2017

Date of current policy	November 2015
Date of corresponding Impact Assessment	
Policy review date	August/September 2019
Review to be approved by	Board of Governors

1. Scope

This policy applies to all supply chain activity supported by funding from the Education and Skills Funding Agency (ESFA) or any successor organisations.

2. Context

Barnfield College aims to be open and transparent in its decision making and to ensure its decisions are both commercially and ethically sound. This Policy sets out the rationale, overarching principles, performance management and conduct of the College's subcontracting arrangements.

The College will hold legal contracts with all subcontractors and will only subcontract with eligible organisations that have a valid UK provider reference number (UKPRN). Barnfield College's Subcontracting Policy reflects the following guidance:

- AoC/AELP Common Accord,
- Skills Funding Agency Funding rules and
- LSIS Supply Chain Management - good practice guide.

3. Rationale

In accordance with its Mission, Barnfield is committed to meeting the skills and training needs of the local and regional economy and to this end growing and diversifying its range of learning programmes. However, to better meet customers' needs, Barnfield will consider subcontracting provision, in line with its strategic objectives, to partner organisations who share the College's values and ethos and can demonstrate high quality.

The decision to sub-contract provision is made on an individual basis with each partner, where the business case meets one or more of the following priorities:

- a. To support unemployed learners into employment or further education;
- b. To meet the skills needs of the local and regional economy;
- c. To provide niche or specialist technical training that will complement College delivery, or where the cost to the College of developing direct delivery would be inappropriate;
- d. To diversify and engage with providers across a wider range of provision to ensure the College meets ESFA priorities in the face of changing economic and social factors, whilst providing flexibility and capacity for future growth;
- e. To support small local providers providing flexible and responsive training in hard to reach communities;
- f. To engage in new and emerging markets, learning from and sharing good practice across the partnership;
- g. To support employers with a wide geographic requirement;
- h. To support another provider to develop capacity/quality;
- i. To provide immediate provision whilst expanding direct capacity;
- j. To provide access to, or engagement with, a new range of customers.

4. Overarching Principles

Barnfield College will ensure each subcontractor partner is engaged in a legally binding contract to deliver education and training provision which is in line with its organisational strategy, SEMLEP and ESFA priorities and provides optimum benefit to the end user.

The college will ensure that:

- a. Supply chain management activities comply with best practice in the learning and skills sector as set out in 'Supply Chain Management – a good practice guide for the post-16 skills sector' (LSIS);
- b. Procurement activities are fair and transparent;
- c. It undertakes robust due diligence on potential subcontractors, ensuring compliance with the AoC/AELP Common Accord which commits supply chains to demonstrating the highest quality of learning, value for money and a positive impact on learners' lives;
- d. Funding retained by the College will be related to the costs of the services provided. These services will be clearly documented and agreed by all parties. The rates of such retained funding will be negotiated and agreed in a fair and transparent manner and will be proportionate to the actual services being provided;
- e. Should disputes between supply chain partners fail to be resolved through mutually agreed internal resolution procedures, the College will submit to independent outside arbitration or mediation and abide by its findings;
- f. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence both to the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith.

5. Quality Assurance and Performance Standards

Barnfield College has a joint responsibility with its subcontractors to deliver high quality provision to all learners. The quality of provision will be monitored and managed through the College's QA processes and procedures. The College will clearly set out its expectations of subcontractor partners, including:

- A statement of the work required, targets and minimum performance standards;
- Any special conditions which apply during the contract;
- A statement of the consequences of any failure to meet required standards;
- Data requirements and frequency.

The College will seek to ensure the sharing of effective practice across the supply chain, for example through observations of teaching and learning, through the analysis of external quality reports and through the Self-assessment and Quality Improvement Plan processes. As appropriate and required, the College will provide advice, support and training across a wide range of areas to enable effective and high quality provision to be delivered, including:

Teaching and Learning, Equality and Diversity, Safeguarding, Health and Safety, Compliance with Legal and Financial Requirements, Administration and Learner Support.

