

BARKING & DAGENHAM COLLEGE

Supply Chain Fee & Charging Policy

Lead Responsibility	Jeanette Griffin	Approved by	Policy & Resources Committee
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Effective from	October 2019	Date of next review	July 2020



Our Vision Mission, Values



Our Vision

A Truly Great College, delivering inspirational learning and excellence through career focused education



Our Mission

To unleash potential, creating better futures for our learners, businesses and communities



Our Values

Learners and customers.....at the heart of everything we do

Respectful.....valuing and treating all fairly and as individuals

Passionate.....energising, engaging and inspiring all to achieve their potential

Collaborative.....working together to achieve excellence and growth

Innovative.....leading the way, seeking new ways to continually improve

and we are **Excellent**.....in learning, teaching and assessment, the key to our success.

Context

Sub-contracted partnership delivery at Barking and Dagenham College (BDC) is firmly linked to the college's strategic objectives:

Achieving Excellence – to ensure student success, recognised in the top 10% for education performance;

Enhancing Economic Prosperity – to provide employers with access to high quality training provision needed to train their workforce in current and emerging skills.

Unlocking the Ambitions of our Communities – to support more young people and adults into further and higher education and sustained employment.

Creating a Valued Resource and Asset – to create flexible and responsive human capital and infrastructures able to adapt to new and emerging skills and technologies,

Building a Sustainable Future – to future proof the College by enhancing our finances to re-invest.

Through its work with sub-contracted partners, the College is better able to respond to the local, regional skills development, employer engagement and widening participation in education, training and employment; and support the economic development of the local area.

The College will actively seek to work with organisations that have established links with those groups and individuals that have been traditionally under-represented in education, training and employment and that remain “hard to reach”. The College also seeks to increase the breadth of its offer by engaging with commercial organisations that deliver specialist provision, which is complementary to its main offer.

This document has been produced based on the principles outlined in “Supply Chain Management – A good practice guide for the post-16 skills sector” published jointly by Association of Employment and Learning Providers, Learning and Skills Improvement Service and Association of Colleges. It is published on the College's website.

It has been amended to meet the requirement to comply with ESFA funding rules regarding a list of services BDC will provide to sub-contractors and the associated cost for doing so.

Principles

The purpose of this document is to define;

- The basis on which BDC subcontracting arrangements will be procured and managed.
- How BDC will support improvement in subcontractor's quality of teaching, learning and assessment.
- The fees retained to manage subcontractors, and how this range is calculated in order that BDC meet the requirement to comply with ESFA funding rules 2019-20 regarding services BDC will provide to sub-contractors and the associated cost for doing so.
- A description of how each specific cost is reasonable and proportionate to the delivery of the sub-contracted teaching and learning and how each cost contributes to delivering high quality teaching.

- Provision sub-contracting i.e. the delivery of full programmes or frameworks or standards.
- The reason for any differences in fees charged for or support provided to different subcontractors.
- Payment terms between BDC and our subcontractors, including the timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
- Payment terms between BDC and sub-contractors in relation to delivering apprenticeships training and / or on –programme assessment including the timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
- How and when the policy is communicated to and discussed with current and potential subcontractors.
- The timing for policy review.
- Where the policy is published.

Scope

Where the College identifies the need for sub-contracting the delivery of its provision and following due diligence arrangements, BDC will undertake a formal tendering process to select parties to deliver programmes and activities funded by the government through its funding bodies. This increases the opportunities for young people and adult learners to access training and education where otherwise this may not be an option.

Tasks

The organisations with which it contracts will be subject to performance management and audit arrangements that seek to secure the funding and quality of provision being delivered on behalf of BDC. All subcontractors will be required to meet the following requirements .:

Pre Contract stage

- a) Due diligence activities are undertaken by the college to confirm:
 - track record of recruitment, retention, achievement rates, progression and job outcomes,
 - Quality assurance procedures including self-assessment and audit performance,
 - Awarding body approval status,
 - Regulatory compliance on Health & Safety, Data protection , GDPR and Safeguarding, including Prevent duty , SEND,
 - Equality & Diversity adherence,
 - Sustainability adherence
 - Financial viability,
 - Learner and employer satisfaction,
 - Employer engagement.
 - Listing on the Register of Training Providers and/or Register of Apprenticeship Training Providers.
 - Ability to demonstrate processes in place to meet collection, recording and evidence of non - levy paying employers' co – investment contribution.
- b) Where requested, additional support can be provided by the Curriculum and Business teams on funding guidance and curriculum design.

c) The Contract is drawn up based on the college's standard document which defines the college's terms and conditions covering:

- any statutory requirements,
- college policies and procedures,
- quality standards,
- performance management,
- details of the programme to be delivered,
- the agreed management fee charged by the college,
- the delivery and payment profile,
- documentation requirements,
- payment processes including collection, recording and evidence of non-levy paying employers' co-investment contribution and dates .

