

Subcontracting Supply-Chain Fees and Charges Policy

Subcontracting Supply Chain Policy 2016-17

1. Scope: This Subcontracting Supply Chain Policy is a mandatory requirement **that 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 SFA Funding Rules, the LSIS Supply Chain Management document and the AOC/AELP Common Accord. This policy relates to activity funded through the Skills Funding Agency (SFA) whereby Black Country Consortium enters into a subcontracting agreement with a supplier for Employer/Employee engagement, delivery of Bite-Size courses and Progression Apprenticeships. This policy provides transparency for all sub-contractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to sub-contracted provision under Black Country Consortium's direct contract with the SFA.

2. Rationale for Subcontracting Black Country Consortium:

- Recognises the benefits that effective subcontracting can bring to extending the accessibility of employer/employee engagement and training thereby contributing to economic prosperity and competitiveness.
- The Black Country Consortium does not deliver training therefore uses subcontractors to deliver this aspect of contract delivery.
- Uses subcontractors as appropriate to fill in gaps in training and extend the breadth of provision available to businesses in the Black Country.

3. Quality Improvement Black Country Consortium:

- Actively works with subcontractors to improve the quality of training they deliver and thereby improve the overall quality of training for employees.
- Undertakes observations of delivery as detailed in the subcontractor contracts.
- Provides timely and meaningful feedback to both subcontractor and delivery staff on observations.
- Carries out course evaluation surveys to gather feedback from participants.

4. The Black Country Consortium will retain funding to develop new 'gap' bite-sized courses and operate a brokerage service in addition to a 'Management Fee' to manage effectively the subcontractor relationship.

- The Management Fee is based on the level of resource required: to manage effectively the individual subcontractor relationship; to ensure funding returns and requirements are met and to ensure high quality delivery is maintained and that any risk to Black Country Consortium and the Skills Funding Agency is mitigated.
- **5. Support Provided to Subcontractors: Black Country Consortium has:**
- The Skills Factory Director to manage the relationship with the subcontractor and take overall responsibility for subcontracting.
- A Project Delivery Officer to ensure that the quality of subcontractor's delivery meets its expectations and to support the continuous improvement of the subcontractor's provision.
- A Monitoring Officer to ensure the timely and accurate recording of information on the ILR system.
- Undertakes a regular and substantial programme of quality assurance checks on the training provided by subcontractors, including visits at short or no notice and face-to-face interviews with staff and participants. These checks include whether the participants exist and are eligible, and involve direct observation of initial guidance, assessment and delivery.
- Ensures that all of the subcontractor's delivery meets the Skills Funding Agency's Funding Rules.

6. Payment Terms: Payment will be based on agreed profiles with payments on actual delivery evidenced through the ILR system.

7. Communication: The Fees and Charges Policy will be available on the Black Country Consortium website with hard copies available on request. It will be discussed with current subcontractors under any contract review processes. There has been no history of subcontracting by Black Country Consortium before 2017.

8. Policy Review: The fees and charges policy will be reviewed in July 2018.

9. Due Diligence: Black Country Consortium has a due diligence framework that approves a contractor on the basis of and subject to:

- Acceptable running of previous years delivery
- Confirmation of updated information
- Supply of annual accounts
- Submission of specific documents, upon request
- Attendance at contract meetings as per the schedule

There are currently no further subcontracting opportunities available. If new subcontractors are required we will select through procurement following the Managing Authority procurement guidelines.