

YMCA Training Sub- Contracting Arrangements Policy

The purpose of this policy is to detail how YMCA Training will apply fees and charges to contracts with organisations who have been awarded a sub-contracting contract to deliver training on YMCA Training's behalf. This policy outlines the Supply Chain Charges and Fees Policy for the 2014/2015 year. The policy is published in line with SFA requirements stated within Funding Rules for 2014/2015 and aims to provide a consistent approach and complete transparency to supply-chain fees arrangements and financial charges in relation to its subcontracting provision.

1. Reasons for subcontracting

YMCA Training recognises the need to offer as broad and diverse range of provision as possible to meet the needs of learners, employers and the local communities in which it works, within an effective robust flexible and cost-efficient framework that meets all external and internal client needs. Through a structured sub contracting arrangements framework, YMCA Training are able to work highly effectively in partnership with sub-contractors to provide education, learning, skills and training to a wide range of clients, both internal and external to the organisation, meeting individual learner, employer and stakeholder learning aims, personal and career goals:

- Sub-contracting partnerships and arrangements, in particular to deliver specialist niche provision, ensures that YMCA Training provides a high quality and standard of teaching, learning and assessment through sub-contractors' extensive and focused expertise and experience in the specialist vocational learning and skills sector based areas.
- Sub-contracting partnerships significantly contributes towards the sustainability and stability of YMCA's Training provision overall. The wide range of sub-contracting partnerships currently in place allows our organisation to respond with a strong flexible approach to meeting the changing market demands, focus and emerging opportunities that can only be acquired when external partners are also included in the provision
- Sub-contracting partnerships provides a wider base to access a good range of development opportunities for both YMCA Training and its Sub-contracting organisations, to share and disseminate emerging good practice, review new ways of working to ensure that they are best fit for the partnership's offer and continually improve the quality of teaching, learning and assessment and

experience for the learner, employer and stakeholders to meet their needs, aspirations and goals.

2. Improving Quality

YMCA Training is committed to continual high level improvement in teaching learning and assessment, within its own direct breadth of provision and in its sub-contracted provision. YMCA's Training sub contracting framework allows for a range of continuous improvement strategies to be deployed, such as observations of teaching learning and assessment, self-assessment processes, reporting throughout all organisations involved and a robust quality improvement framework that encompasses all partners' internal and external activity relating to contracts that YMCA Training currently has secured. The following quality improvement and assurance processes are currently in place to secure effective monitoring of the quality and standard of provision, and actively improve all processes on an on-going basis, to ensure that all learners, employers and stakeholders receive good value for money, learning and training experiences:

- The quality framework provides a structure of continuous improvement that is threaded through YMCA Training engaging all of the centres and staff in internal assurance and improvement processes.
- All sub-contracting partners will, in partnership with YMCA Training, undertake annual internal and external audits and reviews of practice and processes to ensure that contractual targets are met and the standard of delivery and provision fully meets learner, employer and stakeholder expectations and needs.
- Robust realistic and time bound targets are set in partnership with sub-contracting partner to ensure high quality provision and delivery.
- Regular sub-contracting partner collective management meetings are held with YMCA Training and its subcontractors. (with one management quality review meeting per month)
- Staff employed within the subcontracting organisation are invited to attend all pertinent YMCA Training professional development and training events embracing a whole partner approach.

3. Fees

YMCA Training's Standard Management Fee

The fees are applied to all sub-contracting contracts and partners. Fees are based on a proportion of SFA/EFA funding, which is retained by YMCA Training to cover all standard costs incurred through the management of partner arrangements. Costs include:

- Administrative arrangements for monitoring and improving contractual performance and delivery
- Quality assurance of all sub-contracting arrangements
- Management information systems (MIS) and functions relating to the submission of funding claims made to both the SFA and EFA bodies

- Structure and Arrangements for management meetings
- Provision of dedicated Account Manager to each contract and partner to ensure high quality cohesive delivery
- Provision of professional and technical advice with regard to SFA/EFA funding arrangements
- Due Diligence support, advice, guidance and checking.

