

Sub-Contracting Supply Chain Fees Policy

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Person Responsible	Deputy Principal – Finance & Resources
Approval/ review bodies	Senior Leadership Team
Frequency of Review*	12 months

**Policies will be reviewed more frequently if legal changes or good practice require*

Review History:		
Date of review	Reviewed by	Reason for review
July 2013	Vice Principal Finance & Resources	Policy completely written
June 2014	Vice Principal Finance & Resources	Review
April 2015	Vice Principal Finance & Resources	Review
June 2017	Vice Principal Finance & Resources	Review
May 2018	Deputy Principal Finance & Resources	Review

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1. Statement

North Kent College (“the College”) is committed to growing and diversifying the range of courses it delivers to widen participation; deliver to niche markets; engage in new and emerging markets; and meet the regional and local economic development agenda. In order to achieve this, the College has taken the strategic decision to subcontract part of its provision to partner organisations who can demonstrate high quality delivery.

2. Scope

This policy applies to all supply chain activity supported by funds supplied by the Education and Skills Funding Agency or any successor organisations.

This strategy covers two key areas of Subcontracting:

- 2.1. provision subcontracting where there is the delivery of full programmes or frameworks by the Subcontractor; and
- 2.2. service subcontracting where the delivery of a service as part of the delivery of a programme such as procuring the delivery of part of an Apprenticeship, framework or outreach support.

Within both of these cases, the College retains full accountability for contract delivery.

3. Overarching Principle

In line with the Common Accord, the College will commit to the overarching principle to optimise the impact and effectiveness of service delivery to the end user by:

- 3.1. aligning our processes with the LSIS Supply Chain Management document;
- 3.2. undertaking fair and transparent procurement activities, conducting robust due diligence procedures; and
- 3.3. relating the management fee to the costs of the services provided

4. Subcontracting Rationale

Upon commencement of the subcontracting process, the College will consider a Business Case Proposal to ensure that the subcontracting will be in the best interests of all parties.

We will ensure that:

- 4.1. the proposed delivery is in the best interests of learners and employers;
- 4.2. the proposed delivery has a clear strategic fit with our mission, objectives and values;
- 4.3. there is sufficient expertise within the College to quality assure the provision;
- 4.4. there is sufficient staff resource in support areas to administer the processes;
- 4.5. the Subcontractor is approved by our due-diligence process;
- 4.6. there is sufficient funding available within our funding contract; and
- 4.7. the Subcontractor agrees to work within the terms of our contract.

5. Improving the Quality of Teaching and Learning

Subcontracted partners will be expected to meet the College's quality assurance standards with the College being committed to supporting, developing and sharing good practice and professional development of staff through quality reviews, operational meetings, observations of teaching and learning and learner and employer feedback.

Subcontracted activity is a fundamental part of the College's provision. The quality of the provision will be monitored and managed through our existing quality improvement process with the College's Self-Assessment Report / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

6. Management Fees

The College retains a management fee from all subcontracted partner organisations, with this ranging from 12.5% to 20%. The fees charged reflect the cost of the procurement process and the management of the contracts.

The exact mix and level of support for each Subcontractor will vary depending on the needs of the individual Subcontractor. However, they will receive a high level of support and guidance and access to College systems, including:

- 6.1. quality management systems;
- 6.2. certification and registration with awarding bodies if required;

- 6.3. Management Information Services and data control advice; Audit of management systems and delivery and observation of teaching, learning and assessment;
- 6.4. Safeguarding of Young People and Vulnerable Adults procedures;
- 6.5. Health and Safety compliance;
- 6.6. Teaching, Learning and Assessment observations and coaching;
- 6.7. CPD Opportunities and planned training and development;
- 6.8. policy development;
- 6.9. support with Funding Rules compliance;
- 6.10. regular national updates regarding funding and policy guidance;
- 6.11. bi-monthly Network Meetings;
- 6.12. Equality and Diversity support; and
- 6.13. administration of the AGE Grant process.

Not all Subcontractors are charged the same management fee with the differences in fees being dependent upon the level of support required, the experience of the Subcontractor, their target learners; their track record, published success rates and the level of risk as determined by the due diligence process.

7. Payment Arrangements

- 7.1. Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed and uploaded to the Data Service by the College.
- 7.2. Following validation of the evidence in the ILR return, the College will make the appropriate payment to the Subcontractor based on the level of income calculated by the validation process in that month less the agreed management fee.
- 7.3. The College operates a self-billing process and invoices are not accepted. Payments are made by BACS
- 7.4. The College expects that the Subcontractors' will fully engage in the assessment of accuracy of payments and they therefore have the responsibility to review their monthly remittance advices to identify any inaccuracies.

8. Policy Communication

The policy is available on-line at www.northkent.ac.uk and can be made available in alternative format or language upon request.

The policy will be discussed with all current and future Subcontractors during contract negotiation meetings and reviewed at least annually in July of each year. Any changes will be notified to subcontractors as part of their regular performance review or via separate correspondence.