



# Supply Chain Fees and Charges Policy

## 2018/19

### Scope and Purpose

All education providers who intend to subcontract Government or ESF monies in 2018/19 are required to produce an annual Supply Chain Fees and Charges Policy. This policy is produced in accordance with the Education & Skills Funding Agency's funding guidance and rules applies to all potential and actual subcontracting.

This policy outlines our procurement processes, the reasons for utilising subcontractors to support delivery of Nacro's education programmes, the support we provide to subcontractors and the range of management fees that are charged, fulfilling our obligations to both learners and commissioners.

This policy is provided to all potential subcontractors during the procurement exercise and existing subcontractors during the recontracting process. It is available on Nacro's website.

This policy is approved by Nacro's Director of Education and Director of Finance and Corporate Services whose nominated strategic lead is the Head of Contracting, Funding and Partnerships.

### Rationale for Subcontracting

We are dedicated to the goal of increasing social inclusion by providing high quality services that improve the lives of individuals and communities across England. We design and deliver programmes that equip people with the skills, advice, attitude and support they need to move their lives on.

Our education services provide a broad range of education and skills programmes (focussed on foundation and Level 2 vocational learning, English, maths and employability training) to young people and adults across many locations including college-based and community education centres.

We work subcontractors with similar social justice aims and objectives to:

- Enhance the offer to our learners, creating a wider network of opportunities
- Respond to local and regional demand
- Build capacity into new areas, both geographical and within new skill areas
- Create an enhanced and innovative enterprise offer
- Build strong local partnerships with like-minded organisations to broaden our offer in a single geographical area
- Develop links with employers to create programmes matched to needs of industry
- To share good practice between like-minded organisations to the benefit of learners, employers and communities

We subcontract the delivery of Education & Skills Funding Agency programmes, including:

- Study Programmes
- Traineeships
- Adult Education Budget
- Apprenticeships

## **Procurement**

### **Advert**

Tendering opportunities are advertised on our website and via Contracts Finder. Interested suppliers are required to complete a Pre Qualifying Questionnaire (PQQ), Invitation to Tender (ITT) and funding profile. A clear programme specification, including set funding models and performance targets are included in the tender advert.

### **Tender**

Comprehensive due diligence is undertaken on PQQs, and ITTs of suppliers who pass this stage are quality scored against a published criteria and threshold.

### **Contracting**

Suppliers who pass both stages are invited to a pre-contract meeting where further quality checks are undertaken, including assessment of safeguarding, health, safety and welfare and quality assurance arrangements. A contract is then issued with an indicative funding allocation included.

### **Re-Contracting**

Existing suppliers are required to submit a PQQ refresh and funding profile for review each year, with ongoing due diligence checks undertaken.

## **Fees and Charges**

We do not have a standard management charge. We calculate a charge based on a number of factors, including the type of contract, outcomes of the due diligence process and pre-contract risk assessment. However, we seek an indicative management fee of a minimum 15% of published funding rates. We provide pricing schedules and funding models that are transparent, fair, realistic and achievable.

Funding models are designed to drive performance in key contract performance areas, with payment based on volumes of starts, retained, successes and progressions, based on an original agreed profile.

## **What we provide**

Quality of Teaching, Learning and Assessment. We provide enhanced support from our dedicated OTLA Coordinators and Curriculum and Innovation Manager to ensure all learning is of the highest quality and work with our subcontractors to continuously improve learning through regular support, self assessment and quality improvement.

Day-to-day management support is provided to support the smooth running of the contract, with additional support provided from a range of specialists, and risk-based regular quality improvement reviews.

Where required, subcontractors get access to our national licence for the EBS management information system and use of our programme planning tool to assist in lesson planning, creation of learning agreements, recording of attendance, progression of learners and other operational activities. We provide a large range of high quality weekly and monthly performance data to aid performance and planning, enabling high levels of success and retention.

Compliance. We provide all necessary contract compliance paperwork and associated training (including guidance on funding rules) and undertake regular paperwork audits to ensure high levels of contract compliance and reducing funding risks to both parties. Additionally, our dedicated Data Centre processes all paperwork centrally, as well as providing day-to-day advice and guidance to subcontractors.



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ForSkills Diagnostic Tool. All subcontractors get free access to our literacy and numeracy assessment and diagnostic tool, enabling effective programme planning and high levels of compliance.

Monthly payments. We provide subcontractors with monthly payment based on actual delivery, with invoices paid on 30 day terms.

Bursary and Learner Support. We oversee the entirety of the EFA Bursary and Learning Support process for each subcontractor and provide access to High Needs Student Funding and Discretionary Learner Support Funding to ensure all learners get suitable levels of enhanced learning support.

### What we anticipate from partners

As a social justice charity, it is important that our partners share our objective of creating a socially just country where people feel safe, are supported to reach their aspirations and communities are crime free.

We expect subcontractors to provide safe, supportive and engaging learning environments that arm learners with the skills that prepare learners for life in modern Britain.

We expect timely communication and adherence to all ESFA and Nacro contractual requirements.

### How and when the policy is communicated

This policy will be reviewed annually and published on our website. The policy will be discussed with existing providers during their annual review and potential subcontractors will be directed to it as the start point of procurement.

### 2017/18 SFA Funding Paid and Retained (Provision Subcontracting)

Type of Provision	Funding Received	Funding Paid to Subcontractor	Funding Retained	Contract Start and End
Adult Education Budget – Skills Participation	£122,802	£101,926	£20,876	01/08/2017 31/07/2018
Adult Education Budget – Skills Participation	£55,864	£44,707	£11,157	01/08/2017 31/07/2018
Apprenticeships	£71,219	£56,975	£14,244	01/08/2017 31/07/2018

### 2016/17 SFA Funding Paid and Retained (Provision Subcontracting)

Name of Subcontractor	UKPRN	Type of Provision	Funding Received	Funding Paid to Subcontractor	Funding Retained	Contract Start and End
JT DEVELOPMENT TRAINING LTD	10035868	Adult Education Budget - 19 to 24 Traineeships	£189,078	£151,262	£37,816	01/08/2016 31/07/2017
5 E LTD.	10000020	Adult Education Budget – Skills Participation	£195,539	£156,431	£39,108	01/08/2016 31/07/2017
FARESHARE YORKSHIRE TRAINING LTD	10052511	Adult Education Budget - 19 to 24 Traineeships	£14,298	£11,438	£2,860	01/08/2016 31/07/2017
DA TRAINING AND CONSULTANCY LIMITED	10047122	Adult Education Budget – Skills Participation	£100,226	£80,181	£20,045	01/08/2016 31/07/2017
DA TRAINING AND CONSULTANCY LIMITED	10047122	Apprenticeships 19+ (Excluding Trailblazer Apprenticeships)	£134,535	£107,628	£26,907	01/08/2016 31/07/2017
THE LEARNING AND TRAINING ACADEMY LIMITED	10044060	Apprenticeships 19+ (Excluding Trailblazer Apprenticeships)	£16,259	£13,007	£3,252	01/08/2016 31/07/2017
WORKPAYS LIMITED	10037289	Adult Education Budget – Skills Participation	£12,516	£10,013	£2,503	01/08/2016 31/07/2017

Lisa Capper, Director of Education (Principal)

Neil Thomas, Director of Finance & Corporate Services