



**GRIMSBY INSTITUTE GROUP**

# **Subcontracting Supply Chain Fees and Charging Policy**

## Change Control

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## **1. Introduction**

Grimsby Institute Group (GIG) work with a range of subcontracted Training Providers and assumes an understanding of shared values that puts the learner at the centre of all, reflecting our efforts and achievements in fulfilling the Vision and Mission statements below. This document outlines the Subcontracting Supply Chain Fees and Charging Policy when working with subcontractors that deliver training of full programmes or frameworks on behalf of GIG.

## **2. Purpose**

The aim of this policy is to provide accurate and comprehensive information to external agencies on the pricing framework that GIG adopts when subcontracting its training provision.

## **3. Scope**

The introduction of Minimum Contract Levels by the Skills Funding Agency has provided GIG with an opportunity to increase its market share, expand and diversify its portfolio, and increase its learner numbers and income by partnering with good providers throughout the country.

## **4. Group Vision**

Inspiring, innovative and outstanding.

## **5. Group Mission**

To enrich the lives of all by providing high-quality, responsive education and training

## **6. Strategic Objectives**

The Subcontracting and Supply Chain Fees Policy reflects GIGs Mission, Vision and Values through its strategic objectives as detailed below.

- **Focus on learners by providing them with an excellent learning experience**
- **Grow our business through an innovative curriculum and market development which meets the needs of employers and the communities in which we work**
- **Work in partnership with employers to continuously improve the quality and efficiency of our curriculum and services to become outstanding**
- **Retain, reward and recruit a high-quality workforce**

### **6.1 Duties within the Organisation**

The Subcontracting Policy is led by the assigned Group Director/ CEO and involves the Executive Director for Workforce skills, Executive Director Projects and Partnerships and the relevant Managers and support teams.

### **6.2 Consultation and Communication with Key Stakeholders**

GIG will seek consultation from stakeholders appropriate to the scope of this policy

document, including The Skills Funding Agency and appropriate Governing committees. This Policy will be discussed with subcontractors prior to their engagement.

## **7. Due Diligence and Quality Assurance**

- 7.1 GIG is committed to improving the Quality of Teaching and Learning of all provision offered and will work with the subcontractor to ensure continuous improvements are put in place across the range of provision offered.
- 7.2 GIG will undertake a fair and transparent procurement of subcontractors through a robust due diligence process prior to engagement. The due diligence process will include but is not limited to the subcontractors financial health and capacity and capability to deliver. All subcontractors will be approved for delivery only by the Senior Management Team.
- 7.3 GIG will work with the Subcontractor to make available reports as required, which will be submitted to Stakeholders as required including a Self-Assessment Report and Quality Improvement Plan.
- 7.4 The Subcontractor will assist in the research, analysis and reporting of an annual Self-Assessment Report and Quality Improvement Plan to agreed guidelines drawing on relevant performance reports and data ensuring contributions are made by stakeholders including learners, tutors, community groups and employers.
- 7.5 The Subcontractor will allow access by GIGs Management Team to any aspect of their provision for monitoring, Inspection or Self Assessment purposes.
- 7.6 The Subcontractor must ensure that all venues (including apprenticeship work placements) are safe and suitable for the delivery of learning.
- 7.7 The Subcontractor must ensure that all staff have a current Data Bureau Service enhanced disclosure and are trained within Safeguarding.
- 7.8 The Subcontractor is required to adopt GIGs Observation of Teaching, Learning and Assessment process and submit all Observations undertaken to the Subcontracting Co-ordinator by GIGs Quality Hub.
- 7.9 These requirements will be monitored through regular performance reports including Key Performance Indicators (timely success/ retention/ achievement/ quality indicators) relevant to the sector in which the subcontractor is delivering as outlined within the Subcontractor Agreement.
- 7.10 Poor performance against targets will require the Subcontractor to prepare and implement recovery plans.

## 8. Subcontracting Fees

The contracting fees will be determined and measured by the use of a Risk Assurance Score Card outlined below for AEB and or ESFA/ ESF.

