



SETA SUPPLY CHAIN FEES AND CHARGES POLICY

1. Introduction

1.1 As an SFA Prime Provider SETA must publish a supply-chain fees and charges policy on our website before entering into any Sub-Contract Agreements for the 2017/2018 academic year.

2. Scope

2.1 This policy statement details how SETA will apply fees and charges to Sub-Contract Agreements with organisations for the delivery of training on the Company's behalf for 2017/18 and is published in line with SFA requirements stated in Funding Rules 2017/18.

3. Reasons for Subcontracting

3.1 SETA subcontracts for one or more of the following reasons:

3.1.1 To deliver niche provision – building on a subcontractors' extensive and focused experience in the specialist areas.

3.1.2 To capacity build - help SETA to respond flexibly to changing market demands and emerging opportunities.

3.1.3 To engage with new markets - provide access to, or engagement with, a new range of customers.

3.1.4 To ensure revenue / margin protection - working with sub-contractors to explore and learn about new frameworks or sectors prior to investment in resources.

3.1.5 To ensure greater cost efficiency - to run certain programmes where it would not be viable for SETA to build up in-house resources and expertise.

3.1.6 To provide good development opportunities for both the Organisation and its Subcontractors, to share good practice and new ways of working.

3.1.7 To temporarily expand provision to meet a short term need.

4. SETA's Contribution to Improving the Quality of Teaching and Learning

4.1 SETA ensures that Subcontractors are included in the Company's Quality processes and procedures and are guided and supported by the SETA to fully comply with the Company's Quality Standards.

4.2 SETA provides training to Subcontractors on completing the Self-Assessment Review and the Quality Improvement Plan. Any actions arising are addressed in cooperation between the Company and the Subcontractor.

4.3 Subcontractors are required to hold course centre approvals in their own right and fully liaise with the awarding bodies. SETA will regularly review Standards Verifier reports submitted by Subcontractors and monitor any follow-up required.

4.4 SETA expects the Subcontractor to have a plan for the Observation of Teaching and Learning for its staff. SETA's Programme Quality Manager conducts regular sample OTLs on the Subcontractor's staff and provides feedback.

4.5 SETA undertakes regular quality assurance monitoring visits to check learner files, schemes of work etc

5. Range of fees retained

5.1 The typical percentage range of fees charged by SETA is between 15 to 25%, dependent upon the level of risk. This management fee is deducted from the SFA rate based on the funding income received by SETA, derived from the published data in the PFR (Provider Funding Report).

5.2 The management fee is calculated by assessing a number of risk factors derived through the due diligence process that SETA requires all potential subcontractors to undergo.

6. Support for Subcontractors

6.1 In return for the management fee charged by SETA, Subcontractors will receive:

- Designated points of contact and support from a senior manager
- Advice and guidance at pre-contract stage.
- Regular review meetings with progress reports.
- Specialised meetings and workshops as relevant
- Regular monitoring visits with detailed feedback identifying good practice and areas for improvement.
- Induction and audit compliance training.

- Quality training including preparation for Ofsted inspection; writing of SARs and Quality Improvement Plans
- Ongoing administration support including in-depth checks of evidence submitted and regular feedback on issues identified.
- Input of induction documentation submitted.
- Submissions of data to funding organisations.
- Regular financial reports to inform invoicing.
- Ongoing data checks and support to resolve data queries.
- Ongoing support to address any areas for improvement.

7. Payment Terms Between SETA and its Subcontractors

7.1 Payments are usually made on a monthly basis at the end of the following month in which the activity is successfully processed and uploaded to the SFA by SETA subject to the terms and conditions specified in the Sub-Contract Agreement.

7.2 Payments are made based on the SFA value provided in the PFR received monthly by SETA from The Data Service, less the management fee as published in the Sub-Contract Agreement with SETA.

7.3 Invoices are payable 30 days from the date of issue.

7.4 Details of any rights by SETA to withdraw, reduce or withhold funding are published in the Sub-Contract Agreement and relate to the protection of SFA funds and not to the benefit of SETA.

7.5 Payments are made either by cheque or by BACS.

7.6 SETA expects Supply Chain members to fully engage in assessing the accuracy of payments and therefore have a responsibility to review their monthly financial reconciliations to identify any inaccuracies.

7.7 Supply Chain partners are responsible for all registration costs and any associated costs of maintaining Direct Claims Status with their awarding bodies.

8. Policy dissemination

8.1 This policy will be disseminated to current subcontractors via email and a website link.

9. Policy review

9.1 This policy will be reviewed at least annually and in addition in-year as needed to reflect any changes in SFA funding rules.

10. Policy publication

10.1 This policy will be published on SETA's website.