Management fees retained by Barking & Dagenham College (BDC)

The management fee retained by BDC is calculated as a percentage of the contract value agreed with the subcontractor. The typical percentage of fees retained BDC to manage subcontractors is 20%.

Appendix 2 Risk assessment Charge Criteria outlines the percentage paid to delivery partners falling into each risk band; the band into which each provider falls is based on a range of factors identified to the delivery partners Risk factors are given a score so that each delivery partner is aware of why they are in a particular band, this process will be used to give delivery partners an incentive to improve and thus reduce the risk band that they fall in. For example, higher risk delivery partners will be allocated less funding but receive more monitoring and support.

This policy will be reviewed in each summer term and updated as required

The management fee is open to negotiation and review by subcontractors and the final fee is agreed by both parties.

Reasons for differences in fees charged

Fees charged to individual providers will differ depending on the factors outlined in the calculation of management fee. The percentage retained may also vary where there are additional services provided by BDC e.g. where the BDC assumes direct responsibility for teaching certain aspects of the learners' programme of study.

BDC reserves the right to increase the percentage of fees charged if there are quality issues with the provider.

BDC 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 management fee for sub-contract partnerships will be set in order to reflect the time and resources required to set up and monitor a sub-contracted partnership. A higher rate may be charged on an exceptional basis with the specific approval of the Finance Director.

The subcontractor fee covers the following specific costs incurred by the college as outlined in **Appendix 1**

This list of specific charges outlined above is reviewed each year by the senior management team to determine whether it is reasonable and proportionate. Careful consideration will be given to whether these charges contribute positively to an

improvement in the quality of teaching and learning delivered by the subcontractor. Changes will be made if required.

These specific costs are included in the contract issued to each subcontractor and are discussed during the first contract management meeting to ensure that the subcontractor agrees that the costs are reasonable and proportionate and understands how they contribute to delivering high quality learning.

Examples of contract delivery support include

The college will provide the following range of support services to sub-contractors .

- a) Marketing –the details of the sub-contractor will be advertised on the college web-site. Where agreed by both parties, additional focussed marketing campaigns can be delivered by the college in conjunction with the sub-contractor. Sharing the costs of such campaigns to be agreed by both parties on a case by case basis.
- b) Administration support – guidance and support from the college's Partnership Team to the subcontractor in compliance with the college's sub-contracting processes
- c) Continuous Professional Development of subcontractor staff – the Partnership Team arranges best practice workshops and bite-sized training covering current and developing topics within education, training and skills development.
- d) Optional Quality Improvement Planning – where agreed between both parties, the college's Quality & Transforming Learning team can deliver individual and small group guidance and support in Quality Improvement planning
- e) The Partnership Team works with sub-contractors to manage the delivery performance. This is based on a Red, Amber, Green risk profile as per Appendix 2

Payment Terms/Timing of payments

- a) The college pays its sub-contractors monthly in arrears based on the actual performance of the sub-contractor capped on a monthly basis in line with the funding agency payment profile.
- b) On a monthly basis the college receives the contractually agreed documentary evidence of activity from the partner and records this in its Management Information System.
- c) At the agreed month-end cut-off date the college submits a claim for funding to the relevant funding agency which generates a report of the funding due to the college.
- d) Using this data the college applies the agreed management fee to the sub-contractor's activity and sends a detailed payment report to each partner within 11 working days
- e) The partner then submits an invoice based on the agreed payment report which is processed for payment through BACS by the college to reach the partner by the end of the calendar month.
- f) The standard schedule of dates is included in each sub-contractor's contract.

Review

This policy should be reviewed on an annual basis to ensure compliance with funding rules issued by the funding agencies.

Management Charge Risk Criteria

Criteria	Weighting	Range Elements		Rating	Score	Weighted Score
Contract duration vs programme duration	2	<u>Contract Duration</u>	<u>Programme Duration</u>			
		6 - 12 mths	2 -36wks	Green	1	2
		3 - 6 mths	6 – 12 wks			
		3 – 6 mths	Up to 6 wks	Amber	4	8
		> 12 mths	>36 wks	Red	8	16
		<= 3 mths	6 – 12 wks			
Value of Contract	2	<= £30,000		Green	1	2
		£30,001 - £99,999		Amber	4	8
		£100,000 - £250,00		Red	8	16
		£>£250,000		Purple	12	24
Subcontractor experience of sector and vocational areas and any innovation required	1	<u>Track record exceeding national benchmark</u>	<u>Innovation required</u>			
		>2 yrs	No	Green	1	1
		>2 yrs	Yes	Amber	4	4
		1 – 2 yrs	No			
		1 – 2 yrs	Yes	Red	8	8
		<1 yr	No			
Stability and competency of subcontractor staff organisation to manage requirements of programme including collection <u>of non – levy paying employers’ co-investment contribution.</u>	1	Negligible staff turnover		Green	1	1
		Moderate staff turnover or change of ownership		Amber	4	4
		Regular in-year staff turnover		Red	8	8

