

# OPEN DOOR ADULT LEARNING CENTRE

## Supply-Chain Fees and Charges Policy

Document Name	Supply Chain Fees Policy
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First Issue Date	12/07/2015
Latest Issue Date	28/07/2015

<b>Document Owner</b>	<b>MIS Manager (Terry McHale)</b>	
<b>Change History</b>		
<b>Issue</b>	<b>Issue Date</b>	<b>List of Amendments or remarks as applicable</b>
<b>1.0</b>	<b>12/07/2015</b>	<b>For 2015/16 delivery year</b>

## **Supply Chain Fees and Charges Policy**

### **Open Door Adult Learning Centre – Introduction**

Open Door Adult Learning Centre (ODALC) - is a voluntary sector, autonomous former external institution, situated to the south east of Sheffield. The organisation has been in existence since 1985, initially operating as a community resource centre and drop-in. More recently it has made the transition to providing accredited training courses to the adult population of its locality, and surrounding districts. It has delivered a variety of adult education training courses for over sixteen years, and now delivers predominantly Crafts based, and Information Technology accredited training, to approximately 200 people every year. A small bank of full, and part-time tutors delivers our learning provision, with support from the administration staff. The decision-making body of the organisation is the voluntary management board, and that is made up from ordinary users of the Centre, local business people, retired police officer, local clergy and local community activists.

The majority of employees are part-time staff, with only two full-time senior managers, and only one full-time tutor. Our self-assessment process is primarily driven by judgements of performance - strengths and areas for improvement which must be based on sound evidence.

Open Door Adult Learning Centre now sub-contracts a substantial element of their current SFA contract, to two of its partners. These partners are Swarthmore Education Centre, based in Leeds, West Yorkshire and Manor Training and Resource Centre, based in Sheffield, South Yorkshire.

### **Subcontractors**

Subcontractor 1: Swarthmore Education Centre, 2 – 7 Woodhouse Square, Leeds, West Yorkshire LS3 1AD

Subcontractor 2: Manor Training and Resource Centre, 304-308 Prince of Wales Rd, Sheffield, South Yorkshire S2 1FF

## Policy

This policy provides consistency of approach and transparency for Open Door Adult Learning Centre supply-chain fees and charges in relation to its subcontracting provision. This policy applies to all Subcontracting supported with funds from the Skills Funding Agency.

## Purpose of Policy

Open Door Adult Learning Centre will use this policy to optimise the impact and effectiveness of service delivery to the end user. Open Door Adult Learning Centre will therefore ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will be guided by the principles given in the SFA publication “Funding Rules 2014/2015”
- Open Door Adult Learning Centre will at times undertake fair and transparent procurement activities, conduction robust due diligence procedure for potential subcontractors to ensure compliance with all rules set by the SFA and other funding bodies. This will ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the learner.
- The funding that is retained by Open Door Adult Learning Centre will be related to the costs of the services provided. These services and the levels of funding being retained will be clearly documented and agreed by all parties.
- Effective risk management practice is undertaken with regard to supply chain management and to manage any risk accordingly.

<b>Potential Sub-Contractor completes one of the following:</b> -Partnership form V5 (apprenticeships/Adult Skills Budget) - Expression of interest (Other)	<b>Arrange meeting with relevant staff members</b>	<b>Contract is prepared</b>	<b>Sub-Contractor linked to ODALC’s provider portal</b>
↓	↓	↓	↓
<b>ODALC review forms and supporting paperwork</b>	<b>Monitoring Visit checklist completed</b>	<b>Funding paperwork and Academic Profile agreed</b>	<b>All ODALC’s quality paperwork is shared with Sub-Contractor</b>
↓	↓	↓	↓
<b>Additional checks: - Due Diligence</b> - Company House Registration - UKPRN number - Credit Check/Accounts - References - ROTO	<b>Additional Partner quality and performance documents collected and reviewed</b>  <b>STAGE 2</b>	<b>Contracts signed delivery starts</b>	<b>Share best practice</b>

