

Policy/Procedure Name: Supply-Chain Fees and Charges Policy (formerly Common Accord Statement of Supply-Chain Management)



Policy/Procedure Number: BBS006

Date of Approval: December 2018

Review Date: December 2019

Role Responsible: Executive Director Brooklands Business Solutions

Approved by: Governors/SLT

<p>CEO and Principal</p> <p>Gail Walker Signature:</p>  <p>ate: ...12.12.18.....</p>	<p>Governing Board Representative</p> <p>Terry Lazenby Signature:</p>  <p>Date: 12/12/18.....</p>
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BROOKLANDS COLLEGE

Supply-Chain Fees and Charges Policy

1.0 Brooklands Role as the Prime Contractor

Prior to the start of each academic year the senior staff of Brooklands College review the planned curriculum to ensure our students, staff and employers have the widest and most effective range of qualifications available for the coming year.

We have taken the strategic decision to subcontract a proportion of our funding allocation to increase the number of qualifications, apprenticeship frameworks and standards available to our learners and employers clearly linking to identified skills gaps, the Local Enterprise Partnerships and Government priorities including Science Technology Engineering and Mathematics (STEM) subjects and to improve employers business offer, support specific employers skills requirement through work based qualifications and improve learners' employability through the delivery of training and qualifications.

We also aim to increase learners' employment opportunities and help reduce the identified national skills gaps whilst supporting business development across a number of sector areas that we do not currently have the capacity to deliver to.

We also plan to build greater capacity, engage in new markets, ensuring cost effectiveness of delivery.

The five key areas for Brooklands and our subcontractors to share in establishing an effective supply chain are:

1. Customer demand - satisfaction for customers, employers, learners and the Agency.
2. Performance management - reducing risk and improving performance.
3. Supplier developments - building capacity and capability.
4. Added value - maximising government funds for a better learner experience.
5. Relationships - sharing good practice so the sector is responsible for itself.

As a prime contractor we fully accept accountability for our subcontractor's performance and actions and acknowledge Brooklands College retains ultimate responsibility for all aspects of the provision we have contracted to be delivered.

Brooklands College has a legally binding contract with each of its subcontractors and all subcontracted provision is subject to the same rules as other agency funded provision.

Brooklands College senior leaders and governors must be completely satisfied with the subcontractor's financial health, capacity and capability, and quality of delivery, including their equality, diversity and ethical values.

This Supply-Chain Fees and Charges Policy is fundamentally based on "best practice" as advised by the Association of Employment and Learning Providers (AELP) and Association of Colleges (AoC).

We follow a stringent process that includes six stages:

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|---------------------|--|
| • Pre-contract | Developing the business case |
| • Pre-contract | Establishing a selection process |
| • Contract delivery | Assessing capacity and capability |
| • Contract delivery | Managing performance and learning |
| • Contract delivery | Fees |
| • Contract delivery | Quality Improvement and sharing of best practice |

2.0 Desk Top Assessment

It is an important part when developing a lasting relationship to ensure that the subcontractor has both the capacity and capability to deliver their tender specification and planned volume, and that their attitudes and delivery ethos are in tune with ours.

The desktop assessment involves a detailed evaluation of information by an experienced contract manager and other specialists. Financial accounts are reviewed by the Colleges Financial specialists and a grading awarded based on the evidence provided. This informs the decision as to whether or not to proceed with the proposed subcontract tender. It is considered good practice to have a transparent tendering and selection process and to carefully determine the risk status.

3.0 Information Memorandum

Brooklands College requires information as part of the tender/base documentation that includes:

- an organisational overview
- their legal and operational structure
- a rationale for contract request
- demand-led evidence
- added value to prime contractor and the sector
- their current offer
- copies of quality assurance systems
- a full financial health check (carried out before the contract is issued and at least once a year)
- an interim financial health check carried out every six months
- completed all funding agency registers (online due diligence process)
- at least three appropriate references that include reference to quality of provision, success rates, learner retention, progression and destination.
- Any associated Ofsted reports (direct or in-direct)

4.0 Pre-Contract Meetings

All subcontractors that achieve an initial “satisfactory” rating through the Desktop Assessment are invited to a formal meeting that includes the Executive Director Brooklands Business Solutions and/or the Business and Partnership Manager, Contracts and Compliance Coordinator, Partnership Support Officer and, depending on the nature of the tender specification and the type of provision, college staff with knowledge and experience of the proposed qualifications/frameworks.

A standard agenda is used to ensure all areas of the proposal are fully reviewed and that actions for further research, data requests, information are captured.

It is normal for a number of pre-contract meetings to be concluded before the next stage of tendering is undertaken.

5.0 Pre-Contract Site Visit(s)

Following the successful Desktop Assessment and Pre-Contract meetings a site visit is arranged as soon as is practicable. An experienced team will visit the subcontractor’s offices, delivery premises and other appropriate sites as required.

The Desktop Assessment and Pre-Contract meetings will be used to inform the depth and breadth of the visits to be undertaken and evidence required.

As a minimum the team will:

- consider the capability and capacity assessment
- thoroughly examine the information provided to determine a base line for potential contract value
- conduct a financial audit including reference to the financial assurance completed by the Finance Team
- interview the partner management team and a sample of staff and employers where appropriate
- conduct a health, safety and safeguarding assessment
- identify partner strengths, potential risks and future development needs

6.0 Management of Contracts

As part of our commitment we provide a number of key services that form the basis of our management fee structure and a highly skilled team that includes account management, contracts and compliance, funding advice and guidance, continual professional development training including equality and diversity, health and safety, safeguarding, Anti-radicalisation (Prevent) and a high quality virtual learning environment for all our learners, partners, subcontractors and distance learners with 24/7 access to resources.

