Supply Chain Fees and Charges Policy 2020/2021

Introduction

This policy applies to all University of Derby sub-contracted provision for education and training financed using the Education and Skills Funding Agency (ESFA) funds. Subcontracting in all of its forms is managed through the University Apprenticeships Hub. This includes provision funded through the Apprenticeship Levy and the Adult Education Budget. The University recognises the importance of building effective supply chain relationships to deliver excellent learner outcomes and to develop that relationship within a subcontracting context.

This policy has been developed in line with the ESFA Funding Rules & Regulations.

This policy was approved in November 2020 and will be reviewed annually.

Rationale for offering sub-contracted provision

The University of Derby enters into sub-contracting arrangements to meet the needs of learners by providing a relevant, comprehensive and innovative curriculum offer. Reasons for offering sub-contracted provision vary but may include:

- To offer increased choice of provision.
- To develop niche sectors of provision.
- To develop opportunities for specific communities or groups of learners.
- To develop networks of expertise.

By acting as the "Prime" contract holder, the University is looking for subcontracted provision that compliments its offer and geographical reach whilst maximising the amount of funding that reaches front line delivery of high-quality learning.

Contracting Process

A robust process is in place to identify, procure, evaluate and contract with new and existing subcontractors at the beginning of each academic year. A Contract Variation is signed to confirm continuing students through existing subcontractors and includes a summary of changes to the standard sub-contract.

The University undertakes any Subcontracting Tendering process in line with the Public Contracts Regulations 2015. Any training provider looking to work with the University in a subcontracting capacity must express their interest by responding to any University published tender. As part of this tender applicants are required to

produce evidence that meets the University's due diligence criteria, which includes legal, financial and quality

checks, as well as checks to ensure applicants are not part of extremist organisations. Subcontractors must also declare if they have a Conflict of Interest with the University of Derby.

The Procedure undertaken for each Tender process will be appropriate and proportionate to its requirements in line with the Public Contract Regulations 2015.

Award Letters are issued to successful applicants who are then registered on the University's preferred list of suppliers for subcontracting delivery.

The tendering process involves a number of University teams from Finance to Curriculum, through to Quality and Contracts. Each team is required to identify concerns or missing information at various phases as appropriate.

In line with ESFA policies all organisations considered for subcontracted provision must register on the UK Register of Learning Providers (holding a valid UKPRN); and be listed on the Register of Training Organisations. The University reserves the right to refuse a contract to any training provider that poses a considered risk to quality, performance or reputation.

From 1st August 2019, any subcontractors that wish to deliver apprenticeships through the University of Derby's funding contract must be approved and registered as a main or supporting provider on the Register of Apprenticeship Training Providers.

Before a contract is signed, quality visits and further negotiations are carried out to ensure that potential subcontractors can provide quality IAG, delivery and support to students.

Furthermore, all subcontractors are considered and must be approved by the University's Further Education Governance Committee, who will review the reports of the Apprenticeship Hub, to determine the quality and risk associated with each Subcontractor. Approval is evidenced in FEGC Minutes.

During the contracting year, as required by the ESFA, the College will complete the Subcontractor Declaration Form and at the end of the year publish data on the actual level of funding paid and retained for each sub-contractor.

Improving quality of teaching and learning

The University of Derby works in partnership with sub-contractors and ensures on-going support is available to achieve our joint aims, this will include an induction; and as appropriate for each cohort of learners a planning meeting, a monitoring visit and a quality assurance visit is undertaken by and academic member of staff, in partnership with the Apprenticeship Hub. Quality will be built in from the beginning of the contract, and prior to the start of any contract all subcontractors will be required to provide CVs, DBS checks for staff and copies of IV/EV reports and Observations that have been conducted internally.

Throughout the lifetime of the contract, and to help identify areas for improvement, The University will visit the learners during their teaching, learning and assessment to conduct observations. This will involve checking the quality of learning taking place and to observe the quality of teaching by the Tutor or Academic. The University also conducts spot checks, as appropriate, at least one per year with all subcontractors.

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Retained Funding and Support to Subcontractors

The University of Derby has ensured that they have the knowledge, skills and experience within the organisation to successfully procure, contract with and manage its subcontractors. Subcontractor activity will be discharged across the university, through the following expert teams:

- Central Finance including the Business Accountant
- Senior Leadership Teams
- The University Apprenticeships Hub
- Central Procurement Team
- University Legal Team
- Registry

The amount of funding retained where necessary by the University of Derby is calculated as a percentage of the total contract value. The typical rate retained is between 15% and 30% as appropriate. The retention is calculated in proportion to the anticipated risk and intervention assessment conducted at the end of the tendering process. It considers due diligence, credit scores and quality visits. Percentages may vary where there is an estimated cost to the University for providing additional review and quality intervention and any other identified support.

For Apprenticeship provision, the funding retained by the University is calculated in line with the balance of delivery of each Apprenticeship. The retained funding is calculated under contracting arrangements at the end of the tendering process. The University considers due diligence and the results of the quality visits before issuing contracts.

The University of Derby will:

- Conduct regular Performance Monitoring meetings as defined by the contract to discuss progress against contracted targets
- For Apprenticeships, deliver an agreed proportion of the Apprenticeship as negotiated through the contracting process
- Complete Quality Assurance visits including observation of lessons
- Maintain and issue the Subcontracting Handbook, describing the responsibilities and expectations of both subcontractors and the University
- Provide training to support subcontractors in areas such as funding guidance, standardisation and sharing of best practice
- Provide support with the financial claims process and clearance

Financial arrangements

At the start of the academic year, subcontractors are provided with a schedule as part of the procedure's manual, which dictates deadlines for submission of paperwork, release of financial and learner reports and approximate payment dates. A financial reconciliation income tracker is sent to individual subcontractors showing all learners qualifying for payment in the period. All subcontractors must be set up as a supplier on the eFinance Portal in order to receive payments. Payments will be made within 30 days of receipt of invoice.

Policy Review and Publication

This policy is reviewed during each summer term and must be approved by the University's Further Education Governance Committee. In line with ESFA Funding Guide 2020/21, the policy is published on the University

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Website. The policy is included as part of the Subcontracting handbook, which is updated each year and issued to each organisation providing education and training services to the University funded by ESFA monies.

List of subcontractors for 2020/21

Sub-contractor	UKPRN	Programme	Start-End Dates (inc. 19/20 & 20/21 contract)	% sub-contracted 2021
Nottinghamshire Healthcare NHS Trust	10039772	Trainee Nursing Associate	16/07/2019 – 31/12/2023	15%
University Hospitals of Derby & Buxton	10084937	Trainee Nursing Associate	20/12/2019 – 20/06/2023	10%
		Chartered Manager Degree Apprenticeship (Level 6 Top-up)	20/12/2019 – 07/09/2023	1%
		Operations/Departmental Manager	20/12/2019 – 07/09/2023	1%
The Chief Constable of Derbyshire	10063358	Police Constable Degree Apprenticeship	01/10/2020 – 30/09/2024	37%
The Chief Constable of Nottinghamshire	10063337	Police Constable Degree Apprenticeship	01/10/2020 – 30/09/2024	37%
MP-Skills	10026268	Minerals Technician	01/06/2019-15/02/2021 – 30/11/2022	16%

Updated March 21.

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