

PUBLISHING OF SUPPLY-CHAIN FEES AND CHARGING POLICY 2018-2020

THE REASON FOR SUBCONTRACTING

HTP has recognised in that past that to grow its business in terms of sectors delivered and geographical areas covered it may be cost effective and beneficial to engage subcontractors to deliver certain aspects of provision.

With effect from 1st August 2019 HTP does not intend to grow its subcontracting partners. HTP will deliver training to all of its learners and will sub contract with Employers / Providers who are able to;

- Provide specialist technical training in areas that HTP does not deliver.
- Already work with HTP for Apprenticeship delivery.

Thus, HTP is looking for Partnership arrangements that may involve an element of Sub Contracting rather than the subcontracting of all elements of delivery / Provision which is not allowed within funding rules (except in exceptional circumstances – see guidance for details)

HTP has approval to work with subcontractors from the Education and Skills Funding Agency (ESFA). HTP expects all of its subcontractors to be on the appropriate approved Registers as per ESFA rules in 2019-20. If an existing subcontractor is not on the approved register HTP will not be able to work with them from 1st August 2019, and any contracts prior to that will be restricted to a maximum of £100,000 per financial year.

HTP will not consider subcontracting to providers in the following circumstances;

- If the Sub Contractor is not on the approved register of providers (Expected to be after 1st August 2019)
- If the proposed subcontractor has current Ofsted grades below Good in the areas to be delivered, or has an inadequate Leadership and Management grade.
- If HTP has an inadequate in Leadership and management grade prior to contracting.
- If the subcontractor or HTP do not meet the minimum standards
- If the subcontractor does not complete the HTP Subcontracting due diligence application process satisfactorily

THE CONTRIBUTION TO IMPROVING HTP AND THE SUBCONTRACTORS QUALITY OF TEACHING AND LEARNING

HTP has a robust Teaching, learning and assessment observation process in place and all subcontractors will be subject to the same process and will be expected to use all findings to improve quality of delivery where appropriate. The full details of the policy and how it is implemented will be made available to all potential subcontractors who pass the initial application process.

It is HTPs ambition that all of its provision will be graded as outstanding at Ofsted inspections and internal Self-assessment findings. Therefore HTP will not consider subcontracting with providers who's Teaching Learning and Assessment falls below good, or who HTP feel cannot attain at least that level within a given timescale.

THE TYPICAL PERCENTAGE RANGE OF FEES RETAINED TO MANAGE SUBCONTRACTORS AND HOW THIS RANGE IS CALCULATED

HTP expects the range of percentages for retained fees to be between 10 to 25% of the funding drawn down for delivery.

HTP will, unless there are exceptional circumstances that meet with funding rules, deliver training to all of its learners even if part of that delivery is sub contracted. Therefore the Sub contract will receive a percentage of the funding (after HTP Management fees) proportionate to the percentage of delivery undertaken by that organisation / employer.

The management fees will cover aspects including;

- Contract set and management including Due diligence
- Ongoing Data support
- Audit and quality assurance
- EPA coordination
- Advice and guidance for Organisation / Employers

For those providers who are delivering high quality and evidenced provision over a prolonged period of time the management fees may be lower within the range quoted above. By the same method, those requiring significantly more managing as a result of being new to delivering Government funded provision, or the need to capacity build and improve quality, the percentage would be higher in the range to take this into account.

THE SUPPORT SUBCONTRACTORS WILL RECEIVE IN RETURN FOR THE FEES CHARGED

HTP will support all subcontractors to attain the equivalent of Ofsted Grade 1 in line with the companies own expectations. The support received will include but not be limited to;

- Observations of Teaching, Learning and Assessment to improve delivery.
- Data management using HTPs data team and resources to take responsibility for upload to ESFA on line data collection sites. This will include the production of financial information, invoicing details, year to date earnings and actual performance against agreed targets both in terms of learner numbers and funding drawdown.
- Support with the management of training using the expertise of HTP and its senior management or contracting teams which have a wealth of experience in delivering high quality training provision.
- Contract management skills to maximise the contract and aid delivery against targets through performance management
- HR advice and support
- Support with Apprenticeship register applications or the equivalent system in the future.
- Support from an Outstanding Ofsted Provider who is Beacon Status with IIP Gold and four times accredited Matrix standard.