Category	Weighting	Range Elements	Rating
Financial Position	15	Outstanding Good Satisfactory Inadequate	1 3 5 8
Number of Learners	15	10-20 21-100 101-500 501+	1 3 5 8
Retention Rates (Significant Courses)	15	> 10% above national average > 6% above national average +/- 5% of national average New Provision	1 3 5 8
Success Rates (Significant Courses)	15	> 10% above national average > 6% above national average +/- 5% of national average New Provision	1 3 5 8
Observations of Teaching and Learning	10	90% or above good or better 70% - 89% good or better 60% - 69% good or better New Provision/<59% good or better	1 3 5 8
Learner Voice	10	90%-100% Learner Satisfaction 70%-89% Learner Satisfaction 60%-69% Learner Satisfaction New Provision/< 59% Learner Satisfaction	1 3 5 8
Auditors Visits (Past Compliance)	7	Compliant Some Areas Non Compliant Several Areas Non Compliant New provision	1 3 5 8
Value of Contract	5	< £50,000 £51,000 - £100,000 £101,000 - £200,000 >£201,000	1 3 5 8
Locality of delivery from GIG	3	< 50 miles 51-100 miles 101-200 miles > 201 miles	1 3 5 8
Length of Partnership	2	> 5 Years 3 – 4 Years 1 – 2 Years New Provision	1 3 5 8
Number of Delivery Centres	1	1 Centre 2 - 3 Centres 4 - 5 Centres > 5 Centres	1 3 5 8

Category	Weighting	Range Elements	Rating
Number of New Sites	1	No new sites 1 – 3 new sites 4 – 5 new sites > 5 new sites	1 3 5 8
Type of Provision	1	Short Courses/Full Time Learners NVQs/Few Qualification Aims NVQs/Several Qualification Aims Distance Learning	1 3 5 8

Risk Band	Score Range	Percentage Contract Fee	Percentage to Subcontractor
3	550-800	25%	75%
2	350-550	20%	80%
1	100-350	15%	85%

8.1 The charge will be calculated each year based upon the above process.

8.2 The charge covers the following services provided by GIG:

- Course set up.
- Enrolment input and preparation of registers/progress review planning.
- Linked MIS operative to ensure courses are set up correctly and data input to maximise funding.
- Linked Quality Auditor/Teaching Coach to support development of Teaching, Learning and Assessment.
- Monthly review data – retention, achievement, success.
- Contract/Quality review meetings.
- Strategic updates in relation to funding.
- Observation of Teaching, Learning and Assessments. The number of observations will be determined through a risk assessment process prior to engagement, including but not limited to, the number of staff delivering on GIG programmes and the curriculum mix.
- Guidance and templates for input into the Self-Assessment process.
- Guidance and templates for Observation of Teaching, Learning and Assessment.
- Provision of CPD/Staff Development activities and Best Practice Forums.

The above contract fee charge may be reduced if access to additional services are required by the subcontractor.

For Apprenticeship delivery in line with the appropriate ESFA guidance at the time of contract start the negotiated fee will include;

- Agreed delivery model and delivery as defined by the Apprenticeship Training Service Agreement (ATSA) and formal subcontracting contract
- ILR management, compliance and processing
- Enrolment input and preparation of registers/progress review planning.
- Linked MIS operative to ensure courses are set up correctly and data input to maximise funding.

- Linked Quality Auditor and assessment support/Teaching Coach to support development of Teaching, Learning and Assessment.
- Monthly review data – retention, achievement, success.
- Quarterly contract/Quality review meetings.
- Strategic updates in relation to funding
- Observation of Teaching, Learning and Assessments. The number of observations will be determined through a risk assessment process prior to engagement, including but not limited to, the number of staff delivering on GIG programmes and the curriculum mix.
- Guidance and templates for input into the Self-Assessment process.
- Guidance and templates for Observation of Teaching, Learning and Assessment.
- Provision of CPD/Staff Development activities and Best Practice Forums

