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**Supply Chain Fees and Charges Policy 08.16**

**TYPE:** Policy

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**PURPOSE:** To share with sub-contractors and potential contractors the College terms and conditions.

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**SCOPE:** This policy applies to all Solihull College and University Centre sub-contracted provision for education and training finance using the Skills Funding Agency (SFA) funds.

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**RESPONSIBILITY:** The Deputy Principal has overall responsibility for this policy.

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**LEGAL CONTEXT:** No – but it is a requirement of the Skills Funding Agency (SFA) contract.

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**PUBLICATION:**

**Staff Hub/Intranet:** Y  
**Website:** Y  
**Student Hub:** N

Reviewed By	Created	Last Reviewed	Next Review Date	Total Pages
Corporation	2014	September 2016	Jul 2017	4

## **Solihull College**

### **Supply-Chain Fees and Charges Policy 2016-2017**

#### **1. Scope**

This policy applies to all Solihull College and University Centre sub-contracted provision for education and training financed using the Skills Funding Agency (SFA) funds. Solihull College and University Centre recognises the importance of building effective supply chain relationships to deliver excellent learner outcomes and develops that relationship within a partnership context.

#### **2. Context**

This Policy is now a mandatory requirement of the SFA, as stated in the Funding Rules 2016 - 2017. This Policy supersedes all previous versions, where applicable, and is effective from 1<sup>st</sup> August 2016.

The content of this Policy has been developed in line with the SFA Funding Rules and two documents, namely the 'Common Accord' and the 'Supply Chain Management: a good practice for the post 16 sector'.

#### **3. Improving**

In accordance with the Common Accord, and the Overarching Principle, Solihull College and University Centre will seek to use its supply chains to optimise the impact and effectiveness of service delivery to the end user. Solihull College and University Centre will therefore ensure that:

- Supply chain management activities align with the principles of best practice in the skills sector. Accordingly, they will be guided by the principles given in the LSIS publication 'Supply Chain Management – a good practice guide for the post-16 skills sector' (21 Jan 2013 and subsequent iterations);
- Solihull College and University Centre will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential sub-contractors to ensure compliance with the Common Accord at all levels and ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- The funding for learning that is retained by Solihull College and University Centre will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner, and will relate to the actual services being provided.
- Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, Solihull College and University Centre will submit the dispute to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.

#### **4. Reason for Sub-Contracting**

Solihull College and University Centre engages with sub-contractors to better meet learner needs. Reasons are varied but range from:

- Facilitating access to new and additional training opportunities for a range of students in employment and in the wider community;
- Improving working relationships with employers and other community providers who offer complements existing College provision; and
- Achieving growth, where this is consistent with College, local and regional strategic objectives.

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## 5. Management Fees

Solihull College and University Centres standard sub-contract management fee is 15% of all funding drawn down against the provision to be delivered, with 85% reimbursed to the sub-contract partner. This figure reflects the cost of the procurement process and the management of the contracts.

Solihull College will provide the following support in return for the management fee:

- MIS returns completed;
- Monthly funding reports;
- Access to learner support;
- Marketing opportunities – open days, website, advice nights;
- Regular support and monitoring meetings;
- Training and development opportunities;
- Learner financial support;
- Termly partnership meetings;
- Administration of Apprentices Grant for Employers;
- Paperwork audit compliance; and
- Teaching, Learning and Assessment support.

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## 6. Payment Arrangements

Payments will only be made to the sub-contractor once Solihull College and University Centre has received the funding from the Funding Agency or its successor funding body.

Apprenticeship start payments are subject to a minimum stay of 6 weeks. No start payment will be made until after the minimum stay period.

Solihull College and University Centre will calculate the amount payable to the sub-contractor each month as follows:

- 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 received from the Funding Agency in that month multiplied by the percentage agreed in the contract.;
- The subcontractor will be notified of the payment and will invoice the College for that amount;
- The College will make payment to the subcontractor within 30 days of receiving a valid claim for payment; and
- Any anomalies that arise following payment will be subject to reconciliation at a later invoice date.

Solihull College and University Centre will ensure that the following details are published in the College's supply-chain fees and charges:

- Name of the sub-contractor;
- UKPRN number of the sub-contractor;
- Contract start and end date;
- Type of provision;
- Funding paid by the SFA to the College for provision delivered by the subcontractor in that academic year;
- Funding paid to sub-contractor for provision delivered by the sub-contractor in that academic year;
- Funding retained by Solihull College and University Centre in relation to each subcontractor for that academic year; and
- If appropriate, funding the subcontractor has paid to the College for services or support the College has provided in connection with the subcontracted provision.

## **7. Policy Communication**

This Policy is available on-line at [www.solihull.ac.uk](http://www.solihull.ac.uk) and can be made available in hard copy upon request. Solihull College and University Centre will ensure all current and potential sub-contractors have sight of this Policy and any other relevant documents.

## **8. Publishing Funding Data**

In compliance with the Skills Funding Agency and other agency funding rules that apply, Solihull College and University Centre will publish its sub-contracting fees and charges policy on its website before entering into any sub-contracting agreements for the 2016-2017 funding year. Solihull College and University Centre will also publish data on the actual level of funding paid and retained for each of its sub-contractors in 2016-2017. This data will be published within 30 days of the 2016 to 2017 ILR closing.

Solihull College and University Centre's fees and charges policy and end-of-year actual figures will only include 'Provision Sub-contracting'. 'Provision Sub-contracting' is where Solihull College and University Centre sub-contracts the delivery of full programmes or frameworks. It does not include sub-contracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local SFA Officials prior to publication.

## **9. Timing for Policy Review**

The policy will be reviewed on an annual basis, and/or when significant changes in the Funding Rules occur. Annual review date is July 2017.

## **10. Monitoring and Evaluation**

Sub-contracted activity is a fundamental part of Solihull College and University Centre's provision. The quality of the provision will be monitored and managed through the existing Solihull College and University Centre's QA processes and procedures, as amended in order to fully encompass all sub-contracted activity.

This Policy positions sub-contracted provision as a core part of Solihull College and University Centre's activity to enable continuous improvements in the quality of teaching and learning for both Solihull College and University Centre and its sub-contractors. This will be achieved through the sharing of effective practice across the supply chain.