THE REASONS FOR ANY DIFFERENCES IN FEES CHARGED FOR OR SUPPORT PROVIDED TO DIFFERENT SUB CONTRACTORS (If appropriate)

The differences in charges are made as a result of;

- The volume of Training delivered by the sub-contractor in conjunction with HTP (who will deliver elements of the training in almost all cases)
- The level of support required by the sub-contractor to make sure that the provision being delivered is of high quality and meets all the requirements of the ESFA.
- Standards EPA fees
- Where more help is required, the subcontractor does not manage its own data, delivery volumes fall significantly below expectation, HTP incurs significantly higher than expected costs to manage the provision or the contract is within the first year of delivery, the percentage will be greater than in subsequent years
- Each subcontract will be reviewed annually and the percentage of retained fees can be altered at that point.

PAYMENT TERMS BETWEEN HTP AND THE SUBCONTRACTOR. TIMING OF PAYMENTS IN RELATION TO DELIVERING PROVISION AND TIMESCALE FOR PAYING INVOICES AND CLAIMS FOR FUNDING RECEIVED

HTP will pay all subcontractors within 30 days of invoicing subject to receiving the funds from the ESFA. HTP will confirm the exact invoicing amount no later than the 23rd day of the month, unless there are exceptional circumstances. Therefore payment will be made approximately 6-7 weeks after the delivery period has been uploaded to the Government around the 23rd of the month.

All data to be submitted to generate payments must be received by HTP by the last working day of the month that the activity has happened. Any delay in receiving such data evidence is likely to result in data not being uploaded to the data collection website thus delaying payment until the following month.

HOW AND WHEN THE POLICY IS COMMUNICATED TO AND DISCUSSED WITH CURRENT AND POTENTIAL SUBCONTRACTORS

The existing policy will be discussed with existing subcontractors during re-negotiation and potential subcontractors during initial negotiations / due diligence. Any changes to the policy will be discussed during the regular contract management process and/or when renewing the contracts annually.

WHERE THE POLICY IS PUBLISHED

The Policy will be contained within HTPs Quality manual and will be published on HTPs website

DATA ON ACTUAL LEVEL OF FUNDING PAID TO EACH SUBCONTRACTOR WILL BE UPLOADED TO THE GOVERNMENT VIA THE PORTAL TWICE A YEAR IN LINE WITH ESFA REQUIREMENTS

- The data reported by HTP will include
- Name of the Sub-contractor
 - UKPRN
 - Whether the Sub-contract is for all or part of any given programme of learning
 - Programme of learning
 - Number of learners on programme within the given timescale
 - Funding to be paid to the Sub-contractor for providing training
 - Location of training taking place (by region)

TIMING FOR POLICY REVIEW

The Supply Chain fees and charging policy will be reviewed annually with any changes made public prior to the start of each academic contracting year.
Next Planned Review February 2020

SIGN OFF

The latest version of this Policy was signed off on;
10th July 2019 By Rachael Randall – HTP Chief Executive

HTP APPRENTICESHIP COLLEGE SUB CONTRACTORS 2019/20

Name of Subcontractor	Plums Limited
UKPRN	10000311
Contract start and end dates	1 st April 2019 to 31 st March 2020
Type of Provision	Apprenticeships in Hairdressing

Name of Subcontractor	Showcase Training Ltd
UKPRN	10048801
Contract start and end dates	1 st April 2019 to 31 st October 2019 This is a run out contract only
Type of Provision	Apprenticeships in Childcare

Name of Subcontractor	Parkdean Resorts Limited
UKPRN	10065761
Contract start and end dates	1 st April 2019 to 31 st March 2020

	This is a run out contract only
Type of Provision	Apprenticeships in Hospitality and Management

Name of Subcontractor	Portsmouth Hospitals NHS Trust
UKPRN	10048036
Contract start and end dates	1 st April 2019 to 31 st March 2021
Type of Provision	Apprenticeships in Healthcare Sciences, Healthcare Support Services and Pharmacy