



Suffolk
New
College

SUPPLY CHAIN FEES AND CHARGES POLICY

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Approved by	Executive Finance and Employment Committee Corporation
Associated Policies	None

Equality Impact Assessment Tool

Name of Policy: Supply Chain Fees and Charges Policy

		Yes/No	Comments
1	Does the policy/guidance affect one group less or more favourably than another on the basis of:		
	Race or ethnicity	No	
	Disability	No	
	Gender	No	
	Religion or belief	No	
	Sexual orientation	No	
	Age	No	
	Marriage and Civil Partnership	No	
	Maternity and Pregnancy	No	
	Gender Reassignment	No	
2	Is there any evidence that some groups are affected differently?	No	
3	If you have identified potential discrimination, are any exceptions valid, legal and/or justifiable?	N/A	
4	Is the impact of the policy/guidance likely to be negative/	No	
5	If so, can the impact be avoided?	N/A	
6	What alternatives are there to achieving the policy/guidance without the impact?	N/A	
7	Can we reduce the impact by taking different action?	N/A	

Version	Summary of Changes
14.2	Updated the quoted funding rules to be 2023/24 Amended the date the Chair and Principal are to have signed the updated policy

Suffolk New College

Supply Chain Fees & Charges Policy

This document sets out the College policy concerning the fees and charges that the College will make on contracts with organisations that it sub-contracts to deliver education and training provision on its behalf.

This policy covers the delivery of all education and training provision funded by the Education and Skills Funding Agency (the “Funding Body”) that the College sub-contracts to third-party organisations. It has been written in accordance with the Education and Skills Funding Agency’s requirements stated in its Funding Rules 2023/24.

Colleges were reclassified by the Office for National Statistics (ONS) as being part of the central government sector with effect from 29 November 2022 backdated to April 1993.

As a result of this the College is now subject to the framework for financial management set out in “Managing Public Money” (MPM) , published by HM Treasury (March 2022, or later updates), as well as other or subsequent central government guidance.

Details of how this affects the College are still in the early stages and once this is established, policies will be updated to reflect the changes.

In the interim period all College Policies should be followed and referenced to MPM for further guidance.

A new financial handbook for Colleges is expected to be published in March 2024 ahead of an effective date of August 2024. This will explain in detail how MPM and other central government guidance should be applied by all Colleges.

1. Rationale for Sub-Contracting

- 1.1 The College will enter into sub-contracts with organisations to undertake provision that fits with its strategic objectives, where the College cannot provide this directly for reasons of resourcing, efficiency or effectiveness.
- 1.2 The College will not undertake sub-contracts, purely to meet short-term funding objectives.
- 1.3 By working with other organisations, the College is better placed to meet the needs of its customers. This may be for a number of reasons, including:

- Providing niche delivery where the costs to the College of providing it directly would be prohibitive;
- Allowing the College to be able to respond flexibly to changing market demand, and to meet emerging opportunities;
- Engaging with the wider community, and so increasing participation by:
 - ◇ Attracting learners who might not attend provision at the College;
 - ◇ Offering flexibility by delivering programmes at times and venues more convenient to employers and learners;
 - ◇ Offering greater progression opportunities, for both people who wish to progress from the sub-contractor to the College, and vice versa;
- Temporarily expanding provision to meet a short term need;
- Providing immediate provision whilst investigating expanding direct capacity, including exploring and learning about new frameworks and sectors before investing resources in them;

1.4 The College's main reasons behind sub-contracting are to support:

- Work with otherwise disengaged young people;
- Apprenticeships;
- Skills for the unemployed;
- Up skilling of the workforce.

1.5 We will work with sub-contractors, and potential sub-contractors to ensure that they have robust procedures in place to ensure that public money does not inadvertently fund organisations with extremist views.

1.6 We will only sub-contract with organisations that are deemed to be of high quality, and low risk to the learners. We will work through a due diligence process to ensure that this happens.

1.7 Suffolk New College recognises that it holds full accountability for the delivery of the contracts that it holds with the funding body and that this cannot be assigned to the sub-contractors.

1.8 Both Suffolk New College and any sub-contractors refer to the funding body's documents and guidance, and all future updates published by the funding body in all matters regarding the delivery of the contract.

1.9 The relevant roles and responsibilities for Suffolk New College and any sub-contractor are clearly defined from the outset of the partnership. All sub-contractors are required to agree and sign an Agreement for the Provision of Educational and Training Services with Suffolk New College.

2. Contribution to the Improvement of Quality of Teaching and Learning

- 2.1 Sub-contracted provision will only be supported with organisations that can demonstrate the actual achievement of, or the potential to rapidly achieve, good quality teaching and learning and success rates that achieve at least national benchmarks and the targets set out in the College's strategic plan.
- 2.2 The College supports sub-contractors to complete the course review and self-assessment process, including quality improvement plans. It also offers support as required to share good practice through regular quality reviews, observation of teaching and learning and learner and employer feedback.
- 2.3 Sub-contractors are expected to hold course centre approvals and liaise with awarding bodies. The College regularly reviews external moderator reports submitted by sub-contractors and monitors any follow-up required.

