

## Supply Chain Fees & Charges Policy

<b>Issue Date</b>	26 <sup>th</sup> July 2016
<b>Approved by</b>	WACC Board of Directors and the Accounting Officer
<b>Date to be reviewed</b>	1 <sup>st</sup> July 2017
<b>Responsibility/Main point of contact</b>	Vice Principal
<b>Associated Documents</b>	SFA Funding Rules 2016 to 2017
<b>Version no.</b>	one

The policy has undergone an Equality Impact Assessment (EQIA) confirming that there are no negative consequences in the case of this policy.

## **1. Purpose**

The purpose of this policy is to ensure that Provision Subcontracting meets Walsall Adult and Community College's strategic aims and that fees and charges are set at an appropriate level to ensure quality provision delivery and management.

## **2. Definition**

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

This policy only covers 'provision subcontracting'. Provision Subcontracting is the subcontracting of the delivery of full programmes or frameworks. Provision Subcontracting is not subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship framework).

## **3. Policy**

### **Key Principles**

Walsall Adult and Community College's mission is to raise the confidence, competence, skills and qualification levels amongst Walsall residents for life, for work and for active citizenship.

The work of the College is strongly linked to; achieving the objectives of Walsall Metropolitan Borough Council; regenerating the Borough through increased employment; reduced child poverty; and improving personal health. The role of adult learning across the Borough in contributing to the Council's regeneration agenda is described in the Walsall Adult Learning Plan.

The College is committed to growing and diversifying the range of courses it delivers, widen participation, deliver to niche markets and engage in new and emerging markets.

Provision Subcontracting will support the College in the achievement of its mission by building capacity for the provision of learning for the most disadvantaged groups in the harder to reach areas of the Borough, through partnership with community-based organisations.

All learners who are provided with education and training under sub-contracting arrangements will remain the responsibility of the College and will have the same right of access and expectation to quality of teaching and support that are afforded to directly funded learners.

### **Strategic Aims**

The College will only engage in provision sub-contracting that supports our strategic aims, enhances the quality of our offer to learners and removes the barriers to learning experienced by many residents in the Borough.

The strategic aims that will be directly contributed to through provision sub-contracting are:

#### Responsiveness

- A curriculum that meets the needs of Walsall employers and the Black Country Economy
- Enabling curriculum that engages and develops individuals who are furthest away from society and work.
- Curriculum innovation that generates new learners and new business.
- Curriculum partnerships that extend the reach of and stretch of learning.

#### Excellence

- Outstanding outcomes and progression for learners
- Outstanding teaching, learning and assessment
- Outstanding support for learners

### **Entering into a Subcontract**

Walsall Adult and Community College will only enter into subcontracting arrangements with organisations that have successfully completed a robust due diligence process that will be focused on financial health, quality and experience of delivery of the provision being subcontracted and the target group identified.

The College will not enter into, or continue with, contracting arrangements with an organisation that:

- Is not a legal entity
- Has an above average risk warning from a credit agency

- Has passed a resolution (or the court has made an order) to wind up or liquidate the company, or administrators have been appointed
- overdue statutory accounts

In the event that any of these apply to a subcontractor during the term of a contract the College will make alternative arrangements for the learners and withdraw from the contract.

The College will ensure that the subcontracting will be in the best interests of all parties and will ensure that:

- The proposed delivery is in the best interests of learners and employers
- The proposed delivery has a clear strategic fit with our mission, objectives and values.
- There is sufficient expertise within the college to quality assure the provision.
- There are sufficient staff resources in support areas to administer the process.
- There is sufficient funding available within our funding contract.
- The subcontractor agrees to work within the terms of our contract.

### **Monitoring**

The College will robustly manage and monitor all subcontracted provision to ensure that high-quality delivery is taking place that meets the specific funding requirements for each programme being delivered.

Subcontractors will be expected to meet the College's quality assurance standards. The quality of provision will be monitored and managed through the college's quality improvement process with the college's Self Assessment Report / Quality Improvement Plan process ensuring continuous improvements in all parts of the learner journey.

The College will have in place a regular and substantial programme of quality assurance checks on the education and training provided by sub-contractors that will include visits at short notice and face-to-face interviews with staff and learners.

