



**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 Vice Principal [Commercial] and involves the Executive Director for Workforce Development and the Subcontracting Co-ordinator. The Subcontracting Policy is managed, monitored and evaluated by the Subcontracting Co-ordinator

### **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.

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

| Category                   | Weighting | Range Elements  | Rating           |
|----------------------------|-----------|---|------------------|
| Length of Partnership      | 2         | > 5 Years<br>3 – 4 Years<br>1 – 2 Years<br>New Provision  | 1<br>3<br>5<br>8 |
| Number of Delivery Centres | 1         | 1 Centre<br>2 - 3 Centres<br>4 - 5 Centres<br>> 5 Centres   | 1<br>3<br>5<br>8 |
| Number of New Sites        | 1         | No new sites<br>1 – 3 new sites<br>4 – 5 new sites<br>> 5 new sites   | 1<br>3<br>5<br>8 |
| Type of Provision          | 1         | Short Courses/Full Time Learners<br>NVQs/Few Qualification Aims<br>NVQs/Several Qualification Aims<br>Distance Learning | 1<br>3<br>5<br>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.

## **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 Subcontracting Co-ordinator will reconcile funding on the 2nd Friday of every 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 Subcontracting Co-ordinator 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.grimsbyinstitutegroup.co.uk>).

### **14. References**

Skills Funding Agency (2014) *Funding Rules 2014/2015*. [online] Available at: <https://www.gov.uk/government/publications/sfa-funding-rules-2014-to-2015>

Association of Employment and Learning Providers (2013) *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 2013/2014

| Partner Name                                  | Partner UKPRN | Contract Start | Contract End | Type of Provision                                   | Funding Received in 13/14 | Funding Paid to Partner in 13/14 | Funding Retained 13/14 |
|---|---------------|----------------|--------------|---|---------------------------|----------------------------------|------------------------|
| Backup Training and Recruitment Ltd           | 10029092      | 01/08/2013     | 31/07/2014   | 19+ Apprenticeships and Workplace Learning          | £ 754,325.13              | £ 517,353.78                     | £236,971.35            |
| BJB Fork Lift Trucks Ltd.                     | 10000741      | 01/08/2013     | 31/07/2014   | Classroom Learning                                  | £ 174,000.00              | £ 139,200.00                     | £ 34,800.00            |
| Foresight North East Lincolnshire             | 10023604      | 01/08/2013     | 31/07/2014   | Classroom Learning                                  | £ 90,000.00               | £ 72,000.00                      | £ 18,000.00            |
| Humberside Combined Fire and Rescue Authority | 10013009      | 01/08/2013     | 31/07/2014   | Classroom Learning                                  | £ 86,843.34               | £ 73,816.66                      | £ 13,026.68            |
| JTJ Workplace Solutions                       | 10029963      | 01/08/2013     | 31/07/2014   | 19+ Apprenticeships and Classroom Learning          | £ 963,901.08              | £ 819,315.92                     | £144,585.16            |
| Learning Curve (JAA) Ltd (previously LCSC)    | 10036475      | 01/08/2013     | 31/07/2014   | Classroom Learning                                  | £ 53,418.00               | £ 31,832.75                      | £ 21,585.25            |
| Mortimore Enterprises Ltd.                    | 10004436      | 01/08/2013     | 31/07/2014   | 19+ Apprenticeships                                 | £ 2,311.88                | £ 1,178.61                       | £ 1,133.27             |
| NCC Skills Ltd.                               | 10025740      | 01/08/2013     | 31/07/2014   | Classroom Learning                                  | £ 196,282.18              | £ 166,839.85                     | £ 29,442.33            |
| Professional Training Solutions               | 10032912      | 01/08/2013     | 31/07/2014   | 19+ Apprenticeships                                 | £ 10,259.00               | £ 7,628.04                       | £ 2,630.96             |
| The Skills Network                            | 10029308      | 18/09/2013     | 31/07/2014   | Classroom Learning                                  | £ 351,399.00              | £ 298,689.15                     | £ 52,709.85            |
| Skegness College of Vocational Training       | 10005883      | 01/08/2013     | 31/07/2014   | Adult Skills<br>Apprenticeships and Classroom Based | £ 275,821.32              | £ 213,964.83                     | £ 61,856.49            |

## 16. Level of SFA Funding paid and retained Academic Year 2014/15

| Partner Name                                  | Partner UKPRN | Contract Start | Contract End | Type of Provision                                | Funding Received in 14/15 | Funding Paid to Partner in 14/15 | Funding Retained 14/15 |
|---|---------------|----------------|--------------|--|---------------------------|----------------------------------|------------------------|
| Backup Training and Recruitment Ltd           | 10029092      | 01/08/2014     | 31/07/2015   | 19+ Apprenticeships and Workplace Learning       | £109,784.88               | £87,827.90                       | £21,956.98             |
| BJB Fork Lift Trucks Ltd.                     | 10000741      | 01/08/2014     | 31/07/2015   | Classroom Learning                               | £204,899.15               | £174,164.28                      | £30,734.87             |
| Foresight North East Lincolnshire             | 10023604      | 01/08/2014     | 31/07/2015   | Classroom Learning                               | £154,826.91               | £131,602.87                      | £23,224.04             |
| Humberside Combined Fire and Rescue Authority | 10013009      | 01/08/2014     | 31/07/2015   | Classroom Learning                               | £137,050.45               | £116,492.88                      | £20,557.57             |
| JTJ Workplace Solutions                       | 10029963      | 01/08/2014     | 31/07/2015   | 19+ Apprenticeships and Classroom Learning       | £667,872.64               | £567,691.74                      | £100,180.90            |
| The Skills Network                            | 10029308      | 18/09/2014     | 31/07/2015   | Classroom Learning                               | £714,157.38               | £607,033.77                      | £107,123.61            |
| Skegness College of Vocational Training       | 10005883      | 01/08/2014     | 31/07/2015   | Adult Skills Apprenticeships and Classroom Based | £359,747.19               | £280,015.67                      | £79,731.52             |
| Trackwork Ltd                                 | 10026649      | 28/04/2015     | 31/07/2015   | Classroom Learning                               | £67,078.37                | £53,662.70                       | £13,415.67             |
| The Training Brokers                          | 10036106      | 26/05/2015     | 31/07/2015   | Classroom Learning                               | £5,405.82                 | £4,594.95                        | £810.87                |