

SUPPLY CHAIN (FEES AND CHARGES) POLICY

Context

Portsmouth College has subcontracted out some of its adult funding allocation for a number of years to providers who are able to provide high quality education, to bring additional expertise and are able to access learner markets the College cannot (through not having expertise or facilities for example). Portsmouth College prioritises education delivered to the City of Portsmouth and surrounding areas in line with our Strategic Plan. The College has supplemented its own apprenticeship provision over recent years by partnering through a subcontract arrangement with a local quality private training provider. Increasing the size of the overall apprenticeship programme has allowed the College to invest in appropriate internal systems ensuring efficient delivery of the complex administration and to ensure the total contract size with the ESFA is sufficient for them to provide an allocation. The ongoing use of subcontractors has allowed the College to invest in the back office and quality systems. The College is planning to deliver in full its allocation of AEB through using its own staff and systems for delivery so will not consider subcontracting that provision unless there is an unexpected change.

Overarching Principle

The College undertakes to endeavour to maximise the impact to the end user. This effectiveness will be assisted by following the principles laid out in the LSIS publication "Supply Chain Management - a good practice guide for the post-19 skills sector".

The College will undertake fair and transparent procurement activities. Robust due diligence procedures will be undertaken on new and existing subcontractors. The College will prioritise subcontracting with providers where relationships have already been developed and the College is satisfied that quality, impact to learners and value for money is high. The risk of poor delivery is calculated to be lower when providers with established relationships are used as systems of control are mature and have been subject to internal verification.

The proportion of the funding retained by the College will vary from one subcontract arrangement to another. The funding retained by the College is dependent upon the specific arrangements and the level of work completed by the College for the delivery, management and back office administration of the provision. This methodology will ensure that the arrangements are financially viable for both parties.

The standard level of funding retained for management costs is 20%, this level, especially for relatively small contracts, allows the College to afford to carry out both the administration and quality control requirements to very high standard including the provision of assessor software, as appropriate. This also allows time for regular meetings, weekly for larger contracts.

The management funding retention will also vary depending upon the level of support that the College provides. This support may vary depending upon various factors including contractor's track record of Success rates, type of provision, type of customers, length and size of contract and whether this is the first time the subcontractor has worked with the College. The risks assessed to individual subcontractors could affect the level of funding passed on to a provider; this may take the form of additional support or a performance bonus that is only paid if certain clear targets are met. The support provided may include additional site visits, tutor training, Internal Verification, curriculum planning and development.

Subcontractors will be paid monthly based upon the delivery totals submitted to the ESFA for the previous month, i.e. one month in arrears in line with the payment of grant to the College.

Subcontractors will be expected to charge fees to learners at the same or a similar rate, or using similar principles, to that charged by the College (apprenticeship fee rates are prescribed by the ESFA and will be charged by the College). Charging learner fees is important so that the College can be satisfied that the sub-contractor is putting sufficient resources into the delivery which will ensure a good experience for the learners, this is now a requirement for non-levy apprenticeship training. Should a different policy be proposed by the subcontractor then the College will need to be satisfied that adequate resources are being allocated to the course delivery.

Disputes

Disputes between the College and supply chain partners will generally be resolved in an amicable way. Should the parties not be able to come to agreement then independent arbitration or mediation, in line with the contract, will be used to come to a fair agreement that will be accepted by both parties.

Quality Assurance

The College recognises that subcontractors deliver to learners who are students of the College and as such should receive the same quality as those learners the College directly delivers to.

The College undertakes to monitor systems used by subcontractors and will assist these partners to improve as appropriate. The College Self-Assessment Review process will include partners so agreed improvements can be monitored and extended as required.

Review of the Supply Chain

The College will review the supply chain during the summer term each year prior to the full board of the Corporation. Current supply chain partners will have their performances reviewed annually. Where performance is good and the type of planned delivery still fits with the College strategic objectives and due diligence checks do not reveal any issues then the College will prioritise re-contracting rather than seek new partners. By working with partners and by jointly developing both administration and quality monitoring systems the risks associated with subcontracting is minimised.

New arrangements will be considered mid-year if funding is available and the arrangement fits in with this policy.

Location of new subcontractors is considered by the College and priority will be given to delivery that will take place in the Portsmouth area. Should suitable provision not be identified within Portsmouth then access for College staff to monitor delivery will be an important criteria. If monitoring cannot be completed within a working day (due to excessive travel time) then it is unlikely that the College will consider such an organisation a suitable sub-contract partner.

The annual changes to the funding system over the last few years has resulted in greater uncertainty as to the ability of the College to deliver a certain funding total. It is therefore necessary that the College constantly monitors delivery levels so that decisions to expand sub-contracting can be made at the earliest opportunity. Where existing partners have the ability to


expand their provision they will be approached ahead of new partners, all existing partners will be given the same opportunity to bid for additional funding.

This policy will be discussed with current subcontractors immediately following its agreement by the College governors and with potential subcontractors prior to any agreement being made.

Publication of Information Relating to Sub-Contracting

This policy will be published within the College website prior to the start of each academic year.

Approved by Portsmouth College Corporation 19/12/2018



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Nick Wynne – Chair of Portsmouth College Corporation



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Simon Barrable – Principal Portsmouth College

