

Supply Chain and Subcontractors Fees Policy

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Policy Name:	Supply Chain and Subcontractor Fees Policy
Policy ID:	i2iPol0043
Version:	1.3
Date Last Reviewed:	17/8/2018
Next Review:	July 2019
Authority:	Tracy Davis – National Compliance and Governance Manager
Approved By:	Natalie Keating – Group Managing Director

1. Policy Statement

Inspire 2 Independence (i2i) is committed to growing and diversifying the range of programmes it delivers to widen participation, deliver to niche markets, engage in new and emerging markets and meet the regional and local economic development agenda. In order to achieve this i2i has taken the strategic decision to subcontract part of its provision to partner organisations that can demonstrate high quality delivery. This will enable i2i to span a wider geographical area. Subcontractors will be reviewed and monitored continuously against areas of performance, compliance and quality.

2. Policy

2.1 Scope of Policy and Responsibilities

This policy is to be used in conjunction with the Subcontracting Framework and applies to all supply chain activity supported by funds from the Education and Skills Funding Agency or any successor organisations.

This policy covers two key areas of subcontracting:

1. Provision subcontracting where the delivery of full programmes or frameworks / standards by the Subcontractor.
2. Service subcontracting where the delivery of a service as part of the delivery of a programme such a procuring the delivery of part of an Apprenticeship, framework / standard or outreach support.

Within both these cases, i2i retains full accountability for contract delivery.

2.2 Subcontracting Rationale

Upon commencement of the subcontracting process, i2i will consider if there is a gap in the current service provision and if there is a business case proposal ensuring that the subcontracting will be in the best interest of all parties.

We will ensure that:

1. The proposed delivery is in the best interests of learners and employers
2. The proposed delivery has a clear strategic fit with our mission, objective and values
3. There is sufficient expertise within i2i to quality assure the provision
4. There is sufficient staff resource in support areas to administer the processes
5. The subcontractor is approved by our due diligence process
6. There is sufficient funding available within our funding contract
7. The subcontractor agrees to work within the terms of our contract

2.3 Improving the Quality of Teaching and Learning

Subcontracted partners will be expected to meet i2i quality assurance standards with i2i being committed to supporting, developing and sharing good practice and professional development of all staff through quality reviews, operational meetings, observations of teaching and learning and learning and learner and employer feedback.

Subcontracted activity is a fundamental part of provision. The quality of provision will be managed and monitored through our existing quality improvements process with i2i's Self-Assessment Report / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

2.4 Management Fees

For the academic period 2018/19 i2i will retain a management fee of 20% from subcontracted partners for all new provision. For existing partners already in contract, i2i will retain 20% to 25% depending on their carry forward contractual terms. The fee charged reflects the cost of procurement and the management of the contracts.

The exact mix and level of support for each subcontractor will vary depending on the needs of individual Subcontractor. However, they will receive a high level of support and guidance and access to i2i systems including:

- Quality Management Systems
- Certification and registration with awarding bodies if required
- Management Information Services and data control advice
- Audit of management systems and delivery and observation of teaching, learning and assessments
- Safeguarding of Young People and Vulnerable Adults procedures
- Health & Safety compliance
- Teaching, Learning and Assessment observations and coaching
- CPD opportunities and planned training and development
- Policy Development
- Support with Funding Rules compliance
- Regular national updates regarding funding and policy guidance
- Regular network meetings
- Equality and diversity support

Not all subcontractors are charged the same management fee, differences in fees are dependent upon the level of support required, the experience of the subcontractor, their target learners, their track record, published success rates and the level of risk as determined by the due diligence process.

2.5 Monitoring of Subcontractors

The i2i Business Excellence Division undertakes a systematic, integrated approach to compliance, quality and excellence; undertaking practical activities to monitor and evaluate various elements of the delivery of our business across internal and subcontracted delivery.

The result of these activities is reported formally to the business and the subcontractor through a suite of reports and mechanisms. The purpose of this activity is to ensure that high-quality delivery is taking place that meets the specific funding requirements for each programme being delivered.

i2i's Business Excellence Division will carry out a regular and substantial programme of quality-assurance checks on the education and training provided by subcontractors, including visits at short notice and face-to-face interviews with staff and learners. The focus of these visits will:

- involve direct observation of initial guidance
- involve direct observation of assessment, and
- involve direct observation of the delivery of learning programmes

In addition to the QA activity a rigorous audit and compliance regime will be applied to ensure paperwork is compliant and in line with contractual requirements for funding and financial claims.

In relation to the delivery of subcontracted apprenticeship provision; i2i will monitor the delivery of the provision to ensure that the standards required of apprenticeship delivery are met, including the requirements of the individual apprenticeship frameworks / standards, the Statement of Apprenticeship Quality and the rules in the apprenticeship section of the Funding Rules. (<https://www.gov.uk/government/publications/apprenticeship-funding-rules-2018-to-2019>)

2.6 Payment Arrangements for Apprenticeships and Adult Skills Budget

All paperwork and submissions will be subject to audit and compliance monitoring by i2i. Any non-compliance or insufficient evidence to support claims will be reported for immediate action by the subcontractor. Only following satisfactory compliance monitoring and when i2i is in receipt of funding from the Education and Skills Funding Agency or its successor funding body; payments will be made to the subcontractor. Payments will only be made to the subcontractor once i2i has received the funding from the Education and Skills Funding Agency or its successor funding body.

i2i will calculate the amount payable to the subcontractor for each month as follows:

- Following validation of the evidence in the ILR return, i2i will make the appropriate payment to the subcontractor based on the level of income received from the Funding Agency in that month minus the management fee.
- The subcontractor will be notified of the payment and will invoice i2i for that amount.
- i2i will normally pay the subcontractor within 30 days of receiving the invoice.
- Any anomalies that arise following payment will be subject to reconciliation at a later invoice date

2.7 Published Funding Data

Data regarding actual level of funding paid to each subcontractor will be published annually with 30 days of the ILR closing.

2.8 Policy Review

The Policy will be reviewed on a regular basis and/or when significant changes in the Funding Rules occur.

2.9 Policy Communication

This policy is available online at www.enteri2i.com and can be made available in hard copy upon request.

The policy will be discussed and reviewed with all current subcontractors during negotiation meeting and reviewed at least annually in July of each year. Any changes will be notified to subcontractors as part of their regular performance review or via separate correspondence.