



training services

Supply Chain

Fees and Charges Policy

19/20

YH policy is to not fundamentally grow its subcontracting provision with any new subcontractors.

YH currently subcontracts with a small number of mainly established providers providing niche provision across the Yorkshire and Humber which YH does not currently provide itself. It is highly unlikely that YH would wish to take on any new subcontractors.

YH actively work with subcontractors to improve the quality of provision they provide and thereby improve the overall quality of teaching and learning learners receive.

YH will communicate its subcontracting policies (Subcontracting Policy & Supply Chain Fees & Charges) with potential subcontractors as part of the due diligence process prior to a subcontract being granted.

Our policies are reviewed annually prior to the start of the new contract year.

Policies are published on the YH website www.group.co.uk

YH undertake observations twice a year of subcontractors to ensure all aspects of delivery including information, advice and guidance, progress and reviews are in place.

YH provides productive feedback to subcontractors in order that improvement actions can be implemented.

YH carries out learner surveys along with the ESFA's own survey to gather feedback from learners.

YH supports subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP).

YH pays its subcontractors once YH receives the funding from the Education Skills Funding Agency, usually around the 14-20th of the month. This means that subcontractors will normally receive their money within 2 working days after YH has received the income from the ESFA. This is well within the ESFA's requirements which state that payment should be made within 30 days.

Due to the additional requirements on apprenticeship delivery from 1st May 2017, specifically the need to monitor the receipt of compulsory employer contributions and the need to monitor the delivery of 20% off the job training, we have had to amend our management fee as hereunder:

For established providers our fees are maximum of **17.5%**. This will be reduced if the following applies:

Apprenticeships:

- *If achievement rate equivalent to national rate for sector or 70% as a minimum , minus 2% = 15.5%*
- *Use of eportfolios – 1% = 14.5%*
- *Use of electronic files – 1% = 13.5%*
- *Satisfactory compliance – 1% = 12.5%*

AEB:

- *If achievement rate at 85% at least, minus 2% = 15.5%*

- *Employment progression minimum of 35%, minus 1% = 14.5%*
- *Use of electronic files – 1% - 13.5%*
- *Satisfactory compliance, minus 1% = 12.5%*

16-19 young people:

- *If achievement rate at 70% at least, minus 2%= 15.5%*
- *Positive progression of at least 70%, minus 1% = 14.5%*
- *Use of electronic files, minus 1% = 13.5%*
- *Satisfactory compliance, minus 1% = 12.5%*

Therefore for established providers there is an opportunity for the management fee to be only **12.5%**.

Fees include contract management, quality and compliance advice, support with funding rules and any other general advice and support.

If any additional support is required by the subcontractor, this is discussed with them and if applicable any separate charges will be agreed in advance with the subcontractor.

Support is given to the subcontractor via our Management Team, Quality Team, MIS Co-ordinator and Accounts. Together this support will ensure the quality of the subcontractors delivery meets YH/ESFA expectations and to support the continuous improvement of the subcontractor's provision. It will also ensure the timely and accurate recording of learner information.

Further to the ESFA Apprenticeship Funding Rules which changed in January 18 in respect of, "main providers delivering on programme assessment and taking the lead in the relationship with employers".

After consultations with subcontractors, as to how we can meet the rules, we have since costed out the administration and delivery costs to YH to meet these changes:

To ensure that the delivery has some substance we will carry out quarterly progress reviews with groups of subcontractors learners. We will carry these out in conjunction with our subcontractors. The costs to the subcontractor to cover this will be 7.5% of the apprenticeship contract value which will be invoiced quarterly.

Signed

C McMahon

Executive Chairman

AUGUST 19