



Asset Training & Consultancy Ltd

SUPPLY-CHAIN FEES AND CHARGES POLICY 2018/19

Policy Aim

This document aims to provide consistency of approach and transparency to our supply-chain fees and charges in relation to our 'provision subcontracting' arrangements for delivery of full programmes or frameworks/Standards.

Asset Training & Consultancy Ltd (herein referred to as Asset Training) operates as a Lead Provider where some provision is delivered via sub-contracted organisations. All providers before becoming sub-contractors of Asset Training must undergo a comprehensive Due Diligence process prior to any delivery taking place and are selected on the basis of their track record, type of provision delivered and location to ensure that Asset Training is able to effectively respond to employer demand whilst reflecting local skills priorities. Once sub-contractual arrangements have been agreed a Service Level Agreement and Contract are put in place with each Sub-contractor.

The following policy applies to all provision that is sub-contracted to third party Providers by Asset Training and will be effective from 1st August 2018. This policy, along with our Service Level Agreement and Contract, will be reviewed at least annually and will be published on Asset Training's website: www.assettraining.co.uk In addition this policy will be supplied to all current and new sub-contractors as part of their Service Level Agreement (SLA) prior to their SLA being signed. This policy will reviewed and if required updated.

Management fees will be deducted at source, ie Providers will receive a Contract Value Allocation from Asset Training that reflects their available funds to spend in the contract year split into Periods 1-8 (August 2018 to March 2019) and Periods 9-12 (April 2019 to July 2019). All management fees will have been deducted prior to this allocation. Asset Training will make monthly payments to providers based on correct submission of data and supporting evidence to validate learning delivery. All funding claims must comply with the current Education & Skills Funding Agency (ESFA) Funding Rules and the terms and conditions of the funding agreement between Asset Training and the sub-contractor. Where funding claims cannot be substantiated, Asset Training will make an appropriate deduction from the monthly payment to the sub contractor and if appropriate will make a repayment to the Education & Skills Funding Agency.

Asset Training Reasons for Sub-contracting

Asset Training recognises the need to offer as diverse a range of provision as possible in the most flexible and cost effective way possible. By working in partnership with sub-contractors Asset Training is able to do the following:

- Be responsive to learner, employer requirements
- Be responsive to LEP's

- To build capacity
- As a revenue generator
- Offer niche provision that Asset Training does not deliver
- Engage with the wider community, thus increasing wider participation
- Ensure greater cost efficiency
- Breadth of Offer
- Diversity of provision
- Engage with new markets

Support provided for the Fees charged

The Management Fee charged by Asset Training, which will range from between 15% and 25% depending up on the type of agreed delivery, and the track record of the Sub Contractor in providing timely information to Asset Training. The management fee will be agreed prior to a service level agreement being signed, is applied to all sub-contracted provision and is the proportion of Education & Skills Funding Agency (ESFA) funding retained by Asset Training to cover standard costs incurred through its management of this contract. These costs include:

- Administration
- Quality Assurance
- Risk Management
- Performance Review
- MIS functions relating to the submission of funding claims to the ESFA
- Provision of management meetings
- Provision of professional advice regarding funding matters
- Due diligence support, guidance and checking
- Preparation for Contract Review
- Site visits to conduct reviews with follow up actions
- Compiling contract reports and improvement actions
- Claims and data input, addressing evidence queries
- Audit – planning, samples, site visit, follow up
- Provider Contract clarification, funding queries
- Promotion & Marketing
- Websites and Social Media for promotional activities undertaken
- Bid writing
- Collaborating with Local Authorities, NAS, DWP
- Advertising vacancies on the NAS Vacancy Matching Service website

Apprenticeship Provision Management Fees

Our Management fees for Apprenticeship delivery are set between 15% or 25% depending on the agreed terms of the sub contractual arrangements and track record of their provision and the level of intervention and support required from Asset Training and will be applied to sub-contracted 16-18 and Adult Skills

Budget (ASB) Apprenticeship provision for starts prior to the 1st May 2017 and on Levy and Non Levy Apprenticeships provision from 1st May 2017.

Asset Training will carry out performance reviews on sub contracted provision monthly and will meet with the Sub Contractor at least quarterly to discuss performance but these meetings maybe increased to monthly performance reviews if deemed necessary to provide suitable support to the sub-contractor. We utilise a Risk Register to determine frequency.

Traineeship Provision Management Fees

Our Management fees for Traineeship delivery for 16-18 and 19+ year olds will be discussed and agreed with each individual sub contractor for whom Traineeship delivery has been agreed and allocation provided. An agreement will only be entered into with Sub Contractors who meet the 2018/19 requirements for delivery as laid out in the ESFA 2018/19 Funding Rules.

Adult Learner Responsive Classroom Based Provision Management Fees

Our Management Fees for Classroom Based provision are set between 15% and 20% depending on the agreed terms of the sub contractual arrangements and track record of their provision and the level of intervention and support required from Asset Training.

Other Sub-contract Provision Management Fees

Any other activity sub-contracted to third party Providers will usually be subject to a 20% management fee. However, dependant on the nature of the programme, level of Asset Training support required to the sub-contractor, and/or the level of funding available for the activity, this may be altered at the discretion of Asset Training. Specific fees charged for other activity will be subject to negotiation with Asset Training.

Payment Terms

Asset Training will make payment to sub-contractors by the last working day of each month for the delivery undertaken in the previous month. Payment is subject to the correct evidence and data being provided to Asset Training by the agreed monthly deadline of the 20th of each month following the close of the period.

Improving Quality

Asset Training is committed to continual improvement in teaching and learning, both in its own direct provision and in its sub-contracted provision. A range of approaches are employed in order to do this such as observation of teaching and learning and Self Assessment Reports. In terms of provision sub-contracting specifically the following processes are in place to help monitor quality of provision, and actively improve on an on-going basis:

- A desktop monthly performance review of delivery and success rates is carried out and where issues identified a meeting is arranged to discuss on a one to one basis with the relevant Sub Contractor's Chief Executive.

- We operate a stringent quarterly performance management process which considers all aspects of delivery which is recorded and discussed with the Sub-contractors CEO where necessary.
- Regular monthly Partner Meetings are held with individual Sub Contractors.
- Training and Development workshops are held as appropriate.
- OTLA Standardisation Meetings are held.
- Undertaking OTLA's, agreeing improvement actions.
- Self Assessment
 - Providers own SAR into Asset Training Consortia SAR and QIP
 - Implementing QIP
- Subcontractor Support sessions covering all aspects including current Ofsted requirements as appropriate.

Level of Funding 2018/19

Asset Training in line with ESFA funding requirements will provide to the ESFA the actual level of funding paid and retained for each sub-contractor in 2018/2019. This will then be published by ESFA on gov.uk

Signed Declaration:

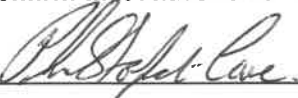
I confirm that I have reviewed this policy for the 2018/19 contract year.



Ruth Smith
Managing Director, Asset Training & Consultancy Ltd

Signed Declaration:

I confirm that I have reviewed this policy for the 2018/19 contract year.



Pam Stanford-Cave
Company Administrator/Accounting Officer, Asset Training & Consultancy Ltd