



## **Sub-contracting Supply Chain Fees and Charges Policy**

Issue:	3	Prepared by:	Authorised by:
Original Issue Date:	August 2014	Operations Manager	Director
Reviewed:	August 2018		Approved by:
Next Review:	August 2019	Annually	Board of Directors

# Sub-contracting Supply Chain Fees and Charges Policy

## 1) Introduction

ATL Ltd's mission is to deliver learning and development packages of the highest quality to both industry and the training/education sector by providing a professional and stimulating learning environment which will result in each and every learner being encouraged and supported to reach their full potential and to recognise their own individual worth by achieving through learning'.

ATL is required by the Education & Skills Funding Agency (ESFA) to publish its Supply Chain Fees and Charges Policy associated with sub-contracting provision. A sub-contract is one of several forms of agreement(s) issued by ATL Ltd, who has external funding from, for example, the Education & Skills Funding Agency. The sub-contractor (provider) is paid an agreed proportion of the ESFA funding available. ATL Ltd 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

ATL recognises the need to offer as diverse a range of provision as possible, in a flexible and cost effective way. ATL seek to develop subcontract relationships with other providers who can complement our existing provision and offers quality learning and development services to learners and employers. By working in partnership with subcontractors ATL is able to offer the following:-

- a) It is ATL's aim to select the best suppliers to sub-contract with and to form long-standing and productive relationships to support our strategic aims.
- b) Sub-contracting enables ATL Ltd to respond effectively and widen learner and employer participation from a variety of geographical locations that may otherwise be hard to reach, along with providing greater choice for ATL's client group.
- c) Sub-contracting provides added value by maximising Government funding to support the learner experience.
- d) The Directors of ATL approve, and ATL's Operations Manager manages, sub-contractors who are of high quality and low risk, thereby ensuring they meet ATL's strategic aims and enhance the quality of the learner offer. ATL's Board of Directors are kept fully informed of overall sub-contracting arrangements.

## 3) Management Fees

ATL Ltd is committed to the principle that rates for sub-contracted activity are commercially viable and are negotiated and agreed in a fair and transparent manner. The fees charged (range from 15% to 20%) reflect the cost of the procurement process, the support for partners' delivery and quality assurance of the contracted activity. In such instances where, for example, elements of the framework or new standard delivery/assessment are split across various providers, or an End Point Assessment is required, a fixed rate for the delivery is agreed and contracted.

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

- 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 and Prevent compliance
- Teaching, Learning and Assessment advice and guidance
- CPD opportunities and planned training and development with ATL staff
- Sharing best practice
- Support with Funding Rules compliance
- Eligibility checks of learners. Not all sub-contractors are charged the same fee. Differences in fees are dependent upon the level of support required, the experience of the sub-contractor, their target learners, their track record, published pass and achievement rates and the level of risk. This is determined by the due diligence process and ATL's quality assurance monitoring outcomes.

This Policy will be communicated at the initial set up meeting with any potential sub-contractor, including where it is published (ATL's Website) and the percentage fee agreed (and/or fixed rate where more than one sub-contractor may be involved), normally at the initial meeting and/or at the latest prior to any start of learners on programme.

#### **4) Payment Arrangements**

Payments will only be made to the sub-contractor once ATL Ltd has received the funding from the Education & Skills Funding Agency.

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 Ltd will collect, where appropriate, any employer contributions, eg from non-levy paying organisations.

ATL Ltd will calculate the amount payable to the sub-contractor each month (except where fixed rates are agreed) as follows:

Following validation of the evidence in the ILR return, ATL Ltd will make the appropriate payment to the sub-contractor based on the level of income received from the ESFA in that month multiplied by the percentage agreed (and/or agreed rate specified in the contract). The sub-contractor will be notified of the payment and will invoice ATL Ltd for that amount. ATL will normally pay the sub-contractor within 30 days of receipt of 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).
- D: Where provision is transferred to ATL Ltd from another managing agency, ATL Ltd will consider continuation with sub-contractors, provided high quality education and training is being delivered, and due diligence thresholds are met.
- E: Where employer indicates preference of provider in their local area and provided ATL quality thresholds are met.

#### **6) Due Diligence of Sub-contracted Providers**

Before any agreement or learning takes place, ATL Ltd will ensure that full due diligence takes place of the provider. Providers must successfully complete the contents of requested due diligence checklist. It is a requirement that providers will be on the ESFA's Register of Training Organisations (RTO) if they hold contracts with an overall value of £100,000 or above per academic year with one or more directly funded providers. Sub-contractors delivering Apprenticeship provision need to be on the ESFA's Register of Apprenticeship Providers (RoATP). In addition, providers must hold the Matrix Standard for Information, Advice and Guidance. ATL Directors will make the final decision on whether the due diligence is correct / satisfactory and meets ATL's standards. The Directors will approve sub-contracting providers and approve budgets including sub-contracted figures. The Board of Directors will be kept fully informed of overall sub-contracting arrangements that ATL Ltd is working with and levels of activity.

#### **7) Monitoring**

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

- a) The Operations 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 Operations/DIS Manager
- c) Completed paperwork for the ILR checked by the Operations/DIS Manager as appropriate
- d) The Operations Manager, where Apprenticeship provision is sub-contracted, will have full responsibility to ensure documentary compliance to funding guidance / rules
- e) Requested quality assurance documentation from sub-contractor

- f) Communications with learners via telephone as appropriate
- g) 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 Education Skills Funding Agency or any successor organisations.*

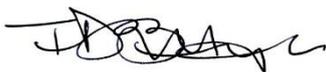
**Signatories to this document commit to the following  
“Overarching Principle”:**

**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:* I D Billyard

*Signature:*



*Position:* Director

*Organisation:* Achieve Through Learning Ltd

*Date:* August 2018

## Clauses and principles of the Common Accord

- i. The scope of the Common Accord is supply chain activity using funds supplied by the Education 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.