

Sub-Contractor Fees and Policy

As the Sector Skills Council for the UK health sector covering the NHS, independent and voluntary employers, Skills for Health is regulated and recognised for excellence in that function by the UK Commission for Employment and Skills and licensed by the Department for Business, Innovation and Skills. Skills for Health is a not for profit organisation, registered as a charity in England and Wales and has a mission to help the whole UK health sector develop solutions that deliver a skilled and flexible UK workforce to improve health and healthcare.

Policy Aim

This policy aims to provide consistency of approach that is fair, equitable and clear and provides transparency to Skills for Health's supply chain in relation to fees and charges. This policy is effective from 1st August 2016 through to July 2017.

Definition of Terms

A Standard Management Fee is a fee applied to all sub-contracted arrangements to account for costs incurred by Skills for Health through its management of these contracts.

The Skills Funding Agency (SFA) is the Government funded agency which supports provision for learners in further education who are aged 19 and over, and also includes Apprenticeships for young people aged 16-18 years old.

Reasons for subcontracting

Skills for Health is seeking to meet the needs of health employers and recognises the value of partnership working with quality assured partners. By working in partnership with sub-contractors, Skills for Health is able to:

- Offer sector specific provision nationwide
- Promote and support the use of Specialist Health Apprenticeship Frameworks
- Offer flexibility by delivering provision at times and venues convenient to learners and employers
- Be responsive to learners and employers' requirements
- Ensure greater cost efficiency
- Respond flexibly to market forces and government policy

Skills for Health operate as the Lead Provider; the majority of provision is delivered via sub-contracted organisations.



All sub-contractors undergo a comprehensive Due Diligence process prior to any contracting arrangement, and are selected on the basis of their track record, quality of provision delivered, knowledge of the health sector and location to ensure Skills for Health is able to effectively respond to employer and learner demand whilst reflecting local skills priorities.

In terms of improving quality, Skills for Health has a responsibility to support all sub-contractors to develop and deliver high quality provision that meets the learners and employers' needs whilst complying with SFA and Ofsted requirements.

Skills for Health will only sub-contract the delivery of full programmes or frameworks. Skills for Health is not sub-contracting the delivery of a service as part of the delivery of a programme.

The management fee is used to provide support and guidance to ensure that public funds are protected and used effectively and that sub-contractors are supported to develop their provision and extend their business. This is achieved through:

- Monitoring and managing the quality of the learning experience
- Providing common documentation
- Observing teaching, learning and assessment to ensure quality, promote continuous improvement
- Standardisation activities
- Sharing good practice
- Providing advice and guidance
- Securing funding
- Use of E portfolio
- Use of electronic assessment toolkit
- Monthly compliance and quality reports

As part of the contracting arrangements, Skills for Health will provide advice about the range of Apprenticeships Frameworks and qualifications it will support.

Management Fees for SFA and other similar programmes

Apprenticeships: the standard sub-contractor management fee is 20%. This applies to all 16-18, 19-23 and 24+ apprenticeships.

Non-apprenticeship (QCF only and Unemployed Support Provision): a 20% management fee rate will be applied to sub-contracted QCF Only and Unemployed Support Provision.





Collection of Fees from Learners and Employers

Standard payment terms are one single invoice before the learning starts. However, payment terms may be agreed in advanced with both employers and learners with the option of paying in up to three instalments, the first instalment being paid prior to the first date of the course.

In exceptional circumstances, extended payment terms may be agreed for individual learners. In such a case, however, the final instalment must be received before the end of the course or before delivery of the certificate. Skills for Health will use appropriate debt recovery procedures where learners or employers breach the terms of the instalment agreement.

An early payment discount of 5% (of the 20% i.e. 1%) may be applied to some full cost provision for payment in full before the course commencement date.

Fee Refunds

Skills for Health will only refund any tuition fees in exceptional cases and at the discretion of the Head of Operations. Please note that there is no right of appeal against any decision made in respect of a fee refund request.

Payment Terms

Our management fee will be deducted at source. Providers working on SFA or similar contracts will receive a Maximum Contract Value (MCV) from Skills for Health that reflects their available funds to spend within the funding rules of the Skills Funding Agency and the conditions of the contract with Skills for Health. This will be reviewed on a quarterly basis in line with the Skills Funding Agency's performance management rules which are published on their website.

Payments to sub-contractors will be made upon correct submission of data and supporting evidence that validates learning delivery and compliance with the current Skills Funding Agency Funding Rules and the terms of the agreement between Skills for Health and the sub-contractors. Where funding claims cannot be substantiated, Skills for Health will adjust or reclaim any funds from the sub-contractor and, where required, make an appropriate repayment to the Skills Funding Agency.

Skills for Health will make payment to a sub-contractor within 30 days of receiving a valid claim for payment which includes satisfactory agreed evidence. If Skills for Health requires any further supporting evidence to meet its quality assurance requirements, then payment will be withheld until these queries are resolved.

Skills for Health will only make a payment to a sub-contractor for delivery of the provision of services when they have submitted a valid claim to the Skills Funding Agency and been paid by the Skills Funding Agency. For the avoidance of doubt this overrides the previous clause.

Any payments to sub-contractors will be made via a BACS transfer.





Skills for Health recognise that there may be exceptional circumstances in which a certain level of discretion may need to be exercised in terms of charging a management fee, in particular as a result of market forces and will deal with this on an ad hoc basis as necessary.

Termination of Agreement

In the event of a termination of the subcontract agreement, whether through material breach, or where the subcontractor enters liquidation or is taken into administration, Skills for Health will take over the operation of the learners' programmes and ensure the continuation and completion of their provision. The subcontractor will be liable for any costs associated with the moving of any learners to another subcontractor.

Policy review

Skills for Health will review this policy annually. This review will take place in June of each year and any policy revisions 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 sub-contractors in writing. Skills for Health will share this policy with any new sub-contractors and discuss it with them as part of the pre-contracting process.

Publication of policy

An up-to-date copy of this policy will be posted on Skills for Health's website and the NSA website.

Related publications

Publications that should be referred to in conjunction with this policy are as follows: Funding Rules 2015/16 – Version 2 March 2015 [Skills Funding Agency]

Created 22nd July 2016

Policy to be reviewed 30th June 2017

