

Capital Engineering Group Holdings (Capital Training Group)

Supply-Chain Fees and Charges Policy

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Change History		
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1	28/10/2014	
2	17/08/2015	15/16 Academic Year Amendments Change in Document Owner Change in Address Details and new ESF Logo
3	08/09/2015	15/16 Academic Year Amendments Reference Number
4	30/10/2015	14/15 Final Figures R14 Submission
5	28/11/2016	15/16 Final Figures R14 Submission

Capital Training Group

Unit 10 Woodman Works,
204 Durnsford Road,
London, SW19 8DR

Tel No: 02034572241

Email: training@capitaltrainggroup.co.uk

Website: www.capitaltraininggroup.co.uk

Registered in England No. 01130761 Capital Training Group Ltd

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Supply Chain Fees and Charges Policy

Capital Training Group – Introduction

Capital Training Group (CTG) is a wholly owned subsidiary company of Capital Engineering Group Holdings Ltd (CEGH). CTG manage the Skills Funding Agency (SFA) contract on behalf of CEGH. CTG operates a Consortium of delivery partners; the consortium includes subsidiary companies of CEGH and external subcontractors. CTG and its consortium offer apprenticeships, work based qualifications, classroom learning and 24+ Advanced Learning Loans.

Capital Engineering Group Holdings Ltd (CEGH) Consortium:

Subsidiary Companies

Capital Training Group Ltd - 10030396
 Hands on Skills Training Limited - 10020944
 Industrial Training Services Ltd - 10003293

Subcontractors

Able Skills Limited - 10009160
 Future LDN - 10031971
 Tech City Stars - 10049065
 Gro Academy Limited - 10045911
 J and K Training Ltd - 10024636
 Professional Training Solutions Ltd - 10021391
 Speiuss Ltd - 10036802
 Urbanskills Training Limited - 10044371
 South London Academy - 10047344
 Train Fitness International Limited - 10002491

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Policy

This policy provides consistency of approach and transparency for Capital Training Group (Capital Engineering Group Holdings) supply-chain fees and charges in relation to its subcontracting provision. This policy applies to all Subcontracting supported with funds from the Skills Funding Agency.

Purpose of Policy

Capital Training Group will use this policy to optimise the impact and effectiveness of service delivery to the end user. Capital Training Group will therefore ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector. In particular, they will be guided by the principles given in the SFA publication “Funding Rules 2015/2016”
- Capital Training Group will at times undertake fair and transparent procurement activities, conduction robust due diligence procedure for potential subcontractors to ensure compliance with all rules set by the SFA and other funding bodies. This will ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the learner.
- The funding that is retained by Capital Training Group will be related to the costs of the services provided. These services and the levels of funding being retained will be clearly documented and agreed by all parties.
- Effective risk management practice is undertaken with regard to supply chain management and to manage any risk accordingly.

Subcontracting Process and Management fees

New Subcontractors

Stage 1 – Partnership For/Expression of Interest (*If the outcome of the above is successful – continue onto Stage 2*)

Stage 2 – Quality Visit/Pre-Screening

Stage 3 – Contract and compliance documents

Stage 4 – CTG quality documents

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STAGE 1

Potential Sub-Contractor completes one of the following:

- Partnership Form V5 (Apprenticeships/Adult Skills Budget/24+ Advanced Learning Loans)
- Expression of Interest (Other)

STAGE 2

Arrange meeting with relevant staff members

STAGE 3

Contract is prepared

STAGE 4

Sub-Contractor linked to CTG's provider portal

CTG reviews forms and supporting paperwork

Monitoring Visit checklist completed

Funding paperwork and Academic Profile agreed

All CTG's quality paperwork is shared with Sub-Contractor

Additional checks:

- Due Diligence
- Company House Registration
- UKPRN Number
- Credit Check/Accounts
- References
- ROTO

