

Slough Borough Council  
Adult Learning Slough, Windsor and Maidenhead

## Supply Chain Fees and Charges Policy 2024/25

### Scope

This policy applies to all supply and chain activity supported with funds supplied by the Skills Funding Agency or any successor agencies.

### Context

This policy is a mandatory requirement of the Education and Skills Funding Agency (ESFA) and is effective from 1<sup>st</sup> August 2024. The content of this policy has been developed in line with the AoC/AELP Common Accord, the ESFA Funding Rules and the LSIS Supply Chain Management document.

### Overarching Principles

Adult Learning Slough, Windsor and Maidenhead (the 'Service') will use its supply chains to optimise the impact and effectiveness of service delivery to its residents. The Service will therefore ensure that:

- 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*".
- The Service has published a Strategic Plan. This sets out the values of the Service including a) delivering high quality provision which meets local needs and priorities and b) ensuring that public funding is targeted effectively at those facing the most barriers to learning and work. These values underpin the policy for subcontracting.
- Subcontracted providers receive Guidance on subcontracting. This advises subcontractors on our strategy for commissioning including "engaging with local organisations to work with them to deliver learning opportunities to contribute to local needs and priorities."
- The Service will always 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.
- The funding retained by the Service will relate to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented. The rates of such retained funding will be commercially viable for both sides. They will be proportionate to the actual services being provided.
- Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the Service 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.

- The Service will only commission provision where it has the funding capacity to do so.

### **Rationale for sub-contracting**

- To temporarily expand provision to meet a short-term training need.
- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources.
- Providing access to, or engagement with, a new range of customers that can best meet the needs of learners.
- To ensure delivery intention is met where there is a recognised risk in direct provision.
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.

### **Quality assurance**

The quality of the provision will be monitored and managed through the existing service quality assurance processes and procedures in order to fully encompass all sub-contracted activity.

This Policy positions sub-contracted provision as a core part of service activity to enable continuous improvements in the quality of teaching and learning for both the Service and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self-Assessment Report, regular lesson observations with constructive feedback and the shared resources of professionals to support the subcontractor with any teaching and learning issues.

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

In compliance with ESFA and other agency funding rules that apply, the Service will publish its sub-contracting fees and charges policy on its website before the start of each academic year (and in the case of actual end of year data, as required by ESFA). This will only relate to 'provision subcontracting' i.e. sub-contracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship framework). The Service will ensure all actual and potential sub-contractors have sight of this policy and any other relevant documents, during the procurement and contracting process.

### **Implementation**

The Service will provide and support the subcontractor with the following:

- Planning and procuring processes including due diligence;
- Advice and guidance at pre-contract stage;
- Enrolment compliance;

- Quality assurance checks including lesson observations;
- Ongoing administration support;
- MIS functions and reporting;
- Feedback on issues raised;
- On-going support with how to continuously improve the provision;
- Site visits;
- Participation in training for staff including for MIS, inspection preparation, delivery of high-quality teaching, learning and assessment, sharing of innovative practice safeguarding, equality and diversity;
- Regular monitoring and annual contract review including performance, payment, contract compliance, quality assurance, and risk management associated with the subcontracted activity and;
- Participation in learner satisfaction surveys and other forms of learner feedback.

### **Management fee**

Standard service management fee is 20% of all funding drawn down against the provision to be delivered. This is dependent on the risk assessment. 80% is reimbursed to the sub-contract partner (and will be subject to review and negotiation dependent on performance, risk and delivery model.).

If a risk is identified with a subcontractor, then additional support may be negotiated; this could entail additional site visits, lesson observations, and rigorous verification. The level of management fee will be determined at the pre-contract assessment stage and is based on the level of approval and risk status.

### **Payment terms**

Payment terms between the service and sub-contractors will be detailed in the contractual agreement and in general in the Contract Management Guidance for Providers. Payment will not exceed 28 days following receiving the approved invoice from the sub-contract partner, in line with the council's policy.

For contracts and programmes, invoices are paid in arrears based on performance (completed enrolments). Consideration is also given to risk management - provision of timely management information, terms and conditions throughout the year.

### **Communication**

This policy will be reviewed annually at the end of the academic year by the Shared Services Management Committee and then published on Slough Borough Council's website page [Provider Guidance](#). Potential sub-contractors will be directed to the policy as a starting point in any relationship. The policy will be discussed with all current and future sub-contractors during contract negotiation meetings.

### **Disclaimer**

The Service reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its standard contract for subcontracted provision.

## Relevant Guidance

- Education & Skills Funding Agency Funding and Performance Management rules
- Education & Skills Funding Agency agreement and accountability agreement
- Education & Skills Funding Agency Register of Training Organisations
- ESFA Subcontracting Standard
- EB CLASS Guidance for Providers
- EB CLASS Strategic Plan

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