

Skillnet Supply Chain Fees and Charges Policy 2018/19

1. Policy Aim

Skillnet seek to develop subcontract relationships with other providers who can complement our existing provision and offers professional quality learning and development services to learners and employers. Subcontracting allows us to engage with new markets and be responsive to learner and employer requirements.

Skillnet have excellent toolkits in place that continue to contribute towards improving teaching and learning which we are able to share with our subcontractors. This enables us to ensure that we are driving forward the quality of provision, having a positive impact on our subcontractors and ultimately learner and employer experiences.

2. Subcontracting Tendering Process and Due Diligence

Skillnet offer a fair, open and transparent tender process. The subcontractor will provide Skillnet with an initial expression of interest by completing the due diligence form.

The Chief Executive, Quality Director and Finance Director will review all potential subcontractor information. This process will ensure that Skillnet are confident that the subcontractor has sufficient capacity, quality and business standing to deliver the provision that complies with the required standards.

Once the tendering process is complete the subcontractors will be notified of the outcome. Subcontractors who are successful will receive a due diligence visit from Skillnet by the Quality Director and Head of Audit and Compliance to complete further due diligence checks before a service level agreement is agreed and issued.

3. Fees and Payments

The management fees charged by Skillnet are used to cover all activity undertaken with the subcontractor to develop and deliver high quality training provision that meets the needs of learners and exceeds the expectations of employers.

The standard management fee will range between 15 and 20%. The fee is determined on the subcontractors key performance indicators including evidence of performance, quality and compliance evidenced as part of the due diligence process and additional support that will be provided by Skillnet.

The management fee will be agreed with the subcontractor prior to the issuing of the service level agreement and will be reviewed prior to re-contracting on an annual basis.

Skillnet will provide the following activities, support and quality assurance to all subcontractors:

- Allocated Head of Audit and Compliance to provide support on the management and administration of the subcontracted provision
- Dedicated support from the Skillnet Data and IT department
- Maytas training
- DSAT workshops
- Regular contract reviews
- Weekly and monthly learner data reports
- Learner audit and compliance visits (including unannounced visits)
- Support and guidance with funding and compliance requirements
- Quality assurance visits (including unannounced visits)
- Teaching and learning observations
- Information, advice and guidance on quality, delivery and processes
- Preparation for Ofsted support
- Support with developing key learner processes
- Self Assessment and Quality Improvement support

Payments are calculated and reconciled monthly once Skillnet have received the Provider Funding Report from the ESFA. Skillnet will provide the PFR and occupancy report to the subcontractor who are requested to review for accuracy and completeness, they are then asked to provide an invoice to Skillnet for the value of the month detailed on the PFR minus their agreed management fee. Skillnet will make payment by BACS by the last working day of the month invoice received.

4. Contingency plan in case of non-delivery

In compliance with Education and Skills Funding Agency and other agency funding rules that apply, if a subcontractor withdraws from the arrangement, or if a subcontractor goes into liquidation or administration, Skillnet where possible undertakes to directly manage and deliver the remainder of the agreed provision already being delivered. This delivery will be either through its existing structure or by retaining tutor expertise and/or specialist equipment, whichever is more cost-effective. A register of potential partners is maintained in the event that Skillnet are unable to directly manage and deliver the remainder of the agreed provision. Any provision planned but not yet started will be cancelled and the project closed.

If Skillnet needs to withdraw from a subcontracting arrangement, sufficient notice will be provided to allow sub-contractors to complete delivery of immediate provision. Skillnet will provide support to enable sub-contractors to identify other sources of funding if possible, or take appropriate action to complete the project; or close the project at the earliest opportunity, without prejudice to currently enrolled learners or staff. Contracts will clearly state conditions for termination and recovery of ESFA funding grants in case of non-delivery.



5. Publication of Information Relating to Subcontracting

In compliance with the ESFA funding rules, Skillnet will publish its subcontracting fees and charges at the end of each funding year.



