



Sub-contracting Supply Chain Fees and Charges Policy

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1) Introduction

ATL is required by the Skills Funding Agency to publish its Supply Chain Fees and Charges associated with sub-contracting provision. A sub-contract is one of several forms of agreement(s) issued by ATL, who has external funding from the Skills Funding Agency. The sub-contract provides a delegated portion of the ATL's funding for Education & Skills provision to be undertaken by a third party – the sub-contractor. ATL upholds the principles of the Common Accord (see Appendix 1) on sub-contracting for the post-16 Learning & Skills Sector.

2) Rationale to support Sub-contracting Activity

- a) It is the ATL's aim to select the best suppliers to sub-contract with and to form long standing and productive relationships to support the ATL's aims.
- b) Sub-contracting enables ATL to respond effectively to employer demand, providing greater choice for the client group.
- c) Sub-contracting provides added value by maximising Government funding to support the Learner experience.
- d) The Directors approve sub-contracting arrangements which are managed through the Management Team.

3) Management Fees

ATL is committed to the principle that rates for sub-contracted activity are commercially viable for both sides and are negotiated and agreed in a fair and transparent manner. Management fees from all sub-contracted partner organisations range from 15% to 20%. The fees charged reflect the cost of the procurement process and the management of the contracts.

Sub-contractors working with ATL receive a high level of support and guidance and access to ATL systems, including:

- Quality management systems
- Certification and registration with awarding bodies if required
- Management Information Services and data information control / advice
- Audit of management systems and delivery and observation of teaching, learning and assessment
- Safeguarding of Young People and Vulnerable Adults information
- Teaching, Learning and Assessment advice and guidance
- CPD opportunities and planned training and development with ATL
- Sharing best practice
- Support with Funding Rules compliance
- Eligibility checks of students.

Not all sub-contractors will be charged the same management fee, differences in fees are dependent upon the level of support required, the experience of the sub-contractor, their target students, their track record, published success rates and the level of risk as determined by the due diligence process and ATL quality assurance monitoring outcomes.

4) Payment Arrangements

Payments will only be made to the sub-contractor once the ATL has received the funding from the Funding Agencies or any successor funding body.

All start payments are subject to a minimum stay of 6 weeks. No payments will be made until after the minimum stay period has been completed.

ATL will calculate the amount payable to the sub-contractor each month as follows:

Following validation of the evidence in the ILR return, ATL will make the appropriate payment to the sub-contractor based on the level of income received from the Funding Agencies in that month multiplied by the percentage agreed. The sub-contractor will be notified of the payment and will invoice ATL for that amount. ATK will normally pay the sub-contractor within 30 days of receiving the invoice. Any anomalies that arise following payment will be subject to reconciliation at a later invoice date. Full details are appended to each agreement.

5) Selection of Sub-contracting Providers

Providers, based on learner / employer demand will be selected through one of three possible routes:

- A: Open (to all providers)
- B: Selective (open only to preferred providers; may be subject to EU regulations)
- C: Approach (response to providers who have approached / requested sub-contract; may be subject to EU regulations).

6) Due Diligence of Sub-contracted Providers

Before any agreement or learning takes place, ATL will ensure that full due diligence takes place of the provider. Providers must successfully complete the contents of requested due diligence checklist. The Directors will make the final decision on whether the due diligence is correct / satisfactory and meets ATL standards and expectations and will approve sub-contracting providers and maximum funding amounts to be contracted.

7) Monitoring

Throughout the year monitoring of the sub-contractor delivery will take place in a number of ways:

- a) The Manager responsible for sub-contracted provision will carry out quality assurance visits in line with a planned annual schedule
- b) Desk top information audit / analysis by the Manager / DIS Manager
- c) Completed paperwork for the ILR checked by the DIS Manager
- d) Requested quality assurance documentation from sub-contractor
- e) Communications with learners via telephone as appropriate
- f) Regular communications via email / telephone with sub-contractors.

8) Policy Review

The Policy will be reviewed annually.

**A COMMON ACCORD
IN THE WORKING OF SUPPLY CHAINS IN THE
POST-16 LEARNING AND SKILLS SECTOR**

The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.

**Signatories to this document commit to the following
“Overarching Principle”:**

**Supply chains seek to optimise the impact and effectiveness of
service delivery to the end user.**

***This organisation commits itself to the clauses and principles of the
Common Accord***

Name: T Jones

Signature:

Position: Director

Organisation: Achieve Through Learning Limited

Date: November 2013

Clauses and principles of the Common Accord

- i. The scope of the Common Accord is supply chain activity using funds supplied by the Skills Funding Agency or any successor organisations.
- ii. Signatories to the Common Accord commit to the “Overarching Principle” that: **“Supply chains seek to optimise the impact and effectiveness of service delivery to the end user.”**
- iii. In line with the overarching principle, signatories will abide by the following:
 - a. **Supply chain management activities should align with the principles of best practice in the skills sector.** *Signatories to the Common Accord agree to be guided by the principles given in the LSIS publication “Supply Chain Management – a good practice guide for the post-16 skills sector” (Nov 2012 and subsequent iterations)*
 - b. **Prime/lead providers in supply chains will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.** *Signatories agree the importance of ensuring that procurement activities are conducted in a fair and transparent manner to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.*
 - c. **Funding for learning that is retained by the lead provider must 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.** *Signatories commit that the rates of such retained funding should be commercially viable for both sides, should be negotiated and agreed in a fair and transparent manner, and should relate to the actual services being provided.*
 - d. **Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, signatories commit to submission of the dispute to independent outside arbitration or mediation and to abide by its findings.** *Signatories agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.*
- iv. Signatories to the Common Accord understand and accept that their commitment and adherence to it may be used as criteria or standards by other sector stakeholders, including (but not limited to) funding, representative and professional bodies.