

## COVET Supply-Chain Fees & Charges Policy 2019-20

**Consortium of Vocational and Educational Trainers (COVET) consists of:**

Calex UK LTD                      UKPRN 10019065

Genius Solutions Limited      UKPRN 10003784

### Scope of this Policy

This supply chain and fees and charging policy applies to all subcontracting activity supported with funds supplied by the Skills Funding Agency and the Education Funding Agency.

### Framework of this Policy

The policy outlined below is a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2018.

### Rationale for Sub-Contracting

COVET will carry out engagement with sub-contractors in order to better meet customer needs where the skills and professional delivery is not available within the company directly and to do the following:

1. To temporary meet the short term needs of training and development outside the normal offer within the company
2. To provide the means to access and engage with new customers
3. To support provision with another provider to meet capacity or quality needs
4. To provide the means to deliver niche delivery where the cost to develop this would be outside the sustainable boundaries
5. To enable the working with other providers who can effectively reach priority learners and demonstrate positive employment outcomes.

### Quality Assurance of Subcontracting Arrangements

The quality of sub-contract provision is carefully monitored and managed through existing company quality assurance processes and procedures. COVET provides training for sub-contractor staff where required in order to ensure the delivery meets the needs of the employer and also the high quality aspirations of COVET.

Any subcontracting carried out is in line with ESFA funding rules and open to audit.

Consortium partners notify the ESFA of any subcontracting through the ESFA hub.

### Percentage Range of Fees

COVET will charge a management fee for provision outside the consortium which covers a proportion of the direct costs associated with operating and quality assuring sub-contract provision, handling administration duties, processing claims and which provides a contribution towards indirect costs such as finance support, learner support, IT and other development support costs.

Those Sub-Contractors outside the consortium who may provide long term high quality relationships with COVET delivering high quality provision may be offered a fee of up to 20%. The management fee for new sub-contracts which may carry higher risk, will be set at a higher rate in order to reflect the additional time and resources required to set up and monitor a new partnership.

### **Support Provided to Sub-contractors**

COVET Quality Assurance staff will visit sub-contractors on a reasonably practicable basis and will provide programme planning advice and funding updates.

Training and Assessment sessions being delivered by sub-contractors will be observed by COVET observer where required and feedback will be provided where required and practicable. Training sessions on areas such as equality and diversity will also be observed on set occasions. Any requests for training of sub-contractor delivery teams will be done so at additional costs if this is expected as part of the SLA to deliver the programmes. Quotes will be provided on request.

### **Payment Terms and Conditions**

COVET will make payment to the Sub-contractor within 30 days of receiving a valid claim for payment, this will normally be linked to the remittance advise and occupancy report from the SFA. Invoices should be provided with expected payment requirements such as bank account details. Payments may be held where sub-contractor is not performing to the required standard until improvement is made.

### **Communication of the Supply-Chain Fees & Charges Policy**

The Supply-Chain Fees & Charges Policy is published on the COVET website internet at [www.the-covet.com](http://www.the-covet.com) and is sent to all sub-contractors. The policy will be discussed with potential sub-contractors during the due diligence process.

### **Policy Review Process**

The Supply-Chain Fees & Charges Policy is updated annually as part of the SFA Contract renewal process.

### **COVET Consortium**

Due to COVET being a consortium set up under the minimum contract levels by the ESFA all funds are issued to the subcontractor / partner and no delivery is carried out by COVET as the lead provision for the contract. COVET consists of 2 Directors of the subcontracted companies.

## Subcontractor Income

The following outlines the subcontractor income earned for the 2019-20 contract year for COVET. 2019-20 Contract is an estimate of total earned due to contract final submission for period 14 being October 2020. The figures relate to the declaration made on the Skills Funding Portal.

<b>COVET Subcontracting Income</b>	
	<b>2019-20 Contract as stated in the subcontract declaration</b>
<b>Calex UK LTD</b>	
<b>Total Funds Subcontracted</b>	<b>£137,995.00</b>
Apprenticeships	£137,995.00
<b>Genius Solutions LTD</b>	
<b>Total Funds Subcontracted</b>	<b>£1,000.00</b>
Apprenticeships ASB	£1,000.00
<b>Total Funds Subcontracted for Contract Period</b>	<b>£138,995.00</b>