

SUPPLY-CHAIN FEES and CHARGES POLICY

1. INTRODUCTION

- 1.1 The College seeks to offer the widest range of suitable learning opportunities to its learners as need and demand requires. Subcontracting allows it to widen the range of opportunities offered in terms of subjects and geographical area to meet these demands.
- 1.2 The College must have a Supply-Chain Fees and Charges Policy to comply with the requirements of funding bodies, in particular the Education and Skills Funding Agency.

2 STATUS OF THE POLICY

- 2.1 This policy does not form part of the College's formal contract of employment, but it is a condition of employment that employees abide by the rules and policies made by the College from time to time. Any failures to follow the policy could, therefore, result in disciplinary proceedings.
- 2.2 Any member of staff who considers that the policy has not been followed should raise the matter with the designated member of staff.

3 DISTRIBUTING INCOME BETWEEN THE COLLEGE AND ITS SUB CONTRACTORS

3.1 Reasons for Subcontracting

The College subcontracts its provision to supply the best teaching and learning experiences for its students. This may include:

- Subcontracting to a provider which has the resources to deliver a better learning experience for students e.g. in a curriculum area not as well supported by the College's direct provision or where delivery is widespread and College systems do not support that style of delivery.
- Sharing of good practice, e.g. where the subcontractor can improve the quality of its delivery through working with the College, or vice versa.
- Subcontracting provision which is not suitable for delivery in the College environment e.g. NEET (Not in Employment, Education or Training) and long-term unemployed students who, for a variety of reasons, are not ready to take up a place in a traditional college and will respond better to learning in a different environment.
- Subcontracting outreach provision to organisations that are better placed than the College to respond to local needs.

% Retained		Service Provided by the College
6.	Variable	Additional costs to the College. Subcontractors are expected to cover all the costs of delivery and assessment themselves, within the value of the contract. Where the College supports the delivery and assessment directly (e.g. by registering the candidates with exam bodies, other assessment and verification duties, support for learning delivery), these costs will be withheld from the subcontractor.

3.4 Payment and Reconciliation

3.4.1 Payments will only be made to the sub-contractor once Riverside College has received the funding from the Funding Agency.

3.4.2 Riverside College will calculate the amount payable to the sub-contractor each month as follows:

i) 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.

ii) The subcontractor will be notified of the payment and will invoice the College for that amount.

iii) The College will make payment to the subcontractor within 30 days of receiving a valid claim for payment.

iv) Any anomalies that arise following payment will be subject to reconciliation at a later invoice date.

v) The only exception to this will be payments due at the end of a contract where up to 20% of the total funding may be held back by the College until all documentation and completion evidence required by the College has been received

3.4.3 The contract will be agreed as a fixed rate for the delivery of individual learning aims which will be calculated to lie within the appropriate range of fees determined by the criteria in table 3.3 above.

4 SUPPORT TO BE RECEIVED BY SUBCONTRACTORS IN RETURN FOR THE FEE CHARGED

See table in 3.3 above.

5 REASONS FOR ANY DIFFERENCES IN FEES CHARGED FOR OR SUPPORT PROVIDED TO DIFFERENT SUBCONTRACTORS

The table above provides guidance as to why there may be differences in fees charged and support provided to different subcontractors.

6 PAYMENT TERMS – TIMING OF PAYMENTS IN RELATION TO DELIVERING PROVISION AND TIMESCALE FOR PAYING INVOICES AND CLAIMS FOR FUNDING RECEIVED

Normally subcontractors are paid monthly in arrears for the delivery of provision subcontracted to them. Payment is spread over the length of the planned delivery contract, but may be extended where delivery continues past the end of the planned contract period if necessary to ensure the best outcome for the learners. Payment for achievements is held back until auditable proof of achievement is received by the College in line with the funding rules of the funding body.

The College will normally issue an invoice request within 10 working days of the end of the month for which payment is due. College policy on payment of invoices is to pay at the end of the month when the payment is due.

Payment may be delayed or withheld where there are reasonable grounds for concern over the quality of the provision contracted for delivery or due to questions regarding the subcontractor's adherence to the conditions of the contract.

7 COMMUNICATION

The policy will be held on the College intranet and referred to in the contract. A copy is provided to potential subcontractors during contract negotiations.