Additional Partner quality and performance documents collected and reviewed

Contracts signed delivery starts

Share best practice

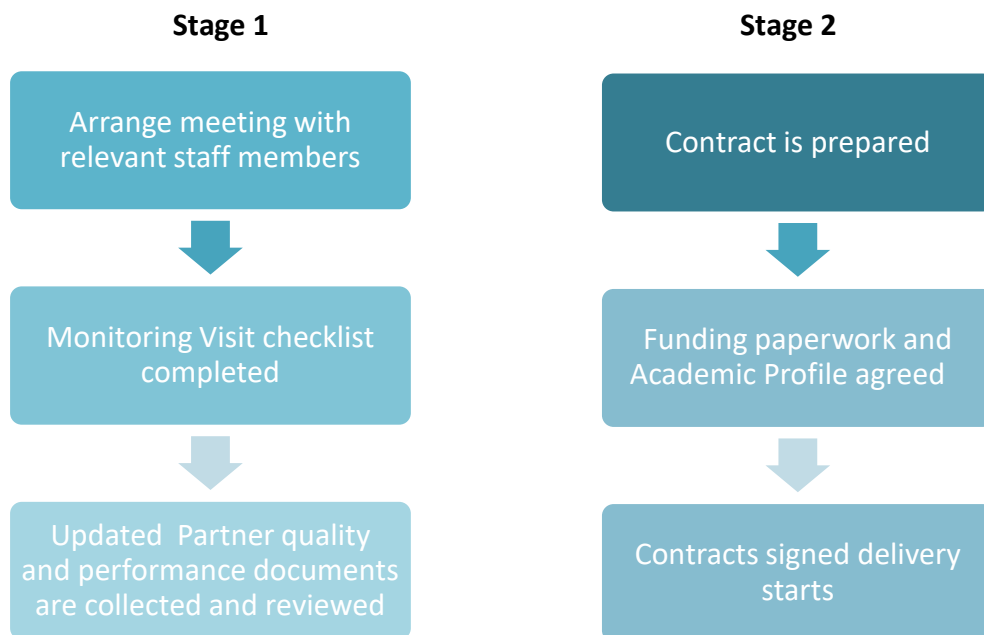
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Renewal of Contracts for existing Subcontractors

Stage 1- Monitoring Visit / Stage 2 – Contract and compliance documents



Management Fees

An appropriate and agreed management fee between 20% - 25% is applied to all subcontracted provision. The 25% management fee will only be charged to new Sub-Contractors with very little experience in delivery and where a higher level of support is required. This is retained by Capital Training Group to cover the overheads costs incurred through its management of these contracts. These costs include:

- Administrative Services
- Quality Assurance
- Management Information System support including data entry and SFA uploads
- Live data reports i.e. Performance, Finances etc.
- Administration of Apprenticeship Grant for Employers (AGE)

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- Contractual audit compliance
- Moderation meetings – Observations/Self-Assessment Reports
- Provision of management meetings, regular support and monitoring meetings
- Staff Development e.g. Observations/Safeguarding/Equality and Diversity/Maths and English/IAG
- Sharing best practice
- Internal Quality Assurance audits

The Management Fee deducted by the contractor will be a maximum of 25% of the total funding drawn down for delivery of the services. The subcontractor will be able to reduce their management fee based on their combined contract spend for the 1516 academic year, this is as follows:

<£250,000 = 20%

£250,000 - £500,000 = 19%

£500,001 > = 18%

The subcontractor will be responsible for ensuring that the maximum funding available for the services being delivered is being drawn down through monthly management information submissions which will be provided by the contractor.

The Management Fee can be further reduced by up to 3% upon the sub-contractor achieving pre-set KPIs based on our annual retrospective rebate key performance indicators to be calculated and refunded using data from period 15 (end of November 2016), upon submission of relevant paperwork subject to internal audit. The retrospective rebate will be measured on the following key performance indicators.

- Observations – This is across **ALL** programmes funded by the Capital Training Group and is not expected for each assessor. It is expected that the sub-contractor will conduct the minimum number of observations as listed below:

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Minimum of 2 Observations of teaching & learning activities

Minimum of 2 Observations of Assessments

Minimum of 2 Observations of Progress Reviews

Minimum of 1 Observation of an induction

Minimum of 1 Observation of an initial assessment

Capital Training Group will moderate a sample of the observations above.