Quality assurance of subcontractors' activities will focus on, but will not be limited to:

- Observation of teaching, learning and assessment;
- Regular contract management meetings;
- Learner surveys;
- Delivery Partner's Annual SAR;
- Regular desktop review and data reconciliation;
- Learner destinations data.

6. Conduct

The contract between the College and a subcontractor will, inter alia:

- Include clear information concerning price, programmes to be delivered and contract duration;
- Require the subcontractor to provide all information necessary to enable a full assessment and review of the quality of provision by the College or the Funding Agency;
- Require compliance with key College policies, especially regarding safeguarding;
- Contain clear provisions that enable the College to terminate the contract where the subcontractor has not delivered in accordance with requirements

The subcontracting process will ensure that all partners are accountable and contribute to organisational objectives. The organisations with which Barnfield College contracts will be subject to the following requirements and standards of conduct:

- The subcontracting partnership should be a robust and uniform process which seeks to support learners to achieve and progress;
- The subcontracting process will seek to be fair and equitable in terms of the range and challenge of targets to be set;
- Progress against the agreed contract will be continuously reviewed and updated during subcontracting meetings.
- Subcontracting meetings and targets will use recognised College data from the ILR;
- The Subcontracting process is designed to review performance and plan for the next year in terms of targets, LEP skill priorities and business development needs, and is therefore an annual cycle.
- Subcontracting performance will be monitored with a number of review meetings over any one academic year.
- The cycle of Subcontracting and reviews will fit into the business and quality cycle of the College.

7. Fees and Charges

The College will typically retain between 15% and 20% of funding. The percentage applied to each sub-contractor is determined by:

- The level of support needed by the sub-contractor in relation to the services provided by the College as outlined;
- The funding required by the sub-contractor to enable sustainable and high quality provision to be delivered.

Charges for any additional services or equipment will be agreed with the subcontractor and charged at actual cost. Any such charges will typically be agreed at outset.

Where sub-contractors require additional support, training or intervention to deliver outcomes to contractual requirements and these incur additional costs to the College the percentage of funding retained may, exceptionally, be recalculated and negotiated accordingly.

8. Payment Arrangements

The College will pay the sub-contractor in accordance with the terms specified in its contract. As a minimum these terms will state that:

- Payment will only be made in relation to provision:
 - a. For which funding can be obtained from the relevant funding body
 - b. Which is stipulated in the contract;
- Supporting documentation is made available for the payment which would satisfy the requirements of a funding body audit;
- The total value of payments will be restricted to the contract's maximum contract value;

- Payments will be made to the subcontractor within 30 days of a valid invoice complying with the above points.

Funding may be withheld if evidence is not available for audit purposes and will not be released until audit requirements are completed and evidence supplied. Non submission of required evidence may result in further due diligence checking which may delay payments further. Subcontractors have a responsibility to review the accuracy of payments made. Subcontractors are responsible for meeting all awarding body and direct claims costs. All payments are subject to ESFA funding rules in respect of retention and payments will be calculated on active learners.

9. Publishing Subcontracting Data and Policy Communication

In accordance with ESFA funding rules this Policy will be reviewed annually, approved by the Board and published on the College's website at the start of each academic year. Should the ESFA Funding Rules or Financial Memorandum change following the Policy's publication in such a manner as to contradict the Policy, the ESFA's position will take precedence. Details of the actual funding paid to subcontractors will be published on the College's website within one calendar month of the final Funding Return to the ESFA. Provision subcontracting details will be provided on the Subcontractor Declaration at least twice a year.

This Policy is available on-line at www.barnfield.ac.uk and can be made available in an alternative format or language upon request. The Policy forms the starting point in any subcontracting relationship and will be shared for consideration and review with all current and future partners during contract negotiation meetings.