

## 1. SCOPE

This policy statement sets out the Appris' policy on management fees for subcontracted provision. The policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency (SFA) or any successor organisations.

## 2. CONTEXT

The policy is now mandatory and must be in place prior to participating in any subcontracting activity from 1 August 2013. The content of this policy has been developed in line with the Association of Colleges (AoC)/Association of Employment and Learning Providers (AELP) Common Accord, the SFA Funding rules and LSIS Supply Chain Management guidance.

## 3. OVERARCHING PRINCIPLE

Appris will use its supply chains to optimise the impact and effectiveness of service delivery to the end user. Appris will therefore ensure that:

a. Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will be guided by the principles given in the LSIS publication "Supply Chain Management – a good practice guide for the post-16 skills sector" (Nov 2012 and subsequent iterations).

b. Appris will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.

c. The funding that is retained by Appris will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.

d. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, Appris will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.

## 4. SUBCONTRACTING RATIONALE

Appris engages with subcontractors to;

- Better meet customer needs.
- Directly support the achievement of national and local priorities for learning and skills.
- Temporarily expand provision to meet a short term need.
- Provide immediate provision whilst expanding direct capacity.
- Provide access to, or engagement with, a new range of customers.
- Provide niche delivery where the cost of developing direct delivery would be inappropriate.
- Support employers with a wide geographic requirement.

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## 5. IMPROVING THE QUALITY OF TEACHING AND LEARNING

Subcontracted activity is a fundamental part of the Appris' provision. The quality of the provision will be monitored and managed through the existing service level agreements, in order to encompass fully all subcontracted activity.

This Policy positions subcontracted provision as a core part of Appris activity to enable continuous improvements in the quality of teaching and learning for both the Appris and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report process.

The management fee retained for each subcontractor will be used by Appris to provide a comprehensive and thorough programme of monitoring, support and improvement measures. Subcontractors can expect to receive the following, as a minimum;

- Data input and analysis
- Data reporting
- Review of self-assessment report and quality assurance processes
- Partnership monitoring meetings (at least quarterly)
- Teaching and learning observations (including paired observations)
- Funding and provision updating
- Collaborative tendering opportunities
- Staff development opportunities

## 6. ROLES & RESPONSIBILITIES

### *The Prime Contractor Role*

As the prime contractor, Appris accepts and retains full accountability for its subcontractors' performance and actions. Thus, Appris must be completely satisfied with the subcontractors' financial health, capacity and capability, and quality of delivery, including their equality, diversity and ethical values. This is determined through the Appris' due diligence process.

### *The Subcontractor Role*

The subcontractor accepts their responsibilities to Appris, for example allowing scrutiny of their organisation, whilst also being compliant and governed by the SFA Funding Rules.

## 7. PAYMENT TERMS

In the case of sub-contracted provision, a 15% management fees will be deducted at source. The subcontractor will be allocated a maximum contract value which will reflect the target number of learners to recruit. Appris will issue the subcontractor with a monthly invoice instruction (less management fee), subject to contractual evidence and data requirements being met and following successful ILR data validation. Any amendments to payments will be made in accordance with the current version of the SFA Funding Rules. Appris will make payments to the subcontractor in line with the Service Level Agreement.

## 8. PUBLICATION OF INFORMATION RELATING TO SUB-CONTRACTING

In compliance with SFA and other agency funding rules that apply, Appris will publish its subcontracting fees and charges policy and actual end-of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by SFA). This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full

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programmes or frameworks. Provision subcontracting lists will be agreed with regional SFA officials prior to publication.

Appris will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents.

Payments in regards to sub-contracted provision is:

Year	EMD UK Limited
UKPRN	10032936
2013/14	£15831.94
2014/15	£13128.00
2015/16	£0.00
2016/17	£0.00

Programmed delivered by EMD UK Limited included ESOL and functional skills for unemployed people. This allowed Appris to access potential candidates that could progress onto an intermediate apprenticeship in the future.

Additionally, for the delivery of services within an apprenticeship framework, Appris have agreed delivery hour rates with local colleges for off-the job provision that form part of apprenticeship frameworks. Actual payments to colleges were:

Year	Leeds City College	Bradford College	Wakefield College
UKPRN	10024962	10000840	10007289
2013/14	£43938	£225424	£181215
2014/15	£33566	£174075	£141209
2015/16	£71460	£81616	£38395
2016/17 (expected)	£56000	£54000	£0

## 9. MONITORING & REVIEW

This policy will be reviewed yearly and updated as required.

## 10. COMMUNICATION

This policy will be published on the Appris web site during the summer prior to the start of the academic year in which it will be applied. Potential subcontractors will be directed to it as the starting point in any relationship.

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