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## Supply Chain Fees and Charges

**tpm** present its arrangements for supply chain fees and charges management

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## Policy Statement

**tpm** is committed to developing and sustaining a range of high-quality post-16 educational services in a number of occupational areas within the city region. Sub-contracting arrangements have provided **tpm** with the opportunity to widen participation and to ensure its capacity to maximise the volumes of its ESFA contract and participate effectively in Government's national and regional targets for Apprenticeship and Traineeships.

**tpm** acknowledges that its current sub-contractor and any increased future sub-contracted provision should enhance the following in its services by:

- Ensuring the availability of high-quality provision
- Demonstrate good value for money
- Meeting the equality and diversity needs of the local community
- Making the provision available to a wider cross-section of the community

The policy outlines the objectives of the sub-contracting arrangements in-line with the relevant Education & Skills Funding Agency Rules and Guidance for 2018-19.

## Sub-Contracting

**tpm** and the Sub-Contractor will have a legally binding contract which will detail contractual and quality assurance arrangements for the contract year. If at any point the sub-contractor undergoes a change of circumstances that affects their ability to deliver provision, **tpm** must be notified with immediate effect and a full investigation will be undertaken.

It is the responsibility of **tpm** to obtain an annual report from an external auditor if the total apprenticeship contracts within the sub-contracting delivery will exceed £100,000 in any one financial year. The report will provide assurance that **tpm** are managing and controlling the delivery of the sub-contractor.

## Risk and Due Diligence

**tpm** require that any existing and future sub-contractors must be active on the Register of Apprenticeship Training Providers, this is checked prior to any Risk and Due Diligence being carried out. The checks are to establish the sub-contractors' capacity and capability to deliver the proposed contract in full. The due diligence process allows **tpm** to:

- Discuss and agree the parameters of the Subcontracting Policy and Subcontracting Agreement/s
- Regularly revisit and revise the subcontracting policy and subsequent subcontracting agreements to ensure compliance with the Education & Skills Funding Agency and best practices; typically these will be discussed during monthly subcontractor performance meetings
- Agree and ensure the subcontractor understands and agrees to the scope and frequency of access required by the prime contractor to observe, monitor and quality assure:
  - High quality delivery and learning environments
  - High quality teaching, learning and assessment methods
  - Robust Health, Safety and Safeguarding arrangements
- Ensure that the subcontractor understands that their agreement extends only to 'provision subcontracting' in respect of full programmes or frameworks

- Ensure that the subcontractor understands and commits to permitting the prime contractor to recommend improvements when identified through the above and to make appropriate staff available for:
  - Training/CPD
  - Subcontractor Monthly Performance Meeting
  - Monitoring and Audit Visits including observations
  - Data exports and associated discussions regarding these

### **Management Fees and Payments**

The fee level is dependent upon the risk level of the individual sub-contractor and will take into account any additional support **tpm** deems necessary to ensure the quality of the sub-contractors provision and performance levels are managed and maintained effectively.

**tpm** retains a management fee from all future subcontracted partner organisations, of between 15% - 20% but have the right to vary these standard management fees depending on the nature and intensity of support required from sub-contractors to effectively comply with their contractual requirements. Payments are calculated monthly, once the sub-contractor has submitted their data and invoice and **tpm** have received the monthly PFR (Provider Funding report) from the ESFA. Once funding is received from the ESFA the sub-contractor is paid by BACS within 3 days of its receipt into their bank account. Should discrepancies arise because of the quarterly audit which cannot be rectified; any monies owing to the prime or sub-contractor will be repaid / recovered at the next payment date, subject to negotiation.

### **Quality Assurance**

**tpm** is committed to a culture of continuous development that ensures and improves the quality and service levels in the organisation. The quality of provision for sub-contractors will be monitored and managed through **tpm** existing quality assurance / compliance processes and procedures by the following:

- **tpm** will undertake a range of training, CPD and information exchanges with staff each year. These will wherever possible be extended and offered to headcount, with the clear purpose and intention to improve the standard and quality of teaching and learning, safeguarding or other critical key performance measures.
- Subcontractors will receive a high level of support and guidance, by means of monthly subcontractor quality and performance meetings and participation in regular quality assurance systems. These include the following:
  - Quality data-management systems
    - Management Information Services and data control advice
    - Support with Funding Rules compliance
    - Regular national updates regarding funding and policy guidance
    - Audit of financial claim and management systems
  - Sharing and standardising best practice on:
    - Policy development
    - Equality and diversity
    - Safeguarding of Young People and Vulnerable Adults and Prevent Duty procedures
    - Observations of teaching, learning and assessment
    - Self-assessment and improvement planning

- CPD opportunities and planned training and development
- Sharing best practice and supporting Policy development

### **Publication and Review**

In compliance with the Education & Skills Funding Agency, **tpm** will publish its subcontracting fees and charges policy on tpm website:

<http://www.tpmnow.co.uk/about-us/training-partners/>

Alongside the annual summary of the sub-contractors actual level of funding that has been paid.

The review of the policy is undertaken annually or earlier if it is deemed appropriate by the Board of Directors.