### **Support**

Walsall Adult and Community College is committed to ensuring the best experience for our learners and subcontractors. To ensure this, all subcontractors will be afforded the full support of the college in increasing the

quality of its teaching and support, by way of access to college systems, including:

- Quality management systems
- Support with certification and registration with awarding bodies
- Management information systems and data control advice
- Audit of management systems and delivery and observation of teaching, learning and assessment
- Safeguarding of Young People and Vulnerable Adults procedures
- Health & Safety compliance
- Support with Funding Rules compliance
- Equality & Diversity support

The College will hold regular review meetings with subcontractors on a one to one and group basis. The frequency of these meetings will be at least termly.

All subcontractors will be invited to attend and contribute to college staff training and development days.

Each subcontractor will be assigned a College Support Contact who will be a member of the College Management Team.

### **Fees and Charges**

Subcontractors will be paid on the basis of the funding drawn down from the Skills Funding Agency and Education Funding Agency per learner, up to the maximum payable under the contract.

Any delivery by a sub-contractor in excess of the maximum value as per the contract will be at the risk of the subcontractor for which the College will have no liability to make payment.

The college will retain 20% of the funding drawn down as a contribution to the costs incurred in the management and support of the subcontracting arrangements.

For Community Learning funded provision the fee paid to subcontractors will be £6 per guided learning hour per learner. It will be the subcontractor's responsibility to ensure that group sizes are both sufficient and appropriate to ensure financial viability and quality of learning.

Payments to subcontractors will be made monthly in arrears and will be in accordance with the funding recorded on the ILR. Subcontractor invoices will be paid within 30 days of receipt by BACS.

With each contract awarded, a full payment schedule will be provided that sets out the dates for notification to subcontractors of the funding recorded on the ILR, the date for submission of invoices and the expected payment date.

#### **4. Implementation**

This policy will form part of the information supplied to prospective subcontractors during the procurement process and be provided electronically to all subcontractors at the commencement of the subcontracting arrangements and periodically throughout the term of the partnership when updates are made.

All subcontractors will be required to sign to say they have read and understood this policy and will comply with the terms contained within.

This policy in its most up to date form will be placed on the College web-site.

#### **5. Review**

This policy will be reviewed at least annually and in addition in-year as needed to reflect any changes in SFA funding rules.

## Clauses and principles of the Common Accord

- i. The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.
- ii. Signatories to the Common Accord commit to the “Overarching Principle” that: **“Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.”**
- iii. In line with the overarching principle, signatories will abide by the following:
  - a. **Supply chain management activities should align with the principles of best practice in the skills sector.** *Signatories to the Common Accord agree to be guided by the principles given in the LSIS publication “Supply Chain Management – a good practice guide for the post-16 skills sector” (Nov 2012 and subsequent iterations)*
  - b. **Prime/lead providers in supply chains will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.** *Signatories agree the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.*
  - c. **Funding for learning that is retained by the lead provider must 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.** *Signatories commit that the rates of such retained funding should be commercially viable for both sides, should be negotiated and agreed in a fair and transparent manner, and should relate to the actual services being provided.*
  - d. **Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, signatories commit to submission of the dispute to independent outside arbitration or mediation and to abide by its findings.** *Signatories 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.*
- iv. Signatories to the Common Accord understand and accept that their commitment and adherence to it may be used as criteria or standards by other sector stakeholders, including (but not limited to) funding, representative and professional bodies.

**A COMMON ACCORD  
IN THE WORKING OF SUPPLY CHAINS IN THE  
POST-16 LEARNING AND SKILLS SECTOR**

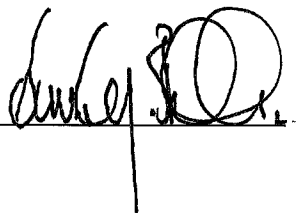
*The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.*

**Signatories to this document commit to the following  
“Overarching Principle”:**

**Supply chains seek to optimise the impact and effectiveness of  
service delivery to the end user.**

*This organisation commits itself to the clauses and principles of the  
Common Accord*

Name: Jev Bhalla

Signature: 

Position: Principal

Organisation: Walsall and Adult Community College

Date: 5<sup>th</sup> July 2016