- The sub-contractor to submit a monthly progress tracker and at risk register which is fit for purpose and is set out in the template requested and provided by Capital Training Group (Performance and Quality Tracker).
- Apprenticeship Overall & Timely Success Rates – 90% - A minimum number of 20 completed Apprenticeships in the contract is necessary to effectively achieve this target. Where completions fall short of them thresholds, no reduction can be made for this aspect of the management fee.

Payment Terms

Capital Training Group will issue authorisation to claim to the Sub-contractor, in line with the invoice authorisation dates set out in the contracts. The authorisation will show a learner-by-learner breakdown of the funding amounts being paid to the Capital Training Group from the Skills Funding Agency, as well as a schedule of non-payments and reasons for them.

Payments to the Sub-contractor will be put on hold if important quality and funding documents have not been received by Capital Training Group. This will be carried out on quarterly basis. This list includes Observation reports, Learner progress reviews, Learner funding paperwork and Learner progress trackers. Subcontractors are advised to regularly send these documents to ensure payment is made on time.

All payments will be made to the Sub-Contractor via BACS and will be made within 30 calendar days of the invoice authorisation date.

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Reasons for Subcontracting

Capital Training Group recognises the need to offer a diverse range of provision to meet employer and learner needs, in a flexible and cost effective way. By working in partnership with sub-contractors CTG is able to do the following:

- Offer niche provision, meeting the needs of local and national priorities
- Engage with the wider community, thus increasing participation by attracting learners who are unable, or unwilling to participate in the programmes we offer perhaps for personal or geographical reasons.
- Offer flexibility by delivering provision at times and venues convenient to learners and employers.
- Be responsive to learner and employer requirements.
- Ensure greater cost efficiency.
- Engage with new market opportunities.
- Capacity building.
- Sharing best practice.

Improving Quality

Capital Training Group is committed to continuations quality improvement in teaching, learning and assessment across all provision. CTG have a robust quality improvement cycle which covers all aspects of the learners' journey and sub-contractors have access to this process and are expected to follow it. For subcontracting the following processes are in place to help monitor quality of provision, and actively improve quality on an on-going basis:

- A robust schedule of Quality Assurance, Funding and MIS audit support including learner and employer audits are carried out throughout the year.
- Annual target setting with the retrospective rebate
- Quarterly operational and strategic consortium meetings will all subcontractors
- Training and development quality improvement workshops (Including TLA observations, SAR, QIP, MIS data to improve performance)
- Training and support on data to improve success rates and quality of teaching, learning and assessment.

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- Improving English and Maths for all learners.

To ensure that each subcontractor is meeting certain quality criteria various members of CTG will visit subcontractors for monitoring visits. During the visit the following areas will be checked:

- Student eligibility and existence, funding and audit compliance
- Invoicing and payment arrangements
- Awarding body registration and certification
- Quality Assurance
- Contract Compliance
- Equality and Diversity/Safeguarding/Health and Safety/ Prevent
- DBS Checks on Staff – Including Live Update Service

Risk Assessment

To support the subcontracting process a series of risk factors will be considered which will impact upon both the level of oversight required on behalf of Capital Training Group and subsequently the level of management fee charged. These risk factors include, but are not restricted to):

- The duration of the contract
- The value of the contract
- Industry types and vocational area
- Historic performance of the subcontractor
- Historic success data
- Ofsted Inspection reports
- Health and safety
- Safeguarding
- Equality and Diversity
- Dropout rates
- Staff turnover
- Policy agenda

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Policy Review

Capital Training Group will review this policy annually. The review will take place in July of each year; the policy will be completed and published prior to the commencement of the next academic year.

Communication

Any changes to the policy will be communicated to existing subcontractors at quarterly management meetings. Furthermore, Capital Training Group will distribute a copy of this policy to all potential new subcontractors and discuss it with them as part of CTG's pre-contracting process. An up-to-date copy of this policy will be posted on Capital Training Groups website: www.capitaltraininggroup.co.uk. Electronic copies will also be available on the CTG portal and upon request.

Approved: 28 November 2016



Simon Bozzoli, Director

