

Supply Chain Fees and Charges Policy (2019-2021)



OWNED BY:		Finance Director			
DATE OF LAST REVIEW		December 2017			
CURRENT REVIEW		December 2019			
NEXT REVIEW:		December 2021			
APPROVAL:		Leadership Team /Corporation			
APPLIES TO:	Staff	✓	Student		Public
					✓

Background

As a Prime Provider of educational services to the Education and Skills Funding agency and other appropriate funders, we are committed to publishing our supply chain fees and charging policy on our website. Each year, we will review and enhance our offer to ensure we are a leading provider of choice.

Our supply chain fees and charging policy as a minimum shall cover:

1. Our reasons for subcontracting;
2. Our commitment and contribution towards improving our subcontractor’s quality of teaching and learning;
3. Our supply chain procurement models
4. Additional support we offer to Supply Chain partners.
5. Payment terms, e.g. timing of payments in relation to delivering provision in accordance with our self-billing process;
6. Timings for policy reviews.

1. Why do we subcontract?

As one of the highest performing sixth form colleges in the UK, we seek to develop like-minded supply-chain partners in complementary sectors and to fill any gaps in our in-house education provision. We are looking for Partners who can complement our existing education provision and offer quality driven industry-recognised qualifications and services to support learners and employers to excel.

We seek to comply with the ESFA’s definition of “when subcontracting is done well” and for the right curriculum reasons, it can:

- Enhancing opportunities available to young people and qualifying adults
- Providing high quality access to training facilities

- Support appropriate geographical access to learners
- Offer an entry point for disadvantaged groups”

2. Our commitment to improving the quality of Teaching, Learning and Assessment purchased through the Supply Chain.

We are committed to a policy of continual improvement to the quality of teaching, learning and assessment supplied under the sub-contract, through regular observations and performance management meetings.

We are committed to the safeguarding and well-being of all our students and can provide materials in support of our safeguarding and Prevent obligations.

We will form strategic partnerships with carefully chosen high performing sub-contractors and work closely with them over a sustained period in order to continuously drive up standards and learner success.

3. What Supply chain procurement models do we apply?

We recognise that all Supply Chain Partners have different levels of capacity and skills. We therefore tailor our procurement approach taking paragraph 2) above into account, to balance the needs of our learners and funding guidelines with what high quality provision our supply chain partners can provide

Cirencester College currently applies two supply chain procurement models:

1. Priced supply model
2. Gross funding top-sliced model

The priced supply model pays an agreed price to appropriately skilled subcontractors for the supply of education services to College supplied education provision eg Agency staff, End-point assessors, sector professional specialists etc.

The Gross funding top-sliced model will, subject to contractual negotiation for the appropriate level of supply under the sub-contract, retain an agreed proportion, typically 25% to 45% as a top-slice of gross funding income as a management fee. This management fee is deducted from the funding income we receive and goes towards whatever compliance, eligibility and funding audit obligations we are responsible for. The fee ensures that the College only draws down funding that we are strictly entitled to, thereby ensuring security of funding and quality enhancement to our supply chain partners.

We will agree the management fee with our Supply Chain Partners based on the information we hold about and / or receive from the partner. If the organisation is new to working with us, the management fee will reflect the contract set up stage. As part of the negotiations, we may consider a rebate at the end of the first review period if our initial assessment was significantly imbalanced. All management fees will be reviewed annually, unless otherwise agreed

For avoidance of doubt, the income we receive from our Funders may often be less than the published rates. As a result, we may adjust the management fee to ensure that this does not fundamentally affect our Supply Chain Partners.

As part of our contract negotiations, we may tailor the payment structure to support the delivery being subcontracted and the amount of funding available. This may vary from milestone payments to achievement/completion based payments.

The amount top-sliced will be negotiated with individual parties and will depend on a number of factors including, but not limited to our financial, quality, compliance, security and health & safety assessments and ownership of the curriculum.

An indication of the composition of the top-slice applied per £10,000 is presented below:

Typical top slice model 25% to 45%		25%	45%
	Typically set at	Composed of	Composed of
1	Programme and supplier delivery compliance – Prevent, Safeguarding etc	5%	5%
2	Education supply quality assurance & support	5%	5%
3	ILR and funding assurance eligibility assurance	5%	5%
4	Contractual compliance	5%	5%
5	Financial viability, payments, audit, public liability	5%	5%
6	Curriculum development, supply and Assessment (IQA resources)	na	20%

The college has three sub-contracted partners under the gross income top sliced model:

1. Premier Training International- UKPRN 10005192 – delivering Active IQ L2 Certificate in Fitness Instructing – Learning aim ref: 5008 7563
2. Eventurists – UKPRN 10081153 – delivering Spectator Safety L2 NVQ certificate
3. Wellie Life – UKPRN 10083457 – delivering Understanding Spectator Safety at Events L2 NVQ certificate

The College’s Level 3 (A level and Vocational) standard curriculum offer includes similar education provision.

4. What support do we offer our Supply Chain?

We believe that the Supply Chain relationship has a joint responsibility to deliver high quality provision to all participants and therefore as a minimum we provide the following service and support to our Supply Chain Partners:

- Designated Supply Chain Manager who will manage and monitor your performance, quality and compliance activities.
- Management through regular performance reviews conducted termly or more frequently as the supply warrants.
- Validation of all claims prior to submission to Funder
- Other support specifically identified in the regular performance meetings or observation of learning activities for development and to ensure quality of learning opportunities.

5. How and when do we make payments to our Supply Chain Partners?

Payments are made according to the mutually agreed schedule. Payments are made based on the payments confirmed by the Funder less the management fee agreed as part of contract negotiations and honoured in the Supply Chain Partner’s subcontract.

Should for any reason our funding be reduced by more than 10%, we may exercise our rights under the subcontract to withdraw or reduce funding.

From time to time we may withhold funding due. This would be to protect public funds, where in our opinion, for example, we do not hold sufficient progression evidence to support any on programme payment.

We expect Supply Chain Partners to fully engage in assessing the accuracy of payments and therefore have a responsibility to review the payments made and the supporting evidence we provide to identify any inaccuracies.

Our Supply Chain Partners are responsible for all registration costs and any associated costs of maintaining Accreditation or Direct Claims Status with their awarding bodies if appropriate to the supply.

Should our Supply Chain Partners wish to access our preferential fees offered by our awarding bodies, we will enter in to discussions with them to enable our Supply Chain Partners to benefit from these.

6. How often will we review this policy?

We will review our Supply Chain Fees and Charges Policy at least biennially.

7. Supply Chain Opportunities

As one of highest performing sixth form colleges in the UK and a key local provider of Employability and Skills programmes, we may seek potential Supply Chain Partners to support and contribute to the college programme.

To be considered as a potential delivery partner please contact:

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