Criteria	Weighting	Range Elements		Rating	Score	Weighted Score
Delivery locations - regions	2	<u>Greater London</u>	<u>Other regions</u>			
		Yes	No	Green	1	2
		Yes	Yes	Amber	4	8
		No	Yes	Red	8	16
Delivery locations - Numbers	2	<3		Green	1	2
		4 – 8		Amber	4	8
		9 or more		Red	8	16
Timeliness of Course review audits by subcontractor	2	>90 % completed on time		Green	1	2
		75 - 90% completed on time		Amber	4	8
		<75% completed on time		Red	8	16
Timeliness in subcontractor termly updating of Quality Improvement Plan	2	All completed on time		Green	1	2
		2 completed on time, 1 late		Amber	4	8
		1 completed on time, 2 late		Red	8	16
Timeliness in subcontractor undertaking termly learner & annual employer surveys as initiated by college	2	>90 % completed on time		Green	1	2
		75 - 90% completed on time		Amber	4	8
		<75% completed on time		Red	8	16
Attendance of appropriate subcontractor staff at college arranged Continuous Professional Development & briefing events	1	Good attendance or evidence of equivalent CPD		Green	1	1
		Poor attendance or evidence of equivalent CPD		Amber	4	4
		No attendance or evidence of equivalent CPD		Red	8	8

Criteria	Weighting	Range Elements	Rating	Score	Weighted Score
Overall measure of training and assessment through monitoring of learner recruitment, retention, progress, achievement and meeting funding profile	8	>90 % of measures met	Green	1	8
		85 - 90% of measures met	Amber	4	32
		<85% of measures	Red	8	64
Overall measure of timeliness and accuracy of learning agreements	2	>95 % of measures met	Green	1	2
		81 - 95% of measures met	Amber	4	8
		70 - 80% of measures met	Red	8	16
		<70% of measures	Purple	16	32
Overall measure of timeliness and accuracy of registers and registration	2	>95 % of measures met	Green	1	2
		81 - 95% of measures met	Amber	4	8
		70 - 80% of measures met	Red	8	16
		<70% of measures	Purple	16	32
Overall measure of timeliness and accuracy of achievements and/ or destination details	2	>95 % of measures met	Green	1	2
		81 - 95% of measures met	Amber	4	8
		70 - 80% of measures met	Red	8	16
		<70% of measures	Purple	16	32
<u>Overall measure of timeliness and accuracy of withdrawals and transfers</u>	<u>2</u>	<u>>95 % of measures met</u>	<u>Green</u>	<u>1</u>	<u>2</u>
		81 - 95% of measures met	Amber	4	8
		70 - 80% of measures met	Red	8	16
		<70% of measures	Purple	16	32

Criteria	Weighting	Range Elements	Rating	Score	Weighted Score
Subcontractor compliance performance College monitors how subcontractors are: - managing complaints from learners and employers- Reporting and resolving H&S issues- implementing safeguarding procedures- implementing equality of opportunity – <u>collection of non – levy paying employers’ co-investment contribution.</u>	5	Satisfactory	Green	1	5
		Unsatisfactory	Purple	16	80
Quality of programme delivery Monitoring <u>on-programme activity including apprenticeship training and /or on</u> programme assessment , through IAG, Induction on-going reviews ILP registers and assessment evidence	5	12+ weeks	Green	1	5
		8 – 12 wks	Amber	4	20
		1 – 8 wks	Red	8	40
Quality of teaching & Assessment Planned observations of teaching and assessment combined with audit of individual learner file	8	Annually	Green	1	8
		Once per term	Amber	4	32
		Twice per term	Red	8	64
		Monthly	Purple	16	128
Audit of existence and eligibility Existence and eligibility telephone audits of learners and employers	7	Termly	Green	1	7
		6-8 wkly	Amber	4	28
		Monthly	Red	8	56
Compliance Unannounced visits to subcontractor to	7	Termly	Green	1	7
		6-8 wkly	Amber	4	28

inspect compliance to H&S, learner existence accurate registers		Monthly	Red	8	56
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Total Weighted score	Management Fee Charged
65 – 153	20%