

15billionebp Subcontracting Supply-chain Fees and Charges Policy

1 Policy Statement

- 1.1 We are committed to growing and diversifying the range of activities we deliver to widen participation, deliver to niche markets, engage in new and emerging markets and meet the regional and local economic development agenda. In order to achieve this we subcontract part of our provision to partner organisations who can demonstrate high quality delivery.

2 Scope

- 2.1 This policy applies to all supply chain activity supported by funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations. This strategy covers two key areas of Subcontracting:

1. Provision subcontracting where there is the delivery of full programmes or frameworks by the Subcontractor.
2. Service subcontracting where the delivery of a service is part of the delivery of a programme such as procuring employer engagement support.

- 2.2 Within both of these cases, 15billionebp retains full accountability for contract delivery.

3 Overarching Principle

- 3.1 In line with the Association of Employment and Learning Provider's and Learning and Skills Improvement Service (LSIS) "Common Accord" we will commit to the overarching principle to optimise the impact and effectiveness of service delivery to our end users by:

- Aligning our processes with the LSIS Supply Chain Management document.
- Undertaking fair and transparent procurement activities, conducting robust due diligence procedures.
- Relating the management fee to the costs of the services provided

4 Subcontracting Rationale

4.1 Upon commencement of the subcontracting process, we will consider a Business Case Proposal to ensure that the subcontracting will be in the best interests of all parties.

4.2 We will ensure that:

1. The proposed delivery is in the best interests of relevant stakeholders
2. The proposed delivery has a clear strategic fit with our mission, objectives and values
3. There is sufficient expertise within the organisation to quality assure the provision
4. There is sufficient staff resource in support areas to administer the processes
5. The Subcontractor is approved by our due-diligence process
6. There is sufficient funding available within our funding contract
7. The Subcontractor agrees to work within the terms of our contract.

5 Improving Quality

5.1 Subcontracted partners will be expected to meet our quality assurance standards and we are committed to supporting, developing and sharing good practice and professional development of staff through quality reviews, operational meetings, observations and feedback.

6 Management Fees

6.1 We will retain a management fee from all subcontracted partner organisations, with this ranging from 10% to 20%. The fees charged reflect the cost of the procurement process and the management of the contracts.

6.2 The exact mix and level of support for each Subcontractor will vary depending on the needs of the individual Subcontractor. However, they will receive a high level of support and guidance and access to our systems, including:

- Quality management systems
- Management Information Services and data control advice
- Audit of management systems
- Safeguarding of Young People and Vulnerable Adults procedures
- Health and Safety compliance
- Policy development
- Equality and diversity support

6.3 Not all Subcontractors are charged the same management fee with the differences in fees being dependent upon the level of support required, the experience of the Subcontractor, their track record, and the level of risk as determined by the due diligence process.

7 **Payment Arrangements**

- 7.1 Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed and uploaded.
- 7.2 Following validation of the evidence in the ILR return, we will make the appropriate payment to the Subcontractor based on the level of income calculated by the validation process in that month less the agreed management fee.
- 7.3 We operate a self-billing process and invoices are not accepted. Payments are made by BACS.
- 7.4 We expect that the Subcontractors will fully engage in the assessment of accuracy of payments and they therefore have the responsibility to review their monthly remittance advices to identify any inaccuracies.

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