

## **Supply-Chain Fees and Charges Policy 2019**

### **POLICY AIM**

This policy provides consistency of approach and transparency for ATL supply-chain fees and charges in relation to its subcontracting provision. This policy applies to all sub-contracting supported with funds from the Education and Skills Funding Agency.

### **PURPOSE OF POLICY**

ATL will use this policy to optimise the impact and effectiveness of service delivery to the end user. ATL 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 prevailing ESFA publications for the relevant contract year and any supplementary guidance documents.
- ATL will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures for potential subcontractors to ensure compliance with all rules set by the ESFA and other funding bodies that are applicable. This will ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learners' lives.
- The funding that is retained by ATL will be related to the costs of the services provided. These services and the levels of funding being retained for them 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.

### **REASONS FOR SUBCONTRACTING**

ATL recognises the need to offer as diverse a range of provision as possible, in as flexible and cost effective way as possible. By working in partnership with subcontractors ATL is able to:

- Offer niche provision.
- Engage with the wider community, thus increasing participation by attracting learners who are unable, or unwilling, to attend provision offered on campus.
- 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 markets.
- Provide immediate provision whilst expanding direct capacity into new geographical areas.
- Provide specialist provision to meet industry and community need.

### **IMPROVING QUALITY**

ATL is committed to continual improvement in teaching and learning, both in its own direct provision and in its subcontracted provision. A range of approaches are employed in order to do this, such as session observations and Self Assessment Reports. For subcontracting, the following processes are in place to help monitor quality of provision and actively improve quality on an ongoing basis:

- A robust schedule of Quality Assurance Audits that are carried out throughout the year;
- Annual Reviews with target setting;
- Monthly management meetings with between ATL and all its subcontractors;
- Training and Development workshops (as appropriate);

- Assessor observations;
- Advice and guidance on funding;
- Sharing of good practice.

To ensure that each sub-contractor is meeting certain quality criteria, key members of ATL staff will perform various monitoring activities in the following areas:

- Student eligibility and existence, funding and audit compliance;
- Invoicing and payment arrangements;
- Awarding organisation registration and certification;
- Quality Assurance;
- Contract Compliance.

### **RISK ASSESSMENT**

To support the subcontracting process, a series of risk factors will be considered which will impact upon both the level of oversight required on behalf of ATL and subsequently the level of fee charged. These risk factors include (but are not restricted to):

- The duration of the contract;
- The value of the contract;
- Historic record of the sub-contractor;
- Historic non-completion, leaver or drop-out rates;
- Sub-contractor staff turnover.

### **FEES**

An appropriate and agreed fee between 20 and 25% is applied to all subcontracted provisions to facilitate vocational training. The fee is very much dependant on the risk factor as identified above and therefore each subcontractor / contract may have slightly differing fees within the scope set out above. Functions undertaken in order to facilitate vocational training include:

- Administrative Services;
- Close monitoring of the Quality Assurance of provision;
- Learner performance monitoring and progress reviews;
- Management information system functions relating to the submission of funding claims to the ESFA;
- Provision of management meetings;
- Appropriate training materials ;
- ACE certification (App Cert England);
- Contract compliance;
- Audit compliance.

Additional fees may be incurred and these will be added to the standard fee. These fees are for specific functions in terms of managing the subcontracted provision, such as, but not limited to:

- Registering learners with Awarding Organisations;
- Certifying learners with Awarding Organisations (Including and examination fees incurred);
- Internal Quality Assurance;
- End Point Assessment.

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

## PAYMENT TERMS

Our standard terms and conditions of contracts for goods and services state that:

- We will pay a correctly submitted invoice within 30 days of receipt for contracted work that has been correctly performed (an identical provision exists so that any subcontractors are similarly treated by the main contractor).
- Where possible we will pay by direct electronic transfer of funds to the subcontractor's bank account.
- At the time of payment we will send an electronic remittance advice confirming payment.
- We have introduced strict monitoring of these targets.

Subcontractors are asked to help by ensuring all necessary details are included on invoices, that they are correctly addressed, and that we are quickly informed about any change of name and address.

All subcontractors will submit evidence of all activity they wish to invoice prior to submitting any invoice. This evidence will comply with all ESFA rules. ATL retains the right to withhold any payment until the evidence submitted has met ATL internal quality checks.

## POLICY REVIEW

ATL will review this policy annually. The review will take place in July of each year, and policy revisions will be completed and published prior to the commencement of the next academic year.

## COMMUNICATION

Any changes to the policy will be communicated to existing subcontractors at contract management meetings. Furthermore, ATL will distribute a copy of this policy to all potential new subcontractors and discuss it with them as part of ATL pre-contracting process. An up-to-date copy of this policy will be posted on the ATL website ([www.achievementtraining.com](http://www.achievementtraining.com)). Paper copies of the policy will be available upon request.

In accordance with guidance ATL will publish an annual summary of subcontractors showing the actual level of funding paid and the amounts retained per partner per contract alongside this fee policy for a given academic year to allow this information to be viewed in context.

Policy Developed by:	Compliance & Strategy Manager
In Consultation with:	Finance Manager and Quality Team
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Signed:

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