## **9. Payment Terms**

- 9.1 GIG will pay the full value allocated by the Skills Funding Agency's ILR system per learner, less the agreed contract fee. This allocation is payable on actual funding generated monthly, less 25% of the full funding allocation which is with-held until all delivery has been undertaken and satisfactory paperwork has been received. The Operations Manager will reconcile funding between the 15<sup>th</sup> and 21<sup>st</sup> of each month and request the amount to invoice; all invoices received will be paid within 30 calendar days. Where all delivery has not been undertaken or the funding has changed, GIG will re-claim any overpayments made to the Subcontractor.
- 9.2 GIG reserves the right to reduce the final payment should the Collaborator fail to achieve the Key Performance Indicators as detailed within the Subcontract agreement. The percentage of this reduction will be determined by the percentage of under achievement by the Collaborator.
- 9.3 Those subcontractors with a high percentage contract fee will be reviewed in the fourth month of contracting and fees adjusted accordingly.

## **10. Appeals**

- 10.1 A Subcontractor, who wishes to appeal against the contract fee decision, should inform the Operations Manager within ten working days of the date of the decision. The Subcontractor must set out clearly and in writing the grounds for their appeal. The appeal will be heard by a member of the Senior Management Team who was not involved in making the contract fee decision.
- 10.2 The Subcontractor will be invited to an appeal meeting which will be held as soon as possible after the notice to appeal has been received.
- 10.3 The outcome of the appeal will be notified to the Subcontractor in writing as soon as possible after the appeal meeting.



## **11. Dissemination and Implementation**

### **11.1 Dissemination**

Copies of this policy will be sent electronically to all subcontracted training providers engaged with GIG from 1<sup>st</sup> August each year, and will be published on GIGs' website.

### **11.2 Implementation**

This policy will be implemented with all subcontractors from 1<sup>st</sup> August 2013.

## **12. Review**

This policy may be subject to review annually and altered in line with the Skills Funding Agency guidelines.

## **13. Publication**

This policy is published on the Grimsby Institute website (<http://www.grimsbyinstitute.co.uk>).

## **14. References**

Skills Funding Agency (2015) *Funding Rules 2015/2016*. [online] Available at: <https://www.gov.uk/guidance/sfa-funding-rules#to-2018-funding-year>

Association of Employment and Learning Providers (2016) *Supply Chain Management – A good practice guide for the post-16 skills sector* [online] Available at: <http://www.aelp.org.uk/supply/details/supply-chain-management-guide/>

Grimsby Institute Group *Teaching, Learning and Assessment Policy*

Grimsby Institute Group *Subcontractors Agreement*

Grimsby Institute Group *Due-Diligence Questionnaire*

## 15. Level of SFA Funding paid and retained Academic Year 2016/17

Partner Name	Partner UKPRN	Contract Start	Contract End	Type of Provision	Funding Received in 16/17	Funding Paid to Partner in 16/17	Funding Retained 16/17
White Rose Beauty Academy	10007484	01/08/2016	31/07/2017	Classroom Learning AEB	£50,000	£40,000	£10,000
JTJ Workplace Solutions	10029963	01/08/2016	31/07/2017	19+ Apprenticeships and Classroom Learning	£345,000	£300,000	£45,000
The Skills Network	10029308	01/08/2016	31/07/2017	Classroom Learning AEB	£585,000	£497,250	£87,750
JCR4W	10039151	02/03/2017	31/07/2017	Classroom Learning 19+ AEB	£100,000	£70,000	£30,000
JCR4W	10039151	02/03/17	31/07/17	Traineeships	£50,000	£35,000	£15,000
The Training Brokers	10036106	01/08/2016	31/07/2017	19+ Apprenticeships	£67,000	£53,600	£13,400
Construction Skills People	10036106	01/08/2016	31/07/2017	19+ Apprenticeships	£177,000	£141,600	£35,400
Pat Clarke Training	10030802	01/08/2016	31/07/2017	19+ Apprenticeships	£53,000	£4,505	£7,950
Beyond 2030 Ltd	10040263	01/11/2016	31/07/2017	ESF	£33,430.06	£28,415.55	£5,014.51
Bishop Burton College	10000721	01/11/2016	31/07/2017	ESF	£30,360.36	£25,806.31	£4,554.05
Craven College	10001743	01/11/2016	31/07/2017	ESF	£600.00	£510.00	£90.00
East Riding College	10002126	01/11/2016	31/07/2017	ESF	£13,332.54	£11,332.66	£1,999.88
Hull College	10003200	01/11/2016	31/07/2017	ESF	£7,075.00	£6,013.75	£1,061.25
Selby College	10005741	01/11/2016	31/07/2017	ESF	£17,100.02	£14,535.02	£2,565.00