**Stage 1 – Partnership For/Expression of Interest** (if the outcome of the above is successful – continue onto Stage 2)

**Stage 2 – Quality Visit/Pre-Screening**

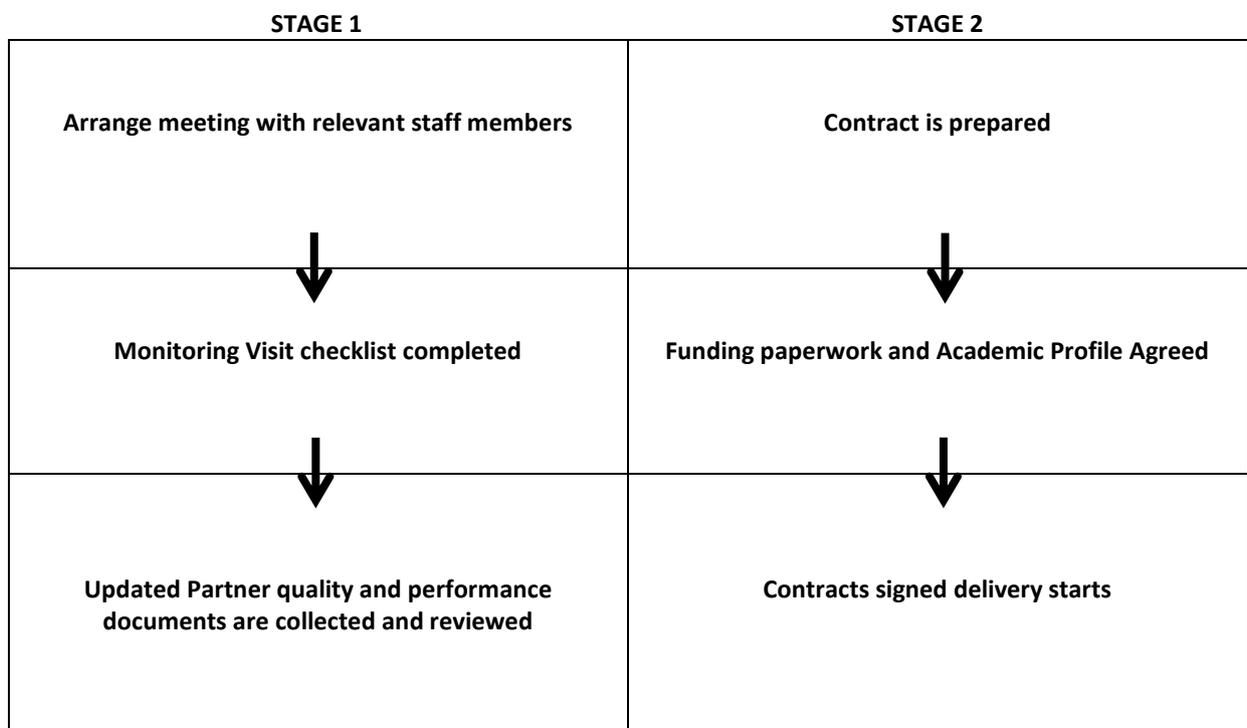
**Stage 3 – Contract and compliance documents**

**Stage 4 – ODALC quality documents**

**Renewal of Contracts for existing Subcontractors**

**Stage 1 – Monitoring Visit**

**Stage 2 – Contract and compliance documents**



### **Management Fees**

An appropriate and agreed management fee between 7% - 20% is applied to all subcontracted provision. The 20% management fee will only be charged to new Sub-Contractors with very little experience in delivering SFA contracts and where higher level of support is required, or to existing subcontractors where the annual success rates are below acceptable levels. This is retained by ODALC to cover the overheads costs incurred through its management of these contracts. These costs include:

- Administrative Services
- Management Information System support including data entry and SFA uploads
- Live data reports i.e. Performance, Finances etc.
- Contractual audit compliance
- Moderation meetings – Observations/Self-Assessment Reports
- Provision of management meetings, regular support and monitoring meetings
- Staff Development e.g. Observations/Safeguarding/Equality and Diversity/Maths and English/IAG
- Sharing best practice

- Internal Quality Assurance audits

The management fee can be reduced by up to 3% upon the sub-contractor achieving pre-set KPI's

Based on the annual retrospective rebate key performance indicators to be refunded after period 14, upon submission of relevant paperwork subject to internal audit. The retrospective rebate will be measured on the following key performance indicators.

