

Supply-Chain Fees and Charges Policy

Reasoning for subcontracting

The Skills Funding Agency (SFA) restricted direct contract holders in August 2011 to those that had a contract value of at least £500,000. Prior to this point, SEK's contract fell short of the threshold and invited other organisations in a similar position to sign their contract over to SEK in the form of a dowry. This funding would then be subcontracted back to each provider. The importance of delivering the Governments current priorities is recognised and as such, it will be necessary to bring new providers into the consortium where existing providers are not/will not meet these priority areas.

Contribution to improving quality of teaching and learning

SEK will monitor all aspects of the Provider's performance and this shall include, but not be restricted to, the following quality assurance processes:

- a. Initial Assessment and documented IAG throughout the Learner journey
- b. Registration with the Awarding Body and Interim Internal Verification where applicable
- c. General Administration
- d. Quarterly reviews
- e. Final IV if applicable
- f. External Verification reports g. Certification
- h. Management of the Programme
- i. Monthly progress reports for the Lead provider
- j. Paperwork or data as required by the Lead provider from time to time for contract management and quality assurance purposes
- k. Forms and paperwork as requested by the SFA
- l. Data relating to retention and achievement by Area of Learning m. Data relating to Equal Opportunities
- n. Health and Safety assessment of the premises where training and assessment takes place. In all cases, the Provider will receive feedback on any identified weakness in order that quality can be improved
- o. Safeguarding process /DBS register/ designated person reports

The typical percentage range of fees retained to manage subcontractors, and how this range is calculated

Typically a management levy of 10% will be charged for the management of the contract, however, dependent upon the requirements of the Provider, this levy may be higher.

Support subcontractors receive in return for the fee charged

- a. Collective Self Assessment and Quality Improvement Plan b. Data upload
- c. Data input (where appropriate)
- d. Quality assurance for provision and the management information system e. Dedicated consortium management team
- f. Support in obtaining additional funding g. Monthly progress reports

Reasoning for differences in fees charged for or support provided to different subcontractors

It may be necessary to charge a different management levy dependent upon the level of support required. Issues surrounding quality or MIS support may require a higher management levy to be charged.

Payment terms

SEK will make payment to the Provider in line with the payment received from the SFA. SEK will pay the Provider the Funding in accordance with the financial terms and conditions set out in the Service Level Agreement held with the Provider. Payment will be made by BACS to the Provider, less any recoverable and agreed management levy within 5 working days of receiving funding from the SFA in respect of an eligible claim.

How and when the policy is communicated

This policy is shared annually and upon any midyear changes being made.

Timing for policy review

December 2017

Supply Chain Fees and Charges 2016/17 (Period 10)

| Subcontractor | UKPRN | Contract Start Date | Contract End Date | Type of provision | Funding received from SFA | Funding Paid | Management Fee Retained |
|--|----------|---------------------|-------------------|---|---------------------------|--------------|-------------------------|
| BAM Nuttall Limited | 10002183 | 01/08/2016 | 30/04/2017 | Workplace Learning | £2,340.24 | £2,106.22 | £234.02 |
| Omnibus Training Limited | 10019278 | 01/08/2016 | 30/04/2017 | Adult Apprenticeship | £258,058.82 | £237,414.11 | £20,644.71 |
| Profile Development and Training Limited | 10028938 | 01/08/2016 | 30/12/2017 | 16-18 Apprenticeships, Adult Apprenticeships, AEB | £98,405.65 | £86,596.97 | £11,808.68 |
| S.A.M.B | 10023808 | 01/08/2016 | 30/04/2017 | 16-18 Apprenticeships, Adult Apprenticeships | £393,208.58 | £361,751.89 | £31,456.69 |

Directors Signature: Date: 8/17/17



