

## **SUPPLY CHAIN FEES AND CHARGES POLICY**

### **Policy Aim**

This document aims to provide a consistent, transparent approach to Steadfast Training Ltd's Supply-Chain fees and charges in relation to subcontracted provision. The policy will apply to all supply chain activity funded through the Skills Funding Agency and any successor organisations.

The policy set out below is applicable to all provision subcontracted to third party Providers by Steadfast and will be effective from 1<sup>st</sup> August 2016. The policy and related subcontracting agreements will be subject to an annual review and made available on Steadfast Training Ltd's website: [www.steadfasttraining.co.uk](http://www.steadfasttraining.co.uk)

Supply-chain management activities will at all times comply with best practice within the Skills Sector. "Supply Chain Management – a good practice guide for the post-16 skills sector" [www.aelp.org.uk](http://www.aelp.org.uk)

### **Policy Rationale**

Working in partnership with sub-contractors enables Steadfast Training Ltd to deliver a range of provision which:

- Supports the delivery of particular contracts such as ESF.
- Responds to the needs of various target groups
- Ensures cost effective delivery
- Ensures appropriate geographical coverage
- Builds supply chain capacity
- Is responsive to emerging LEP skills plans at a local level

### **Supply-Chain Fees**

Management fees will be deducted at source and providers will be given a Contract allocation that reflects the funds they have available to spend within the duration of the contract. Steadfast will make payments to subcontractors as detailed in their contract agreement subject to the submission of correct data and supporting evidence. All funding claims must comply with the Skills Funding Agency's current Funding Rules and the terms and conditions of the funding agreement between Steadfast Training Ltd and the relevant subcontractor.

The Supply-Chain fee range charged by Steadfast Training Ltd is between 15% and 25%. The fee is deducted from the SFA rate based on the applicable funding income received. The rate will be negotiated with individual partners and will depend on a range of factors and circumstances.

The applicable fee charged from the range given above will be determined according to the specific circumstances and requirements of the particular subcontract, and will cover costs incurred in the management and administration of our subcontracts.

These costs include, as applicable:

- Administration
- Quality Assurance
- MIS functions re submission of funding claims
- Due Diligence support, guidance and checking
- Preparation for contract review
- Monitoring and review meetings
- Claims and data input, evidence and data queries
- Contract clarification
- Evidence and data retention
- Audit processes
- Promotion, marketing, website maintenance
- Bid writing and proposal development

The percentage fee charged also reflects the need to ensure that specific contract requirements are achieved, with lower percentage charges being considered where there are particular circumstances such as:

- The need to ensure full geographical coverage of the contract area.
- Broadening and strengthening partnerships within local areas such as working with VCS or niche providers

### **Quality Improvement and Assurance**

Continuous improvement is a key focus for Steadfast Training Ltd, both with direct and subcontracted provision. A range of processes are in place to monitor quality and support ongoing improvement:

- Monthly review of subcontractor performance (delivery and success rates; contract outcomes and claims) – carried out by Steadfast to inform monthly contract review meetings
- Monthly contract review meetings with subcontractor designated contract manager.
- Quarterly partnership meetings held to share good practice / case studies
- Ongoing support for subcontractors as required
- Regular system and process audits carried out.

### **Publication of information relating to sub-contracting**

Steadfast Training Ltd will publish its subcontracting fees and charges policy on its website prior to the start of each academic year. Information published will only refer to provision subcontracting.

The Supply Chain Fees and Charges policy will be discussed with new subcontractors as part of the initial contract discussions and negotiations.

The policy, as and when it is reviewed and updated will be discussed with existing subcontractors as part of the ongoing subcontractor monitoring reviews.