



Supply Chain Management and Fee Policy – 2019 / 2020

This policy applies to all supply chain activity supported with public funding supplied by the Education & Skills Funding Agency.

Our Strategic Approach to Subcontracting

TVS Education Ltd (hereafter as TVS) has identified the need to ensure that the appropriate breadth and depth of our provision meets the diverse needs of our employers. TVS has a clear strategy that our principal offering to employers is focused around being a Sporting Excellence Provider and the services that surround this. While direct delivery will always be our preferred delivery model, we recognise that in order to satisfy the expanding needs of our employers, and where there is demand for apprenticeships or qualifications which traditionally fall outside of our area of expertise, we will look to subcontract these to compatible third-party organisations.

This approach to subcontracting is intended to support and complement our core delivery to employers and will not represent large volumes of our provision. However, where there is the opportunity to widen and enhance our offering to learners and to meet the full needs of employers by offering a more diverse range of apprenticeships, qualifications, delivery models and widening our geographical reach, TVS will consider working with high quality partners in order to broaden our offering and reach a greater audience of learners, employers and sectors. This policy applies to all provision subcontracted to a delivery partner and delivered on behalf of TVS.

This policy is published in line with ESFA requirements, as per the funding rules for 2019/20.

For apprenticeship provision TVS will must only use delivery subcontractors that satisfy one of the following two criteria as per the ESFA Funding Rules:

- P172.1 they are on the published Register of Apprenticeship Training Providers and have applied by the main or supporting application routes; or
- P172.2 they are either the apprentice's employer, a connected company or charity as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route.

Policy

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

- I. Supply chain management activities comply with the principles of best practice in the skills sector. We will seek to implement outstanding measures to ensure provision is outstanding. We will achieve this by utilising our reach within the sector and developing meaningful and effective partnerships.
- II. TVS will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives, employers programmes and public funding.
- III. The funding that is retained by TVS will be related to the costs of the services provided. These services will be clearly documented and agreed by all parties. The rates of such retained funding will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- IV. 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.
- V. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, TVS will submit to independent outside arbitration or mediation and abide by its findings, as per our complaints process.
- VI. Apprenticeship and AEB Funding Rules (and iterations) for 'Providers' will be adhered to by all parties. Emphasis will be on the supply chain and what procedures are in-place to ensure that funding is not inadvertently reaching extremist organisations.

This policy is reviewed annually as part of our internal control processes and may be updated more frequently to reflect changes in legislation or contractual requirements. Where this policy is updated in-year, existing subcontractors will be made aware of the latest version by the Head of Education and Quality at the subsequent monthly performance reviews.

It is an essential part of our government funded contracts and good practice to use a robust system for the selection, development and management of any providers who will be involved in the delivery of any part of our learners' journey. It is a requirement of those bodies who provide us with funding (directly or indirectly) and who regulate and inspect training providers, such as the Education and Skills Funding Agency (ESFA) and the Office for Standards in Education (Ofsted), Office for Students (OfS), The Quality Assurance Agency for Higher Education (QAA) that a transparent and fair process is in place and used effectively.

TVS is responsible for learners at all times. To ensure sufficient resources are available to effectively manage the supply chain, and in turn to be accountable for our learners, we retain a percentage of funding to contribute towards these costs. This covers activity associated with all Quality Assurance, Improvement and Compliance aspects we need to undertake, ensuring that learners receive high quality provision and all contractual obligations and regulatory requirements are met.

Subcontracted activity will be a fundamental part of TVS's provision given our strategy and vision. The quality of the provision will be monitored and managed through the TVS QA processes and procedures, this policy positions subcontracted provision as a crucial part of TVS's activity to enable continuous improvements in the quality of teaching and learning for both TVS and its intended subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example through observations of teaching and learning, through the analysis and action plans of external quality reports and through the Self-Assessment Report and Quality Improvement process.

Fees and Charges

TVS charges a fee to its subcontractor partners for the facilitation of funding and the suite of value-added services we provide. These services help to improve the capability and the capacity for its subcontractor partners to deliver which, ultimately, helps provide a better level of service for learners and employers. As part of the fee which we retain for our services, we provide additional support for the development of the supply chain and individual partners and their teams.

This includes:

- Robust and thorough induction of all subcontractors
- Initial and on-going quality assurance of subcontractors' policies and processes
- Observations of the full learner / employer journey
- Contract management, monitoring and reporting
- Access and support from occupational specialists and teaching & learning specialists
- Monthly monitoring meetings which each subcontractor
- Monthly compliance audit activity.

All delivery partners are subject to a robust, comprehensive due diligence process prior to a contract being awarded. This risk-based approach takes into consideration a variety of factors, including (but not limited to) previous track record, financial standing, learner numbers, achievement rates, Ofsted grade, type of provision and the ability to deliver high quality provision and meet our employers' needs.

Fees and Charges Risk Factor

Our fee structure is based on a risk management approach, namely “High Risk”, “Medium Risk” and “Low Risk” bandings. However, these bandings allow a degree of flexibility depending on other key operational and business driven factors.

TVS has opted to adopt a sliding scale in terms of its fee which is based on the “Risk Rating” of the subcontractor. The fee ranges from 15% to 35%, depending on the level of risk and service needed (25% to 35% will be on any additional services needed).

All new subcontractors will automatically be classed as “High Risk” (25%), over time, subcontractors are able to move between risk bandings depending on the level of their performance, measured against a set of agreed criteria. We are, therefore, then able to review our fees retained in a both a fair and transparent way.

This includes:

- The type of provider
- The provider’s experience
- Historical quality performance / previous contract delivery
- Size of provision
- Required level of support needed to ensure high quality of teaching, learning, assessment and quality assurance,
- Previous track record (observation, feedback, audit, self-assessment)
- Value of the contract
- Success rates and financial health
- Health and safety/Equality and Diversity/Safeguarding/Prevent
- Participants to be engaged with including industry types and vocational area
- Type of provision to be undertaken and required outputs
- Geographical spread of provision
- Contract delivery duration and value
- Non-completion, leaver or dropout rates

This list is not exhaustive but may also include other areas identified because of the pre-contract application and due diligence process.

Payments

Payments are calculated, reconciled and paid monthly as per the contract. TVS will provide details of the evidence requirements and payment arrangements in individual contracts and will ensure partners understand the arrangements specific to what they are delivering. TVS is contracted to a number of different public funding bodies and works within their requirements, including when and how payments are made to supply chain partners. However, TVS will make all verified payments due to partners within 30 days of invoice being received. TVS will publish details of all funding received and payments made to individual subcontractors on an annual basis in line with ESFA Funding Rules and contractual requirements.

Communication

This policy will be reviewed each academic year close and updated as required. It will be published on TVS's website during the July prior to the start of the ESFA Funding Year in which it will be applied. Potential subcontractors will be directed to it as the starting point in any relationship.

A quarterly on-site performance monitoring meeting will be held with the designated parties from each organisation to carry out an in-depth look at potential challenges and support requirements if applicable.

Agreed timetable of meetings will be established to discuss and resolve any issues arising from the above quarterly on-site performance monitoring meetings.