YH Training Services Ltd	10007697	01/11/2016	31/07/2017	ESF	£5,150.00	£4,377.50	£772.5
York College	10007709	01/11/2016	31/07/2017	ESF	£950.01	£807.51	£142.50
York Fitness and Leisure LTD	10007697	01/11/2016	31/07/2017	ESF	£0.00	£0.00	£0.00

## 16. Level of ESFA Funding paid and retained Academic Year 2017/18

Partner Name	Partner UKPRN	Contract Start	Contract End	Type of Provision	Funding Received in 17/18	Funding Paid to Partner in 17/18	Funding Retained 17/18
JTJ Workplace Solutions	10029963	01/08/2017	31/07/2018	19+ Apprenticeships and Classroom Learning	£1,515.69	£1,288.33	£227.36
The Skills Network	10029308	01/08/2017	31/07/2018	19+ Adults	£70.38	£61.20	£9.18
The Training Brokers	10036106	01/08/2017	31/07/2018	19+ Apprenticeships	£9,129.14	£6,913.46	£2,215.68
Construction Skills People	10036106	01/08/2017	31/07/2018	19+ Apprenticeships	£23,482.80	£17,337.04	£6,145.76
Community Press Office	10052901	01/11/2017	31/07/2018	EFA 16-18	£5,515.37	£4,680.00	£835.37
East Coast Sport Foundation T/a Scarborough Football Scholarship	10061518	11/09/2017	31/07/2018	EFA 16-18	£26,940.00	£13,470.00	£13,470.00
Pat Clarke Training	10030802	01/08/2017	31/07/2018	19+ Apprenticeships	£410.45	£356.91	£53.53

### ESF

Partner Name	Partner UKPRN	Contract Start	Contract End	Type of Provision	Funding Received in 17/18	Funding Paid to Partner in 17/18	Funding Retained 17/18
Beyond 2030 LTD	10040263	01/08/2017	31/07/2018	ESF	£4,750.29	£4,037.75	£712.54
Bishop Burton College	10000721	01/08/2017	31/07/2018	ESF	£46,721.16	£39,712.99	£7,008.17
East Riding College	10002126	01/08/2017	31/07/2018	ESF	£27,655.46	£23,507.14	£4,148.32
Hull College	10003200	01/08/2017	31/07/2018	ESF	£450.00	£382.50	£67.50
Selby College	10005741	01/08/2017	31/07/2018	ESF	£23,909.73	£20,323.27	£3,586.46

YH Training Service Ltd	10007697	01/08/2017	31/07/2018	ESF	£6,250.00	£5,312.50	£937.50
York College	10007709	01/08/2017	31/07/2018	ESF	£1024.00	£870.40	£153.60

### Apprenticeship Co Delivery subcontracting

Partner Name	Partner UKPRN	Contract Start	Contract End	Type of Provision	Total GIFHE Funding Received for delivery and management 17/18	Funding Paid to Partner in 17/18 (contribution to delivery)
Young's Seafood Ltd	10007732	01/12/2017	31/07/2018	19+ Apprenticeships (Levy)	£77,885	£29,500.14
Interventions Consulting & Intergreen Uk Ltd	10054828	01/08/2017	31/07/2018	19+ Apprenticeships (Levy)	£31,968	£26,666.82