7.0 Retained Funding

It is accepted that as the prime contractor we will incur costs in the management of the subcontracting process, the 'Management Fee', such as pre-contract assessment, performance management and risk management (accountability). It is not possible to set one figure for all, given the permutations that are possible to meet the needs of both parties, so therefore we typically retain between 15% and 20% of the Maximum Contract Value.

The amount of funding retained is based on a sliding scale and determined by the level of Brooklands activity, our incurred costs and the subcontractor risk rating.

In relation to the retained funding, as a prime provider, we consider:

- the services that subcontractors can expect from Brooklands
- charges for additional services above core contract management (such as verification activity) based on usage
- the capacity of subcontractors to review and negotiate the retained funding depending on variable costs and volumes of students
- any identified subcontractor development needs and the expected levels of support for all aspects of the partnership
- frequency of performance management and quality reviews
- frequency of site visits and employer engagement

We publish our Supply-Chain Fees and Charges Policy online through the college website and include details of the subcontractors, their contract values, income to the college, income to each subcontractor and any associated charges. This information will normally be published within 30 days of the final ILR submission for the academic year and within one week of resubmission of our Declaration of Subcontractors to the Funding Agency.

8.0 Payment Terms

Our standard payment terms are monthly in arrears based on actual delivery recorded on the College ILR. Full details of payments are included within our standard partner contract.

These are summarised below:

- The College will make the payments to the Partner calculated and payable in accordance with the Contract.
- Payments will be made within 30 days of invoice date, to ensure compliance with the funding agency mandatory requirements.
- Reconciliation of payments will normally be made in the next payment period but will be subject to negotiation.

- Such amounts may be recovered by making deductions from future payments due to the Partner under this Agreement.
- If any funding is withdrawn from the College retrospectively by the Funding Agency the College reserves the right to reconcile funding from the Partner.
- For Apprenticeship Standards, the College will retain 20% of the income from the funding body to cover the costs of End Point Assessments. Once fully completed, the actual costs will be reconciled with the subcontractor in accordance with our agreement. The College Management Fee will be calculated after deducting the actual cost of the End Point Assessment.
- Collect and manage the associated Employer Contribution, return these payments into the MIS system and reconcile the agreed proportion to the subcontractor in accordance with our agreement.

Our Supply-Chain Fees and Charges Policy is included as part of the College initial tendering documentation that is provided to all potential and existing partners and is available through the college website. If the policy is revised it will be circulated to all partners via direct email, and uploaded to the subcontractor area within the College Virtual Learning Environment/Moodle site within one week and is also published on the College Intranet as part of the Policies and Procedures of the College so that it can be accessed by Governors, Managers and all staff.

9.0 Tariff Items

Our partners can expect a wide range of support services and activities that will not only help to deliver a high quality provision but will also be mutually beneficial. It is generally accepted that tariff items are included in the funds retained by the college and we would only make additional charges in exceptional circumstances, with prior agreement.

Support Services include:

- Contract management, tendering and supply chain management and robust procurement procedures
- A dedicated team for contract management including an account manager, contracts and compliance coordinator, contract administration and data entry specialists.
- Due diligence checks that include:
 - Company reports
 - Director evaluation
 - Financial review
 - Risk assessment and contingency planning
 - Insurance cover and all required legal kite marks

- Funding advice and regular updates, including Funding Rules and proposed changes including Levy, framework values, trailblazers, Apprenticeship Assessment Organisations (AAO), End Point Assessment (EPA) and apprenticeship standards
- Employer Contracts and payment support
- Training Service Agreements/Apprenticeship Agreements templates
- Quality Visits
- Ofsted preparation seminars/Partnership events/CPD activity
- Learner surveys with feedback
- Employer surveys with feedback
- Observation and grading of subcontractor delivery staff (teaching, learning and assessment)
- Exam support (where applicable)
- Awarding body registration (where applicable)
- Resources to support staff CPD including Prevent, Health and Safety, Safeguarding and Equality and Diversity.
- Access to online training modules for students, staff and employers
- MIS data entry and enrolment procedures, including 20% Off The Job and Employer Contribution
- Learner eligibility checks and funding rules guidance
- Performance funding reviews, income checks and invoice services
- Employer registration identification numbers
- Risk assessment of subcontractor staff
- Access to functional skills online resources, with learner registration management
- A virtual learning environment for subcontractor and learner access
- Production of paper work including individual learning plans and information returns
- Learner review templates
- Access to Additional Learning Support specialists
- Initial assessment (where applicable)
- Access to Management Information Systems specialists
- Designated quality experts
- Access to Marketing and Sales specialists
- Development through professional activities, self-assessment reviews and quality improvement plans

- Learner identification cards (if requested)
- Enrolment forms
- Access to appropriate policies including health and safety, assessment, equality and diversity, lone working, anti-radicalisation (Prevent) etc.

Policy Review

The Supply-Chain Policy is reviewed annually as part of the strategic planning process for long-term curriculum delivery to ensure possible subcontracts meet the colleges strategic direction, identified funding allocation and current national priorities.

Subcontractors that tender must ensure they fully comply with ESFA Funding Rules 2018/19 (current and future versions) and maintain their ability to deliver including successfully achieving entry onto, and maintaining, their approval for the Register of Apprentice Training Providers (RoATP), Register of Training Organisations (RoTO) and any other mandatory requirements.