



## SFA SUPPLY CHAIN FEES POLICY

**1 PURPOSE**

- 1.1 To ensure that a fair, supportive and transparent relationship is developed between Children's Links (CL) and its Skills Funding Agency (SFA) subcontractors.
- 1.2 Children's Links operates its SFA contracts efficiently, minimising risk and developing quality at all times.

**2 SCOPE**

- 2.1 All activities within the Education and Training section.

**3 DEFINITIONS**

- 3.1 Potential **subcontractors** are organisations that can deliver apprenticeships, traineeships and adult skills qualifications; who do not have a direct contract with the SFA and are on/ or have applied to the register of training providers.
- 3.2 A **fair pricing structure** is a balance of ensuring delivery attracts the appropriate percentage of the SFA funding whilst administrative costs are covered.
- 3.3 **Standard required** means: learners consistently achieve a minimum of 80% timely success; all required evidence is provided; a minimal level of administrative support is required from CL.

**4 PRINCIPLES**

- 4.1 The objective of this policy is to provide a framework for the Group to contract with subcontractors.
- 4.2 Pricing structure reflects amount of support that a subcontractor needs in order to meet SFA requirements.
- 4.3 Risk is minimised by having a thorough Due Diligence process.
- 4.4 Regular contact and monitoring is in place to ensure quality is maintained.
- 4.5 Best practice is shared between the organisations to mutual benefit.

Date Originated	2014	Date Revised	
Reference	DWS <b>CL0068</b>	Date of Board Approval	August 2014



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## 5 RESPONSIBILITIES ASSOCIATED WITH THE POLICY

- 5.1 The Board and Senior Management Team have specific responsibility for effective implementation of this policy supported by the Finance Team, especially where assessment of financial viability is required.
- 5.2 The Business Development Manager is responsible for monitoring performance against the subcontracts.

## 6 FEE STRUCTURE

- 6.1 Children's Links will retain 15% of the SFA payments for subcontracted learners during establishment of the subcontracting arrangement.
- 6.2 Once the contract is established and the standard required is achieved the fee will be reviewed.

## 7 ASSOCIATED POLICIES AND PROCEDURES

- Gift Policy
- Purchasing Procedures
- Conflict of Interest Policy
- Subcontracting procedure

## 8 REVIEW

- 8.1 The policy will be reviewed on an annual basis or earlier if subject to legislative changes.

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