



*Seetec*

## Supply Chain Fees and Charges Policy

This policy relates to: Seetec Outsource ONLY

Document owner: Commercial and Corporate Governance Director

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## 1.0 Scope

### Seetec Philosophy

#### Our Vision:

To be the UK and Ireland's leading public and business services provider built on a reputation of trust, quality and delivering real social value.

#### Our Mission:

Every day we inspire our service users to aspire to something better. We empower them to achieve and support them to sustain in employment, on an Apprenticeship or a qualification, a lifestyle change or a crime free life. We help them to continually advance and progress, allowing them to make real life changes for themselves, their families and the communities in which they live – we support Ambition.

#### Our Values:

- We respect and value others
- We empower people to take ownership and achieve
- We support and encourage others
- We are open and honest
- We work collaboratively with others

This Policy has been produced to clearly demonstrate and set out our intentions and obligations to ensure we adhere to and instil our Values when engaging with Supply Chain Partners in relation to our delivery against Apprenticeships and Adult Education Budgets (AEB) across our Apprenticeship and Skills Pillar of the business Seetec Outsource.

## 2.0 Policy Aims

As an Education and Skills Funding Agency (ESFA), Central Government and Local Authority lead provider delivering services utilising direct or a variation of ESF Funds, Seetec must publish a supply chain fees and charges policy on our website when entering into any subcontracting agreements in the contracting year. Seetec defines a "Supply Chain Partner" in accordance with the ESFA definition of provision subcontracting;

"Provision subcontracting is when you subcontract the delivery of **full programmes or standards**. It is not subcontracting the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship standard or outreach support)."

The purpose of this document is to define the basis on which these supply chain arrangements will be managed. Where appropriate, Seetec will contract with other parties to deliver programmes and activities funded by the Government and/or Local Authorities through its various funding streams/bodies. The organisation with which it contracts will be subject to the requirements set out herein.

The management of supply chain will be based upon a consistent approach to performance management in accordance with the standards required to achieve the requirements mandated under both the ESFA Funding Guidance and/or in addition to and including any Central Government and Local Authority requirements, as set out further in our Supplier Management Policy. In assessing further actions to be taken with regards to the performance of our Apprenticeship, AEB and/or Traineeship Programmes, across our supply chain we will adopt the application of the risk principle. Our supply chain will be risk assessed in relation to the performance standards set out in our contract with each partner. All Supply Chain Partners in the Apprenticeship, AEB and Traineeship programme space and will have a risk rating and this rating will determine whether there is an increase in the frequency and scope of compliance and quality audits undertaken by Seetec during any contractual duration entered into.

## 2.1 Why does Seetec subcontract?

Seetec is committed to providing a rounded service which underpins the ESFA, Central Government and Local Authority requirements to provide a service or services that “makes the best use of resources when securing the provision of or a combination of both education and training”. Seetec is always looking to improve its supply chain by working with its Supply Chain Partnership base to complement our own, existing, provision and therefore offer quality driven, industry-recognised, qualifications to support learners and employers in either areas where the Supply Chain Partner skill set and experience could complement those offered by Seetec or where Seetec does not have geographical reach.

## 2.2 Seetec's commitment to assuring the quality of Supply Chain Partners

Seetec is committed to assuring the quality of its Supply Chain Partners. This is demonstrated by ensuring that all Supply Chain Partners are:

1. Selected through an objective and rigorous due diligence process that requires demonstrable evidence of financial security, quality processes and practices.
2. Managed through a consistent process of regular performance monitoring reviews with a focus on continual improvement and collaborative working.

## 2.3 What fees does Seetec apply with its Supply Chain Partners?

Where Seetec holds the lead (prime) contract for provision of a service to the ESFA, Central Government and/or Local Authority or a combination across all, and that Partner provides a managed service in a set geographic location where Seetec does not have a physical presence, Seetec will claim a management fee against the funding provided by the ESFA, Central Government and/or Local Authority. The typical percentage range charged by Seetec is between 15% and 20% on an incremental 5% scale. This management fee is deducted from the applicable funding rate paid to Seetec for delivery of the contracted services.

Alternatively, where a partner is not providing a managed service and is providing services in a technical, specialist area (“Technical Specialist Partner” or “TSP”). The TSP could, for example, deliver a specific type of training as part of Seetec’s overall managed service offering and a price will be negotiated based on the technical specialism of the TSP. The price will be based on Seetec testing the market in that technical and geographic area, bearing in mind the quality of the service proposition offered and always seeking to derive the best value for money (reasonably) possible in utilising public purse and ESF funding.

