

Supply-Chain Fees and Charges Policy 2018-19

Principles

The purpose of this policy is to provide consistency of approach and transparency to the KITS's supply-chain fees and charges in relation to subcontracted provision.

KITS's main purpose for subcontracting will be to diversify and extend its offer and capacity to its learners including developing new areas of provision and engage with new markets.

Subcontractors will be selected using a robust due diligence process.

Subcontractors will be required to supply KITS with all relevant information requested to protect learners and to ensure they are a legally, financially, ethically and an educationally sound organisation, prior to any contract being signed.

KITS will set performance standards and performance levels required and will ensure that partners fully understand their commitments.

KITS will monitor subcontracted provision, and actively improve quality on an on-going basis by:

- Scheduled Quality Assurance Audits throughout the year.
- Annual reviews with target setting.
- Regular management meetings with subcontractors.

Fees

A Standard Management Fee is applied to all subcontracted contract in the percentage range of 10 to 20%. This is the proportion of ESFA funding retained by KITS to cover standard costs incurred through its management of these contracts. These costs include:

- Administration
- Quality assurance and monitoring
- MIS functions relating to the submission of funding claims to the ESFA
- Due diligence support, guidance and checking.

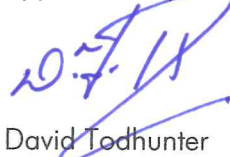
All fees will be agreed with subcontractors prior to the issuing of contracts, and will be reviewed prior to annual re-contracting.

Payment

Sub-contractors will be subject to a monthly 10% retention of earnings to enable compliance checks to be undertaken prior to the finalisation of the ILR return. This retention will be released in November, following the July academic year final ILR submission of R14. Upon receipt of satisfactory evidence KITS will make payment by BACS transfer at the end of each calendar month.

Sub-Contracted Provision

For the delivery of services within an apprenticeship framework, KITS have agreed delivery hour rates with Calderdale Colleges (UKPRN 10001093) for off-the job provision that form part of apprenticeship frameworks.



David Todhunter
Chief Executive