

## Supply Chain

### Fees & Charges (Retention & Incentives) Policy

#### Scope

This policy is in place to outline our reasons for subcontracting, the measures in place to monitor the quality of our subcontractors, and our retention of funds and charges. The content of this policy has been developed in line with the GLA and the ESFA Funding and Performance Management rules.

PTS's fees are charged in accordance with Government and/or devolved authority funding guidance to ensure that they are in accordance with rules and regulations and that charges are fair, and transparent while ensuring they cover the costs of every programme, there is value for money and fulfill quality assurance checks.

#### Supporting Documents

- Supply Chain Strategy
- Procurement Strategy
- Delivery cost Matrix & cost-benefit analysis
- Fees and Charges template
- Partner dates
- Supply Chain SOPP

Documents can be located - [Our partnerships - Professional Training Solutions \(protrain-solutions.co.uk\)](https://protrain-solutions.co.uk)

#### Our commitment

When working through a subcontractor, we commit to optimise the impact and effectiveness of service delivery to our learners by:

- aligning our processes with the Devolved Authority and ESFA requirements,
- undertaking fair and transparent procurement activities which demonstrate value for money, and conducting robust Due Diligence procedures to ensure we commission to the best providers in the field,
- maintaining and publishing a Funding Retention and Charges Policy that relates to the Management Fee.
- clearly documenting and agreeing with all parties, the Funding Retained and Charges applied to each subcontract (Fees & Charges template),
- Managing any disputes fairly and transparently. See our complaints and disputes section in our Supply Chain Strategy page 23 & 24.

PTS set out a clear subcontracting strategy, where our full rationale can be located. Our procurement Strategy also provides a clear business case, on how PTS selects our supply chain and partners.

Version 2	Page 1 of 3	Board Approval Date: November 2023	Published date: 20 <sup>th</sup> December 2023	Reviewed: December 2024
				Owner: Jackie Denyer

## Supporting Documents

- Supply Chain Strategy (subcontracting rationale; page 5 – 7) or on our website
- Supply Chain Procurement Strategy

[Our partnerships - Professional Training Solutions \(protrain-solutions.co.uk\)](http://protrain-solutions.co.uk)

## Cost-benefit analysis, retention, pay, and incentives(fees and charges)

PTS will always declare and be transparent in its supply chain fees. PTS will follow the procurement strategy and produce a cost-benefit analysis, be clear on how performance and cost benefits link to incentives and what we charge.

We will:

- Link benefit realisation, cost, and success indicators to evaluate performance and incentives such as allocation.
- Ensure all costs are individually itemised and describe how each cost contributes to delivering high-quality learning. We will also explain how such costs are reasonable and proportionate to the delivery of the learning or apprenticeship training.
- We will include a breakdown of all services and costs in each contract. A template can be located in the appendices
- We will be clear on additional charges or reduction of management fee
- Through performance reviews, we will incentivise performance and success and record milestones to support success.
- We will support a clear development for our subcontract and use performance reviews and incentives to make improvements. Full details can be found in our Supply Chain Strategy.

For subcontracting, we will not typically exceed the 20% funding retained however in entering a supply chain contract we will negotiate the support needs and the appropriate breakdown of the cost required to ensure there is robust oversight of the use of public funds, provide value for money and a high-quality service.

Collaborative and specialist agreements will differ slightly and therefore be negotiated, depending on the agreement but again will not typically exceed the 20% funding retained, unless commercial services.

There may be circumstances where we negotiate additional charges and fees, this could include:

- Use of PTS learner software, e-portfolio, or licenced material.
- As a result of concerns relating to compliance and additional checks or when support is given for example as a critical friend inspection is arranged.
- If PTS is unstructured to support learner registration and then the cost would refer back to the subcontractor.

Additional fees and charges will be identified in the contract or amended when appropriate.

Version 2	Page 2 of 3	Board Approval Date: November 2023	Published date: 20 <sup>th</sup> December 2023	Reviewed: December 2024
				Owner: Jackie Denyer

The payment process is structured with published partner dates and process flow can be found in the SOPP. Roles and accountability can also be found in the SOPP, but the following will be applied:

- No starts or committed funds, until contract signature.
- Financial and company health is assessed of our partners through the application stage, deep dive, and quarterly reviews. Any changes are reported to the ESFA/devolved authority.
- ILR evidence and compliance will trigger payment. This includes a satisfactory start to learning, midpoint reviews, and closure evidence.
- PFR are compiled by MIS, reconciled by Supply Chain Manager, and approved by the Financial director before releasing to the sub-contractor.
- Contract details terms and conditions of noncompliance, untimely compliance, performance concerns, clawback, and breaches of contract. PTS may suspend a contract and pay pending investigation or pending a performance action plan.
- Have clear contract change, amendment or termination process

**Full details of budget & data controls and monitoring are located in our Supply Chain Strategy, SECTION 2.**

Version 2	Page 3 of 3	Board Approval Date: November 2023	Published date: 20 <sup>th</sup> December 2023	Reviewed: December 2024
				Owner: Jackie Denyer