

Subcontracting Supply-chain Fees and Charges Policy

1 Policy Statement

The Consultancy Home Counties Limited (TCHC GROUP) is committed to

- Provide independent, high quality training, advice and guidance relevant to the needs of any business in any sector
- Complement and add value to other business support services in the region
- Evaluate and improve on our own practice and learning from the good practice of others
- Equality, diversity and inclusion for all clients, partners and the public. We expect all staff and subcontractors to share this commitment
- Grow and diversify the range of courses we deliver to widen participation, deliver to niche markets, engage in new and emerging markets and meet the regional and local economic development agenda.

In order to achieve this, TCHC GROUP has taken the strategic decision to sub-contract part of its provision to partner organisations who can demonstrate high quality delivery.

2 Scope

This policy applies to all supply chain activity supported by funding received from the Skills Funding Agency, the Education Funding Agency, Jobcentre Plus and Local Authority, as well as any successor organisations.

This strategy covers two key areas of sub-contracting:

1. Provision sub-contracting where there is the delivery of full programmes or frameworks by the sub-contractor (end-to-end contracts)
2. Service sub-contracting where the delivery of a service is part of the delivery of a programme and the prime contractor purchases a specialism of that programme (e.g. a specific type of training or outreach support).

Within both of these cases, TCHC GROUP retain full accountability for contract delivery.

3 Overarching Principle

In line with the Common Accord, TCHC GROUP commits to the overarching principle 'that our supply chain is to optimise the impact and effectiveness of service delivery to the end user' by:

- Aligning our processes with the LSIS Supply Chain Management document.
- Undertaking fair and transparent procurement activities, conducting robust due diligence procedures.
- Relating the management fee to the costs of the services provided

4 Sub-contracting Rationale

Upon commencement of the sub-contracting process, TCHC GROUP will consider a Business Case Proposal to ensure that the subcontracting will be in the best interests of all parties.

We will ensure that:

1. The proposed delivery is in the best interests of learners and employers
2. The proposed delivery has a clear strategic fit with our mission, objectives and values
3. There is sufficient expertise within TCHC GROUP to quality assure the provision
4. There is sufficient staff resource within TCHC GROUP to administer the processes
5. The sub-contractor is approved by our due-diligence process
6. There is sufficient funding available within our funding contract
7. The sub-contractor agrees to work within the terms of our contract

5 Improving the Quality of Teaching and Learning

Sub-contractors are expected to meet TCHC GROUP's quality assurance standards. TCHC GROUP is committed to support, develop and share good practice and professional development of staff with sub-contracted partners through quarterly quality and monitoring reviews, operational meetings, observations of teaching and learning, as well as learner and employer feedback.

The exact mix and level of support for each sub-contractor will vary depending on the needs of the individual organisation. Sub-contractors will receive support and guidance, including:

- Audit of management systems and delivery and observation of teaching, learning and assessment
- Safeguarding of Young People and Vulnerable Adults procedures
- Health and Safety compliance process
- Partner Portal
- Teaching, Learning and Assessment observations and coaching
- CPD Opportunities and planned training and development
- Support with Funding Rules compliance
- Support with SFA's Due Diligence process (I have supported a number of our sub-contractors with that recently)
- Regular national updates regarding funding and policy guidance
- Quarterly monitoring/quality reviews
- Regular network meetings
- Equality and diversity support
- Administration of the Community Grants process

Sub-contracted activity is a fundamental part of TCHC GROUP's provision. The quality of the provision will be monitored and managed through our existing quality improvement process with TCHC GROUP's Self-Assessment Report (SAR) / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

6 Management Fees

TCHC GROUP retains a management fee from all sub-contracted partner organisations ranging from 10% - 25%. The management fee charged reflects the cost of the procurement process, the management of the contracts and will be applied to individual sub-contractors depending on the following:

- The level of support required from TCHC GROUP to implement the programme (e.g. in terms of procurement, supply chain partner management, marketing)
- The contract's/funding stream's requirements (e.g. on reporting, monitoring, publicity)
- The contract's target group
- Any stipulation by the commissioning/funding organisation
- Payment model and complexity of deliverables

The management fee will not be deducted at the point of payment (see below), but applied to the unit cost for each deliverable. It will be agreed with each sub-contractor at contract negotiation stage.

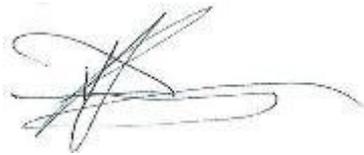
7 Payment Arrangements

- Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed and uploaded to the Data Service by TCHC GROUP
- Following payment by the funding authority, TCHC GROUP will make the appropriate payment to the sub-contractor based on the level of performance and calculated against agreed unit costs for each contracted deliverable.
- TCHC GROUP operates a self-billing process and invoices are not accepted. Payments are made by BACS
- TCHC GROUP expects that the sub-contractors will fully engage in the assessment of accuracy of payments

8 Policy Communication

The Policy is available on-line at <http://www.tchc.net/about-us/company-policies>.

The Policy will be discussed with all current and future sub-contractors during contract negotiation meetings and reviewed at least annually. Any changes will be notified to sub-contractors as part of their regular performance review or via separate correspondence.



Dale Morgan, Chief Executive Officer – TCHC GROUP