Sub contractor provision 2017/18							
Subcontractor	UKPRN	Contract start date	Contract end date	Provision	SFA funding of sub con provision	Funding paid to sub cons	Skillnet fees for services provided
F-TEC (formally British Industrial Truck Association Ltd)	10041029	01/08/2017	31/07/2018	Apprenticeships 16-18 & ASB	£335,270	£276,598	£58,672
Fleetmaster	10026317	01/08/2017	31/07/2018	Apprenticeships 16-18 & ASB	£180,000	£148,500	£31,500

Fees for services provided to sub contractors range from 15% - 17.5%

Payment terms are payment within 3 weeks of receipt of funding by Skillnet



Sub contractor provision 2016/17							
Subcontractor	UKPRN	Contract start date	Contract end date	Provision	SFA funding of sub con provision	Funding paid to sub cons	Skillnet fees for services provided
F-TEC (formally British Industrial Truck Association Ltd)	10041029	01/08/2016	31/07/2017	Apprenticeships 16-18 & ASB	545,290	463,496	81,793
Impact Futures	10018916	01/08/2016	31/07/2017	Apprenticeships 16-18 & ASB	75,799	64,429	11,369
Fleetmaster Training Ltd	10026317	01/08/2016	31/07/2017	Apprenticeships 16-18 & ASB	443,727	377,168	66,559

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Sub contractor provision 2015/16							
Subcontractor	UKPRN	Contract start date	Contract end date	Provision	SFA funding of sub con provision	Funding paid to sub cons	Skillnet fees for services provided
Alpha Care Agency Ltd	10022070	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	250,468	206,636	43,832
British Industrial Truck Association Ltd)	10041029	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	432,680	356,961	75,719
Impact Futures	10018916	17/03/2016	31/07/2016	Apprenticeships 16-18 & ASB	48,045	45,643	2,402
JGW Training Ltd	10030340	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	57,774	47,664	10,110
Pursuit Training Ltd	10031399	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB, T'ships	591,318	510,781	80,537
Fleetmaster Training Ltd	10026317	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	376,292	310,441	65,851

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Sub contractor provision 2014/15							
Subcontractor	UKPRN	Contract start date	Contract end date	Provision	SFA funding of sub con provision	Funding paid to sub cons	Skillnet fees for services provided
Alpha Care Agency Ltd	10022070	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	466,229	384,639	81,590
British Industrial Truck Association Ltd	10041029	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	331,998	273,898	58,100
Eden Training Ltd	10027766	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	410,784	338,897	71,887
JGW Training Ltd	10031399	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	247,257	203,987	43,270
Fleetmaster Training Ltd	10026317	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB	475,553	392,331	83,222
Pursuit Training Ltd	10030340	01/08/2015	31/07/2016	Apprenticeships 16-18 & ASB, T'ships	1,076,524	915,045	161,479

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Sub contractor provision 2013/14							
Subcontractor	UKPRN	Contract start date		Provision	SFA funding of sub con provision	Funding paid to sub cons	Skillnet fees for services provided
Alpha Care Agency Ltd	10022070	01/08/2014	31/07/2015	Apprenticeships 16-18 & ASB	24,443	20,165	4,278
British Industrial Truck Association Ltd	10041029	01/07/2015	31/07/2015	Apprenticeships 16-18 & ASB	3,293	2,717	576
Eden Training Ltd	10027766	01/08/2014	31/07/2015	Apprenticeships 16-18 & ASB	1,617,316	1,334,286	283,030
JGW Training Ltd	10031399	01/08/2014	31/07/2015	Apprenticeships 16-18 & ASB	290,860	239,960	50,901
Fleetmaster Training Ltd	10026317	01/08/2014	31/07/2015	Apprenticeships 16-18 & ASB	98,025	80,871	17,154
JTJ Workplace Learning Ltd	10029963	01/08/2014	31/07/2015	Apprenticeships 16-18 & ASB	92,906	76,647	16,258
Pursuit Training Ltd	10030340	01/03/2015	31/07/2015	Apprenticeships 16-18 & ASB, T'ships	175,708	149,352	26,356

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6. Review and Publishing

Skillnet will review this policy annually; the next review is due for completion July 2019. This policy will be available to all subcontractors and potential subcontractors via the Skillnet website www.skillnet.org.uk and will also be shared during subcontractors monthly contract review meeting.

Chief Executive: Lee Acton

Signature:

Date: 14/12/18

Finance Director: Richard Wilman

Signature:

Date: 14/12/18