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## Delivery Partner Fees and Charges Policy 2017-18

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### Scope

The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA), or any successor organisations.

### Context

The policy is a mandatory requirement that must be in place prior to participating in any subcontracted delivery partner provision or supply chain management arrangement. The content of this policy has been developed in line with AoC/AELP Common Accord, the ESFA Funding Rules and the LSIS Supply Chain Management document.

### Overarching Principle

Middleton Murray will use its Delivery Partners to optimise the impact and effectiveness of service delivery to the end user. Middleton Murray 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 LSIS publication "*Supply Chain Management – a good practice guide e for the post - 16 skills sector*" (November 2012 and subsequent iterations)

Middleton Murray will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential Delivery Partners to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.

The funding that is retained by Middleton Murray will be related to the costs of the services provided. These services, and the levels of funding being retained for them, are clearly documented and agreed by all parties, as set out in the contract agreement. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.

Where disputes between Delivery Partners cannot be resolved through mutually agreed internal resolution procedures, Middleton Murray will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of Delivery Partners are attained through adherence to both the letter and spirit of contracts or delivery. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.

## **Policy and Rationale for recruitment and selection of Delivery Partners**

Middleton Murray engages with Delivery Partners to better meet customer needs. Our policy as to how we recruit and select partners is:

- To temporarily expand provision to meet a short term need.
- To provide immediate provision whilst expanding direct capacity. This might include working with Delivery Partners to explore and learn about new frameworks or sectors prior to investment in resources.
- Providing access to, or engagement with, a new range of customers.
- To ensure delivery intention is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised).
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement.

## **Quality Assurance**

The quality of the provision will be monitored and managed through the existing Middleton Murray quality audit arrangements and observation of practise as designated by a partner's overall risk banding grade.

The observation of partners will result in a report from Middleton Murray that will state areas of good practice identified and areas for development to improve the quality of provision. In addition to observation visits, partners can request access to information and guidance on preparing for Ofsted inspection and sharing of information relevant to operating as an approved centre.

## **Publication of information relating to Delivery Partnerships**

In compliance with ESFA and other agency funding rules that apply, Middleton Murray will publish its service and charges fee policy and actual end-of-year Delivery Partner fees and charges on the company website each ESFA Contract year (and in the case of actual end of year data, as required by SFA). This will only relate to Delivery Partner provision, i.e. delivery of full programmes or frameworks. It will not include the delivery of service as part of the delivery of a programme (for example buying the delivery of part of an Apprenticeship framework or outreach support.) Delivery Partner and supply chain lists will be agreed with SFA officials prior to publication.

Middleton Murray will ensure all actual and potential Delivery Partners have sight of this policy and any other relevant documents,

The typical percentage range of fees retained to manage the supply chain, and how this range is calculated. The rationale used to determine the level of fee retained through each Delivery Partner is a risk based approach.

The contributory risk factors that would result in differences in fees charges for, or support provided to, different Delivery Partners might include: - Previous track record - Success levels - Type of customers to be engaged - Type of provision to be undertaken - Contract duration.

## **Communication**

This Policy will be reviewed annually in July and updated as required. It will be published on MIDDLETON MURRAY's website on the 1st August prior to the start of the new ESFA Contract year in which it will be applied. Potential Delivery Partners will be directed to it as the starting point in any relationship.

## **Subcontracting by the Delivery Partner**

Middleton Murray does not expect Delivery Partners will subcontract any part of their contract with Middleton Murray to a third party. Any exceptional reasons which may lead a Delivery Partner to consider subcontracting should be discussed with Middleton Murray in the first instance. The terms of the contract between Middleton Murray and the Delivery Partner would continue to apply in the event of sub- contracting.

## **Contingency Planning**

Should Middleton Murray withdraw from a contract with a Delivery Partner, or should a Delivery Partner withdraw from the arrangement, or should a Delivery Partner go into administration or liquidation, Middleton Murray will consider any such occurrence subject to its individual circumstances, for the best possible outcome for the learners, and where applicable, the employers of those learners. Middleton Murray would look to our ongoing sub-contractor base, and if this is not

viable, Middleton Murray would evaluate whether it had resource and expertise internally. Should this not be the case, Middleton Murray would look to its broader network to source the appropriate expertise.

## The Fees 2018/2019

The standard Middleton Murray service will typically range from 20% to 25% of all funding drawn down against the provision to be delivered. This figure represents the total cost that Middleton Murray incurs in effectively identifying, selecting and managing all Delivery Partners provision. This includes the amount of administration and QA activity that Middleton Murray would attach to the risk rating of the Delivery Partner.

## Additional support for Delivery Partners

The precise additional support given to each Delivery Partner will be negotiated individually, but will be based on the risk approach, and may include:

- Additional Quality visits
- Additional site visits
- Additional Teaching & Learning observation
- Additional tutor support
- More rigorous verification

## Additional charges per learner

Middleton Murray may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the Deliver Partner such as;

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from Middleton Murray
- Internal Verification