



LINCOLN COLLEGE

SUPPLY CHAIN FEES AND CHARGES

POLICY CO/PO/18

SPONSOR

Director of Apprenticeships

Equality and Diversity Statement

Lincoln College strives to treat all its members and visitors fairly and aims to eliminate unjustifiable discrimination on the grounds of gender, race, nationality, ethnic or national origin, political beliefs or practices, disability, marital status, family circumstances, sexual orientation, spent criminal convictions, age or any other inappropriate grounds.

LINCOLN COLLEGE
SUPPLY CHAIN FEES POLICY
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LINCOLN COLLEGE

SUPPLY CHAIN FEES POLICY

1 PURPOSE

To set out the procedures involved in the management of external College sub-contractors. This policy sets out how Lincoln College will charge management fees to sub-contractors.

2 AIM

To set out the supply chain fees and charges that Lincoln College charges its external sub-contractors. Whilst the rates identified will apply in the majority of cases as described, the college reserves the right to adjust rates in accordance with (1) market conditions and (2) the support required by individual sub-contractors coupled with the risk factors involved. The Managing Director (Education and Training Delivery) can revise the fee rate according to the risk factors concerned.

3 INTRODUCTION

From time to time Lincoln College engages with external sub-contractors to deliver the Adult Single Budget allocated to the College by the Education and Skills Funding Agency (ESFA). The College reviews its contractors on a yearly basis and undertakes robust due diligence and monitoring procedures which is evidenced and justifies the College's Management Fee.

There is a greater level of risk attached to sub-contractors in the delivery of apprenticeships. This requires higher levels of monitoring to ensure that success rates and quality is maintained to the College's standards. To mitigate the risks relating to new sub-contractors, the College uses a fixed scale of Management Fees to be levied for the delivery of Apprenticeships, Work Place Learning and Classroom Based Learning, dependent upon the experience, quality and financial strength of the sub-contractor. This is outlined in the tables below.

4 SUB-CONTRACTING RATIONALE

The College engages with sub-contractors to:

- Better meet our customer needs.
- Contribute to the College's mission and to widen participation.
- Directly support the achievement of national and local priorities for learning and skills.
- Temporarily expand provision to meet a short term need.
- Provide access to, or engagement with, a new range of customers. Support another provider to develop capacity/quality.
- Provide niche delivery where the cost of developing direct delivery would be inappropriate.
- Support employers with a wide geographic requirement.

5 **FEES AND MONITORING**

Table 1 – Apprenticeships

| | Sub-contractor Type | Management Fee (performance related incentives may apply) | Monitoring Visits (minimum per annum) |
|-------------|--|---|---|
| Low Risk | Established sub-contractor with experience and successful track record of delivery in apprenticeships | 15% | 1 |
| Medium Risk | Experienced sub-contractor in the delivery of apprenticeships with track record of success | 17.5% | 2 |
| High Risk | New sub-contractor with no, or limited track record or existing sub-contractor who has failed to meet minimum achievement rates as in their contract for services and Education. | 20% | 3 |

Table 2 – Work Place Learning/Classroom Based Learning

| | Sub-contractor Type | Management Fee (performance related incentives may apply) | Monitoring Visits (minimum per annum) |
|-------------|--|---|---|
| Low Risk | Established sub-contractor with experience and successful track record of delivery in Work Place Learning and Classroom Based Learning | 17.5% | 1 |
| Medium Risk | Experienced sub-contractor with track record of delivery in Work Place Learning and Classroom Based Learning | 20% | 2 |
| High Risk | New sub-contractor with no, or limited track record or existing sub-contractor who has failed to meet minimum achievement rates as in their contract for services and Education. | 25% | 3 |

- a. All of the organisations contracted with have undergone a robust Lincoln College due diligence process and been audited by the College's Quality Department.

- b. A risk assessment is undertaken on all organisations.
- c. Payment is never authorised without a full Education and Skills Funding Agency (ESFA) approved contract being in place.
- d. Payments are made on invoice submitted by the sub-contractor at the end of each ILR return. Lincoln College aims to pay within 30 days of invoice received.

- e. All claims for payment are made after sufficient audit evidence of activity has been provided. This includes one or more site visits by the Quality Department.
- f. As part of controls, the MD (Education and Training Delivery) reviews the risk assessment of each existing and new subcontractor which is led by the Director of Apprenticeships prior to any new annual contracts being signed.
- g. This policy is communicated to sub-contractors at the contracting stage.
- h. Support is provided to all sub-contractors in the form of:
 - Regular quality audits (at least one per year).
 - Quality checks, including observation of TLA activities.
 - Monitoring of quality assurance and improvement processes.
 - Regular performance reviews and compliance meetings.
 - Quarterly partner meetings to promote collaboration and provide training and support.