

## **P108 Subcontracting Supply-Chain Fees and Charges Policy**

### **1. Introduction**

- 1.1. The Subcontracting Supply-Chain Fees and Charges Policy (The Policy) forms part of the College's internal control and Corporate Governance arrangements to ensure compliance with ESFA Funding Rules.
- 1.2. The Policy explains the College's strategy for sub – contracting supply-chain and charges and details payments made to subcontractors for the recent completed contract year.
- 1.3. The Policy applies to all subcontracted partner organisations.
- 1.4. This policy is reviewed annually to ensure the College complies with the ESFA Funding Rules at the time.

### **2. Peterborough Regional College Supply-Chain Strategy**

- 2.1. The College requires a Subcontracting and Supply Chain Fees Policy to adhere to Agency Funding Guidance and to be transparent to current and prospective subcontractor partner organisations.
- 2.2. The College retains a management fee from all subcontracted partner organisations. This ranges from 15% to 20% of the funding received from the Education and Skills Funding Agency and covers Provision Subcontractors and Service Subcontractors. The fees charged reflect the cost of the procurement process, quality support, administration and management of the contracts.
- 2.3. Not all subcontractors are charged the same management fee. Differences in fees are dependent upon the level of support required, the experience of the subcontractor, their target learners; their track record, published achievement rates and the level of risk as determined by the due diligence process.
- 2.4. The support, quality monitoring and management of a subcontractor will inform the Subcontractor Management Charges Matrix which forms part of the Sub-Contractor Contract relating to the provision of Training Services for Peterborough Regional College. The support, quality monitoring and management of a subcontractor is based on the risk banding of a subcontractor, the complexities of delivery and the volume of learners.
- 2.5. Payments will only be made to the Subcontractor once the College has received the funding from the Funding Agency or its successor funding body.

- 2.6. The College will calculate the amount payable to the Subcontractor each month 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 and the percentage agreed in the contract. The Subcontractor will be notified of the payment and will invoice the College for that stated amount. The College will normally pay the Subcontractor within 30 days of receiving the invoice. Any anomalies that arise following payment will be subject to reconciliation at a later invoicing date.
- 2.7. The College is funded and monitored against the Agency Performance Management Rules which allows the Agency to adjust contract funding, measured as performance against published national tolerances, throughout the contract year. The College will likewise adjust subcontractor funding, where appropriate, against the Performance Management Rules as set by the Agency
- 2.8. The College will support all subcontracted partner organisations to improve the quality of teaching and learning by developing and sharing good practice through; quality reviews; operational meetings; reviews of teaching and learning, contract compliance and monitoring audits, learner and employer feedback
- 2.9. Subcontractor partner organisations working with the College receive a high level of support and guidance and access to College systems, including:-
- Quality Assurance and Quality Improvement management systems;
  - Management Information Services and data control advice;
  - Audit of management systems and delivery and reviews of teaching, learning and assessment;
  - CPD Opportunities and planned training and development;
  - Advice on national funding and policy guidance;
  - Support with Funding Rules Compliance
  - Contract Compliance Monitoring Audits
  - Subcontractor Network Meetings
- 2.10. Peterborough Regional College is committed to working with subcontracted partner organisations who provide training and support to a range of potential learners, which will help support the regional and local economic development of the area.
- 2.11. Any decision to subcontract with a partner organisation will be based on the availability of funding and an identified training need for learners. Most importantly, the potential partner organisation must be able to demonstrate the ability to deliver high quality training and education, and that they have a strong financial standing
- 2.12. The College will publish annually details of its supply chain fees and charges policy on the College website [www.peterborough.ac.uk](http://www.peterborough.ac.uk)

- 2.13. The College will communicate the supply chain fees and charges policy during the pre-contracting stage for new subcontractors and during the due diligence checks for existing subcontractors.

### **3. Responsibilities**

- 3.1. The Operations Director Employer Services and Apprenticeships is responsible for annually updating this policy for presenting it to the Senior Leadership Team (SLT) and the Finance and General Purposes Committee (this will be evidenced through the minutes of the respective committee meetings).
- 3.2. The Finance and General Purposes Committee ( a sub – committee of the Corporation Board) is responsible for receiving and endorsing the College supply chain fees and charges and recommending these to the Corporation Board for approval (this will be evidenced by the minutes of the F & GP Committee meeting)

### **4. Risk Analysis**

- 4.1. The risk of inappropriate Subcontracting Supply Chain Fees and Charges Policy could result in result in noncompliance with ESFA Rules, financial loss and reputational damage to the College.

### **5. Equal Opportunities and Impact Assessment**

- 5.1. A Section one impact assessment has been conducted on this policy

### **6. Data Protection**

- 6.1 The College fully complies with the Data Protection Act. Any data relating to partnership activity will be treated and processed in accordance with the Data Protection Act and the Education & Skills Funding Agency Funding Rules.

### **7. RELATED DOCUMENTS**

- 7.1 P109 Partnership Policy and Strategy for Subcontracting
- 7.2 Education & Skills Funding Agency funding and performance management ruels 2019 to 2020.

### **8. Supporting Appendices**

- Appendix 1 Details of Subcontracted Payments in 2018/19 contract year

**Appendix 1 Subcontracted Payments in 2018/19 Contract Year**

<b>Sub-Contractor Name</b>	<b>UKPRN</b>	<b>Type of Provision</b>	<b>Contract Start Date</b>	<b>Contract End Date</b>	<b>Total Funding Received from the Agency</b>	<b>Total Funding paid to the Sub-Contractor</b>	<b>Funding Received by the College</b>	<b>College Management Fees</b>
Anglia Professional Training Ltd	10040684	16-18 Apprenticeships Adult Apprenticeship	01/08/2018	31/07/2019	£143,087.34	£121,624.24	£21,463.1	15%
Anglia Professional Training Ltd	10040684	Adult Education Budget Classroom	01/08/2018	31/07/2019	£121,458.81	£103,239.99	£18,218.82	15%
Aspire Sporting Academy Ltd	10005077	Adult Education Budget Classroom	18/04/2018	31/07/2019	£255,567.79	£204,454.23	£51,113.56	20%
Construction Training Specialists Limited	10001664	16-18 Apprenticeships Adult Apprenticeship	01/08/2018	02/05/2019	£9,902.31	£8,912.08	£990.23	10%
eVolve Your Future Ltd	10005077	Adult Education Budget Classroom	01/08/2018	31/07/2019	£244,375.00	£212,500.00	£31,875.00	15%
North West Anglia NHS Foundation Trust	10024075	16-18 Apprenticeships Adult Apprenticeship	01/08/2018	31/07/2019	£17,046.5	£14,489.52	£2,556.98	15%
Peterborough Skills Ltd	10048439	16-18 Apprenticeships 19+ Apprenticeship	01/08/2018	31/07/2019	£257,004.99	£215,054.23 <small>(£3,400 was deducted for the services provided by the College in connection with the subcontracted delivery)</small>	£38,653	15%
Peterborough Skills Ltd	10048439	Adult Education Budget Classroom	01/08/2018	31/07/2019	£76281.78	£64,839.52	£11,442.26	15%
Peterborough Skills Ltd	10048439	16-18 Traineeships	01/08/2018	31/07/2019	£17,034.12	£14,479	£2555.12	15%
Peterborough Skills Ltd	10048439	19-24 Traineeships	01/08/2018	31/07/2019	£4,810.11	£4,088.59	£721.52	15%
Peterborough City Council	10005074	Classroom Based Learning – 16-18 year olds and Adult Education Budget	01/08/2018	31/07/2019	£71,625	£60,881	£10,744	15%