

Academy Transformation Trust Sub-contracting (fees and charges) Policy 2016/2017

Scope

The policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency (SFA), the Education Funding Agency or any successor organisations in the Further Education Sector.

Context

The policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2016.

Overarching Principle

The Trust will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. The Trust will therefore ensure that:

- a) Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will 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) The Trust will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential and existing subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learners' lives.
- c) Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the Trust will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to 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.

Rationale for sub-contracting

The Trust engages with sub-contractors to better meet customer needs. Reasons include:

- To temporarily expand provision to meet a short term need
- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources
- Providing access to, or engagement with, a new range of customers

- To ensure delivery intention is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised)
- To support another provider to develop capacity/quality
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.

Quality Assurance

The quality of the provision will be assured and improved by the Trust through its existing Quality Assurance processes to enable continuous improvements in the quality of teaching, learning and assessing for both the Trust and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report and Quality Improvement Plan process.

Publication of information relating to sub-contracting

In compliance with Skills Funding Agency and other agency funding rules that apply, the Trust will publish its sub-contracting fees and charges policy and actual end-of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by SFA). This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support). Provision subcontracting lists will be agreed with local SFA officials prior to publication. This activity will commence from the end of the 2014-2015 year of activity.

Communication, publication and review of The Policy

The Trust will ensure all actual and potential subcontractors have sight of this policy. This policy will be reviewed in each summer term and updated as required. It will be published, on the Trust web site prior to the start of the academic year in which it will be applied and will be discussed at 1-1 subcontractor meetings. Potential sub-contractors will be directed to it as the starting point in any relationship.

Fees, charges and support to sub-contractors 2016/17

The standard management fee is 20% of all funding drawn down against the provision to be delivered if a sub-contract is responsible for all elements of the contract. If a partner uses the Trust's awarding body accreditation this increases to 25%. These figures represent the total cost that the Trust incurs in effectively identifying, selecting and managing all sub-contracted provision. This includes the minimum amount of Quality Assurance activity that the Trust would attach to the lowest possible risk sub-contractor. Further charges to cover additional costs may be added to the base fee to cover the cost to the Trust of any additional support that the Trust deems necessary to ensure the quality of teaching and learning and the success rates of any sub-contracted provision. Additional cost is determined on a case by case which may include:

- Additional site visits
- Additional learner visits

- Additional lesson observation
- Additional assessor/tutor support
- More rigorous verification.

Additional charges per learner

The Trust may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the Trust
- Internal Verification.

Payment terms

Payments are made monthly to subcontractors upon receipt of invoice following the determination of the amount due from the occupancy reports for the subcontractor's provision derived from the monthly R0 funding returns. Payment is made by 25th of the following month.

2015-2016 sub-contracting fees and charges

During the year of activity 2015-2016, The Trust's sub-contracted payments and retained amounts were as follows:

Sub-contractor	UKPRN	Contract start date	Contract end date	Type of provision	Value of funded activity	Paid to sub-contractor	Retained by ATT
Qualvoc Limited	10043683	01.08.15	31.07.16	16-18 classroom learning 16-18 Apprenticeships ALL Funded ASB learning	£31778	£23833	£7945
Strategic Training Solutions (Mansfield) Limited	10006367	01.08.15	31.07.16	16-18 Apprenticeships 19+ Apprenticeships	£111223	£88978	£22245

Signed  I. Cleland, Chief Executive

Signed  I. Cleland, Accounting Officer