- OBSERVATIONS – The Subcontractor to achieve good or outstanding in the following learning activities. This is across all assessors and is not expected for each assessor. All observations will be externally moderated.
  - Minimum of 2 OBSERVATIONS of teaching & learning activities
  - Minimum of 2 OBSERVATIONS of Assessment
  - Minimum of 2 OBSERVATIONS of Progress reviews
  - Minimum of 1 OBSERVATION of an induction
  - Minimum of 1 OBSERVATION of an initial assessment
- The subcontractor to submit a monthly progress tracker and at risk register which is fit for purpose and is set out in the template provided.
- Overall & timely Success Rates – 85% - A minimum number of 20 completed learners in the contract year is necessary to effectively achieve this target. Where completions fall short of these thresholds, no reduction can be made for this aspect of the management fee.

### **Payment Terms**

Open Door Adult Learning Centre will issue authorised claim to the subcontractor, in line with the invoice authorisation dates set out in the contracts. The authorisation will show a breakdown of the funding amounts being paid to the contractor, as well as a schedule of non-payments and reasons for them.

Payments to the Subcontractor will be put on hold if important quality and funding documents have not been received by ODALC. This will be carried out on a quarterly basis. This list includes Observations reports, Learner progress reviews, Learner funding paperwork and Learner progress trackers. Subcontractors are advised to regularly send these documents to ensure payment is made on time.

All payments will be made to the Sub-Contractor via BACS.

### **Reasons for Subcontracting**

Open Door Adult Learning Centre recognises the need to offer a diverse range of provision to meet employer and learner needs, in a flexible and cost effective way. By working in partnership with sub-contractors ODALC is able to do the following:

- Offer niche provision, meeting the needs of local and national priorities
- Engage with the wider community, thus increasing participation by attracting learners who are unable, or unwilling to participate in the programmes we offer perhaps for personal or geographical reasons.
- Offer flexibility by delivering provision at times and venues convenient to learners and employers.
- Be responsive to learner and employer requirements.
- Ensure greater cost efficiency.
- Engage with new market opportunities.
- Capacity building.
- Sharing best practice.

## **Improving Quality**

Open Door Adult Learning Centre is committed to continuations quality improvement in teaching, learning and assessment across all provision. ODALC have a robust quality improvement cycle which covers all aspects of the learners' journey and subcontractors have access to this process and are expected to follow it. For subcontracting the following processes are in place to help monitor quality of provision, and actively improve quality on an on-going basis:

- A robust schedule of Quality Assurance, Funding and MIS audit support including learner and employer audits are carried out throughout the year.
- Annual target setting with retrospective rebate
- Quarterly operational and strategic consortium meetings with all subcontractors
- Training and development quality improvement workshops (including TLA observations, SAR, QIP, MIS data to improve performance)
- Training and support on data to improve success rates and quality of teaching, learning and assessment.
- Improving English and Maths for all learners.

To ensure that each subcontractor is meeting certain quality criteria various members/contractors of ODALC will visit subcontractors for monitoring visits. During the visit the following areas will be checked:

- Student eligibility and existence, funding and audit compliance
- Awarding body registration and certification
- Quality Assurance
- Contract Compliance
- Equality and Diversity/Safeguarding/Health and Safety/Prevent

## **Risk Assessment**

To support the subcontracting process a series of risk factors will be considered which will impact upon both the level of management fee charged. These risk factors include, but are not restricted to):

- The duration of the contract
- The value of the contract
- Industry types and vocational area
- Historic performance of the subcontractor
- Historic success rates data
- Ofsted Inspection reports
- Health and Safety
- Safeguarding/Prevent
- Equality and Diversity
- Dropout rates

## **Policy Review**

Open Door Adult Learning Centre will review this policy annually. The review will take place in July of each year; the policy will be communicated to existing subcontractors at quarterly management meetings. Furthermore, Open Door Adult Learning Centre will distribute a copy of this policy to all potential new subcontractors and discuss it with them as part of ODALC's pre-contracting process. An up-to-date copy of this policy will be posted on Open Door Adult Learning Centre's website <http://www.opendoor-learn.com/>. Electronic copies will also be available on the ODALC portal and upon request.