4. Support for sub-contracting partners

In return for the management fee charged by YMCA Training, sub-contractors will receive:

- Advice, guidance and support at the pre-contract stage
- Regular monthly review meetings including progress reports and measurements against targets and KPIs
- Quality improvement focused schedule of meetings to include self assessment-writing, review, analysis and interrogation to measure progress and success of the quality improvement plan against timely target dates and contract planning
- Monthly quality assurance and improvement monitoring visits agreed and held collectively with each sub contractor, which will provide detailed two way feedback, and identify emerging good practice and key areas for improvement, strategically and operationally
- Quality audit compliance support and training where required
- Ongoing administrative and operational support in partnership with the sub-contractor to include rigorous checks on evidence submitted with regular two way discussions and feedback on issues identified with the organisation involved
- Collective discussions and guidance relating to enrolment documentation submitted to ensure rigour and efficiency
- Monthly efficient submissions of data to funding organisations to meet contractual requirements
- Monthly submission of financial reports to inform invoicing and contractual arrangements and KPIs
- Weekly checks on MIS information submitted and rigorous scrutiny of data reports relating to learner attendance, retention, progress, achievement and timely success, providing robust support to resolve data queries to each individual sub contracting organisation and monthly executive summary reports to inform quality improvement process and future planning of provision to meet learner, employer, stakeholder and community needs
- Ongoing advice, guidance and support to all sub contracting partners to help address any areas requiring improvement providing a clear structure to improve systems and processes through swift intervention and strategies to improve performance

STANDARD MANAGEMENT FEE APPLIED

The standard YMCA Training management fee is applied to all contracts and sub contracting partners as follows:

1. **Learner responsive funded contracts - 10%**
2. **Employer responsive funded contracts - 20%**

5. Payment Terms

Payment terms will be dependent upon the type and length of provision sub-contracted by YMCA Training:

- **Classroom Provision** – programmes of short duration (12 weeks or less)- payment will be divided between an on-programme payment (made after enrolment forms and attendance registers have been received for the entirety of the funded programme and YMCA Training is completely satisfied that learner eligibility and attendance fully meets EFA/SFA requirements) and an achievement/timely success payment (made upon receipt of proof of learner achievement that also fully meets EFA/SFA requirements).
- **For programmes of longer duration** payment will be made on a monthly basis, with a final reconciliation payment within 2 months of the programme planned end date, providing YMCA Training has received proof of learner achievement and timely success.
- **Workplace Provision (excluding Apprenticeships)** – payment will be made on a monthly basis, commencing on submission of enrolment paperwork completed to SFA requirements, and learner completion of the minimum qualifying period. A final reconciliation payment will be made within 2 months of the contract end date, providing YMCA Training has received proof of learner achievement and timely success.
- **Apprenticeship Provision** - payment will be made on a monthly basis commencing on submission of enrolment paperwork completed to SFA requirements, and learner completion of the minimum qualifying period. A final reconciliation payment will be made within 2 months of the contract end date, providing YMCA Training has received proof of learner timely success.

6. Fees Retained by YMCA Training

The management fee retained is calculated as a percentage of the total contract value agreed with the sub-contracting partner. The typical percentage range of fees retained by YMCA Training to manage subcontracting arrangements is between 10% and 25%

The management fee is calculated using risk assessment of the following factors:

- Track record of the sub-contractor with regard to meeting timely success and funding targets and KPIs
- Length and history of success of previous contractual relationships with YMCA Training to meet contractual funding requirements, learner, employer, stakeholder and community needs.
- Financial stability and sustainability of the sub-contracting partner
- Anticipated and confirmed demands of the contract on YMCA Training and the sub contracting partner resources

- Contract size with regard to both funding, learner and employer numbers

The management fee is open to negotiation and review by sub-contracting partners and the final fee will be agreed by all parties involved.

7. Payment Terms between YMCA Training and its sub-contracting partners

- Payments to sub-contracting partners are calculated on a monthly basis, taking into account the funding generated to date, management fees, audit finance retention due to lack of compliance, and payments made to date
- Payment calculations are usually based on actual funding generated for each month via MIS and contractual compliance
- For any funding payments to be generated for a given month sub-contracting partners are required to submit learner enrolment, achievement and success data and evidence by a pre-determined cut-off date. This is to ensure contractual compliance, and that the data is processed by YMCA Training in time for the monthly ILR return and the subsequent funding calculation
- After each month end YMCA Training will send monthly financial reports to all sub-contracting partners to confirm the invoice amount and payment of fees
- Invoices are payable 30 days from receipt
- Full details of payment arrangements for each individual contract are included in each sub-contracting partner's contract. These include the detailed schedule for evidence submission and monthly financial reporting deadlines with specific dates set for each month.

Upon receipt of satisfactory evidence, YMCA Training will pay associated invoices within 30 days of the invoice date. This payment will be made by BACS transfer. However, if any supporting evidence is queried by the organisation, or by YMCA Training then payment will be withheld until these queries are resolved. Payment will then be made at the earliest possible opportunity, once any queries have been fully addressed and any ensuring action taken to address issues and concerns.

Disclaimer

YMCA Training reserves the right to amend any aspect of the sub-contracting partner arrangements at any time, in accordance with the terms and conditions contained in the standard contract for sub-contracted provision with all partners