3. Fees and Charges

- 3.1 This policy ensures that there is openness and transparency in the fees and charges relating to sub-contractors so that when entering into a sub-contracting relationship the potential partner is aware of the support services provided by the College.
- 3.2 The fee for the services provided by the College is calculated to cover day-to-day management of the sub-contracted delivery, monitoring of learner progress, collecting and updating due diligence, ensuring audit compliance, dealing with partner queries, coordinating self-assessment processes, quality and compliance monitoring, as well as other similar services as needed.
- 3.3 The fee also includes administration support to process the data, ILR management, management support (working with funding bodies, ESFA guidance, etc.), and management of funding and finances.
- 3.4 Each cost will be considered for its reasonableness and proportionality to the delivery of the subcontracted teaching or learning.
- 3.5 The typical percentage of fees retained by the College to work in partnership with sub-contractors is in the range of 12-20%, of the fees due from the Funding Bodies.
- 3.6 The following risk factors are taken into account when determining the fee:
 - Track record of the sub-contractor with regards to meeting its success rate and the funding targets;

- Length and history of the sub-contractor's previous contract relationship with the College;
 - Financial standing of the sub-contractor;
 - Sector subject area;
 - Contract size with regard to both funding and learner numbers;
 - Anticipated demands of the contract on the College's resources.
- 3.7 Each proposed subcontract will be reviewed in line with the same quality standards as would be expected as if the College had delivered the programme for itself. The costs associated with delivering such a programme will be assessed on the same basis, and reviewed on a regular basis to ensure that they are reasonable and proportionate to the delivery.
- 3.8 Subcontractors will be paid only for the work that they deliver, in accordance with the contractual agreement drawn up with them on an individual basis from time to time. Should the contractor fail to adhere to the contract then the College reserves the right to clawback any deemed overpayment.

4. Reasons for Differences in Fees Charged

- 4.1 Fees charged to individual sub-contractors may differ for the reasons stated in section 3 above.
- 4.2 They are also the subject of commercial negotiations, which for obvious reasons, cannot be disclosed in a policy.
- 4.3 A higher fee will also be charged where additional are provided by the College to the sub-contractor.
- 4.4 We would expect the percentage of the costs to be retained by the College to fall into the following brackets:
- | | |
|-----------------------------------|---------|
| • Training | 2% - 4% |
| • Quality assurance and oversight | 5% - 8% |
| • Admin Functions | 5% - 8% |

5. Payment Terms

- 5.1 Payments are made on a monthly or termly basis by the end of the following month in which the activity is successfully uploaded by the College and validated by the Data Service.
- 5.2 Following validation of the evidence in the ILR return, The College will inform the sub-contractor of the amount that they can claim, and the sub-contractor then invoices for this amount.

5.3 Once an invoice is received, payments to sub-contractors will be made within 30 days of the date of the invoice.

5.4 All invoices will be paid by BACS within the sub-contractors terms.

6. Policy Dissemination and Communication

6.1 This policy will be published on the College website <http://www.suffolk.ac.uk/about/college-information> .

6.2 This policy will also be discussed with all potential sub-contractors during contract negotiation meetings, and will be reviewed annually in July of each year, in line with the guidance notes published by the Funding Body.

6.3 Any changes to this policy will be notified to sub-contractors as part of their regular review meetings, or by separate correspondence.

Approved by the Corporation of Suffolk New College, and signed on its behalf by:



S Pugh
Chair



A G Pease
Principal & Accounting Officer

Date: 7th March 2024

Appendix A

Suffolk New College Subcontractor Contingency Plan

The following plan will be enacted should any of the following occur:

- In the event of a subcontractor not meeting the standards set out in our 'contract for education and training'.
- In the event of financial mismanagement or serious financial concerns about a subcontracting partner.
- In the event of any of the obligations set out in the 'contract for education and training' not being fulfilled and where the breach of these obligations is deemed a serious risk to the College or students.
- In the event of a major breach of the terms of paragraph 12 in the 'contract for education and training' (health and safety).
- In the event of proof coming to light of the partner engaging in any of the 'prohibited activities' set out in paragraph 14 or paragraph 17 of the subcontractor agreement.

In the event of any of the above, some or all of the following actions will be taken. The College will follow the process set out in paragraphs 15 and 16 depending on the nature of the breach. This is likely to result in:

- The subcontractor being issued with a detailed 'action plan for improvement' which will be monitored by the College on a weekly or monthly basis depending on the severity of the breach.
- The subcontractor contract being terminated as set out in paragraph 18.
- Any disputes that arise during this process will be handled according to the terms set out in paragraph 16 of the subcontractor agreement.
- The Head of School will recommend to the Executive Team the appropriate course of action according to the identified breach.
- The Executive Team will make the final decision in relation to the course of action.

In the event of the subcontracting agreement being terminated the following measures will be put in place to ensure continuation of learning for students:

- The Skills Funding Agency will be informed immediately of the breach and given details of the matter.
- The College will take steps to recover all learning materials, records and paperwork in relation to the students being funded by the College by writing to the subcontractor.
- The College will ensure continuation of learning by one of the following means:
 1. If the College has the necessary accreditation, capacity, quality assurance and resources, the students learning will be taken over by the College.
 2. The College reserves the right to obtain any student information it deems necessary to continue with learning from a subcontractor. The subcontractor should send all information it holds on Suffolk New College students in the event any of the above breaches.
 3. If the College does not have the above or is not able to service the provision owing to geographical barriers, the College will seek the nearest Further Education College to the students and attempt to facilitate the takeover of students from them.
 4. If the College fails to find a suitable alternative provider who it considers to be of sufficient quality and standing, it will contact the Skills Funding Agency for support in finding an alternative provider.