The agreed fees will be negotiated with the Supply Chain Partner or TSP (both “Partners”) and will depend on a number of factors including (but not limited to):

1. Market experience of the Partner.
2. Evidence of quality of delivery of services.
3. They are on the published Register of Apprenticeship Training Providers and/or have applied by the main or supporting application routes (evidence of any said applications may be required).
4. Existing market rates for provision of the same or similar services.
5. Seetec's risk rating awarded to the Partner (through due diligence).
6. Level of support requested or deemed to be required from Seetec.
7. Evidence of previous performance against similar target measures as proposed. Actual performance against target measures will (where services are paid for in line with adherence to any applicable funding guidance) be agreed with the Partner in their contractual agreement.

## 2.4 What support does Seetec offer its Supply Chain?

Seetec believes that the Supply Chain has the responsibility to deliver a high quality service provision, efficiently and effectively to all learners and Seetec has a responsibility to work collaboratively with its Supply Chain Partners and TSP's to drive industry leading performance, compliance and quality of service and therefore, as a minimum, Seetec provides the following services and support to its Supply Chain members:

1. Designated Partner Manager (single point of contact responsible for that relationship)
2. Designated quality assurance
3. Regular and consistent performance updates against clear and objective measures of success
4. Regular performance and quality visits with clear and objective feedback provided following such
5. Management of all queries or issues in relation to the contract and the agreed funding (e.g. Eligibility or curriculum queries
6. Management of funding allocation and / end customer / funder relationships
7. Any required, consolidated Management information (including financial and performance) reporting in relation to the prime / lead contract
8. Sample checking and validation of claims for funding made, with feedback provided to the Supply Chain Partner to identify areas of improvement in relation to compliance against funding guidance
9. Any other support agreed which is specific to the type and size of contract agreed

## 3.0 Responsibilities

### 3.1 How and when will Seetec make payments to the Supply Chain?

Payments will be made by Seetec to the Supply chain according to the schedule for submission and payments identified in the Contract

1. The Supply Chain Partner will be paid monthly based on values in the PFR less the agreed management fee.
2. TSP's will be paid upon completion of their agreed and verified (through provision of appropriate evidence) activities
3. Seetec will provide the Supply Chain Partner with the Performance Funding Report (“PFR”) relating to the relevant learners, a financial value and purchase order number by the 10th working day of the

month following the submission and validation of all appropriate and required documentation in relation to provision of the services.

4. The Supply Chain Partner or TSP will invoice Seetec for the financial value by the 15th working day of the month following the activity.

5. Invoices will be paid within 30 days of invoice receipt, providing Education Skills Funding Agency funds, Central Government and Local Authority funding has being received by Seetec.

### 3.2 How will Seetec provide performance management the Supply Chain Partner?

Seetec will manage the performance of the Supply Chain Partner by:

**Supply Chain Performance review:** Seetec will review the predetermined contract values and achievement against the minimum levels of performance (Profile reviews) on a monthly basis and will review this with the Supply Chain Partner via various routes including face to face meetings, by telekits or via e-mail (where no issues or risks are identified). Full Contract Performance reviews will take place at least quarterly. The frequency of these may be increased where risks and issues around performance are identified by Seetec.

Volumes may be revised downwards or withdrawn if the Supply Chain Partner fails to meet performance targets or if Education Skills Funding Agency, Central Government or Local Authority funding is reduced. Similarly, where Partners show good performance against their targets and funding is available, there may be opportunities to increase the funding available to Partners.

**Accuracy of data:** Seetec will review the accuracy of data in accordance with the ESFA Funding Guidance, and/or Central Government or Local Authority changes or notifications received which are applicable to the funding year.

### 3.3 How does Seetec communicate the Supply Chain Fees and Charges Policy?

1. For external stakeholders, the Policy is published here: <https://www.seetec.co.uk/partners> and <https://www.seetecoutsource.co.uk>

2. For new Supply Chain Partners, the Policy is issued at the Contract agreement stage of the contracting process.

3. For existing Supply Chain Partners, the Policy is re-issued at the annual review stage of the contracting process

## 4.0 Associated Documents

Supplier Management Policy

## 5.0 Document Control

This is the change history and sign off information

### 5.1 Version Control

Record of Amendment		
Version Number	Date of Issue	Detail of Change
v3.0	21/01/2018	Policy review
v4.0	11/06/2020	Full policy review

### 5.2 Next Review Date

This Policy will be reviewed by Seetec's Supply Chain Board on an annual basis.  
The next scheduled review of this document will be: June 2021

### 5.3 Document Sign-Off

Document Signature from Director			
Position	Name	Signature of Director	Date
Executive Director, CCG	Stuart Canning		15/06/2020

### 5.4 Contact Details

Document Owner & Document Author	
<b>Document Owner:</b> <i>(name and department)</i>	Stuart Canning Executive Director - Commercial and Corporate Governance
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# Supply Chain Fees and Charges Policy

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