

Supply Chain Fees & Charges Policy

1. Introduction

1.1 As an ESFA Main Provider Siemens Plc must publish a supply-chain fees and charges policy on our website before entering into any subcontracting agreements for the 2020/2021 academic year.

2. Scope

2.1 This policy statement details how Siemens Plc will apply fees and charges to subcontracting agreements with organisations for the delivery of training on the Company's behalf for 2020/2021. Is published in line with ESFA requirements stated in the Apprenticeship Funding Rules for Main Providers 2020/21 and published on our website: <https://new.siemens.com/uk/en/company/jobs/search-careers/apprenticeships.html>

3. Reasons for Subcontracting

3.1 Siemens Plc 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 Siemens Plc 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 subcontractors to explore and learn about new standards 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 Siemens Plc to build up in-house resources and expertise.

3.1.6 To provide good development opportunities for both Siemens Plc 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. Contribution to Improving the Quality of Teaching, Learning and Assessment.

4.1 Siemens Plc ensures that subcontractors are made aware of the Company's quality processes and procedures and that they are guided and supported by Siemens Plc to fully comply with the Company's quality Standards.

4.2 Siemens Plc ensures that all subcontractors are made aware of the process of completing the Siemens Plc due diligence process and contracting obligations. Any actions arising are addressed in co-operation 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. Siemens Plc will regularly review External Verifier's reports submitted by Subcontractors and monitor any follow-up required.

4.4 Siemens Plc will appoint an appropriately qualified member(s) of staff for each contract whose responsibilities include undertaking a due diligence check, regular quality assurance monitoring visits to check learner files, commitment statements and conduct Internal Verification. See Appendix 1 – Related documents.

4.5 A number of risk factors are assessed that are derived through the subcontracting with Training Partners/Associates. The quality process and due diligence that Siemens Plc requires includes all potential subcontractors to undergo checks, including but not exclusively;

- If the potential subcontractor is registered on the Register of Apprenticeship Training Providers (RoATP)
- Anticipated demands of the contract on the Siemens Plc resources.

- Financial standing of the Subcontractor.
- Proven track record of the Subcontractor with regard to meeting success and funding targets.
- Contract size with regard to both funding and learner numbers
- Provision meets priority needs of local / community or sector priorities

5. Range of fees

5.1 The typical range of fees charged by subcontractors is negotiated at a local level and is dependent upon local customs and practice and the level of risk. Siemens Plc does not charge a fee for solely managing the subcontractor provision.

5.2 Siemens Plc will publish data on the actual level of funding paid and retained for each of the subcontractors in each contractual year. This data will be published within 30 days of the ILR closing.

6. Support for Subcontractors

6.1 Subcontractors will receive:

- Designated points of contact and support from the Siemens Plc Contracts Manager
- Advice and guidance at pre-contract stage.
- Regular review meetings with progress reports.
- Specialised information, advice and guidance as required.
- Regular monitoring visits with detailed feedback identifying good practice and areas for improvement.
- 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.
- Ongoing data checks and support to resolve data queries.
- Ongoing support to address any areas for improvement.

7. Reason for Differences in Fees Charged

7.1 Fees charged by individual providers may differ depending on the calculation of local provision.

7.2 Siemens Plc strives to achieve value for money so its procurement process may result in variations of fees

8. Payment Terms between Siemens Plc and its Subcontractors

8.1 Payments are made as agreed by the schedule outlined in the local Contract for Services

8.2 Typically payments are made to subcontractors upfront on a termly basis unless stated otherwise in the agreed Contract for Services schedule.

8.3 Details of any rights by Siemens Plc to withdraw, reduce or withhold funding are published in the Contract for Services and relate to the protection of ESFA funds and not to the benefit of Siemens Plc.

8.4 Siemens Plc 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.

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

8.6 Siemens Plc strives to achieve value for money so its procurement process may result in variations of fees

9. Policy dissemination

9.1 This policy is available on-line at <https://www.siemens.com/uk/en/home/company/jobs/search-careers/apprenticeships.html> and further communicated to subcontractors in the annual contracting phase

10. Policy review

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

11. Policy publication

11.1 This policy will be published on the Siemens Plc website and is also available upon request.

Appendix 1

Related documents-

Outsourced Provision (DISPE006)

Subcontractors Due Diligence (CL005)



Document type:

Department Instruction

No.: DISPE006

Revision/Date: 3 01/07/2020


Issued by: SPE (UK)

Title:

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Outsourced Provision

Section	Release/Amendment summary	Issue	Date	Reviewed by	Approved by
All	Initial issue	1.0	09/12/2016		
All	Review and layout changes	2.0	01/11/2017		
All	Review and update	3.0	01/07/2020		

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Outsourced Provision			

1 Purpose

The purpose of this procedure is to define critical provision provided by outsourced third parties, and the controls used to ensure the quality of the outputs of such provision.

The individual business units' entry level talent teams or equivalent are responsible for implementation and management of this procedure.

2 Scope

This procedure contains the following sections:


- 4.1 The Contract for Services
- 4.2 Subcontractor due diligence form
- 4.3 Subcontractor review
- 5 Process Flowchart

3 Glossary

- MR Management Representative
- QMS Quality Management System
- IQA Internal Quality Auditor

4 Procedure

The Management Representative (MR) is to ensure the implementation of this procedure and is responsible for maintaining the audit schedules and audit reports. The MR and Internal Quality Auditors (IQA) are responsible for conducting internal quality audits. Records are maintained in accordance with Control of Records Procedure (DISPE002).

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4.1 The Contract for Services

The Contract for Services is a contract between a service provider (either internal or external) and the end user that defines the level of service expected from the service provider. Contracts for service are output-based in that their purpose is specifically to define what the customer will receive. Subcontractor due diligence forms (CL005) must be completed before levels of service are discussed and agreed. The Contract for Services template must be used to form the basis of any agreements of outsourced provision and signed by both parties before any services are delivered. The value of all funded provision must be declared on the sub-contractor's declaration form and submitted to the ESFA. It's an ESFA funding rule that we publish our subcontracted policy on our website

<https://new.siemens.com/uk/en/company/jobs/search-careers/apprenticeships.html>


4.2 Subcontractor due diligence form

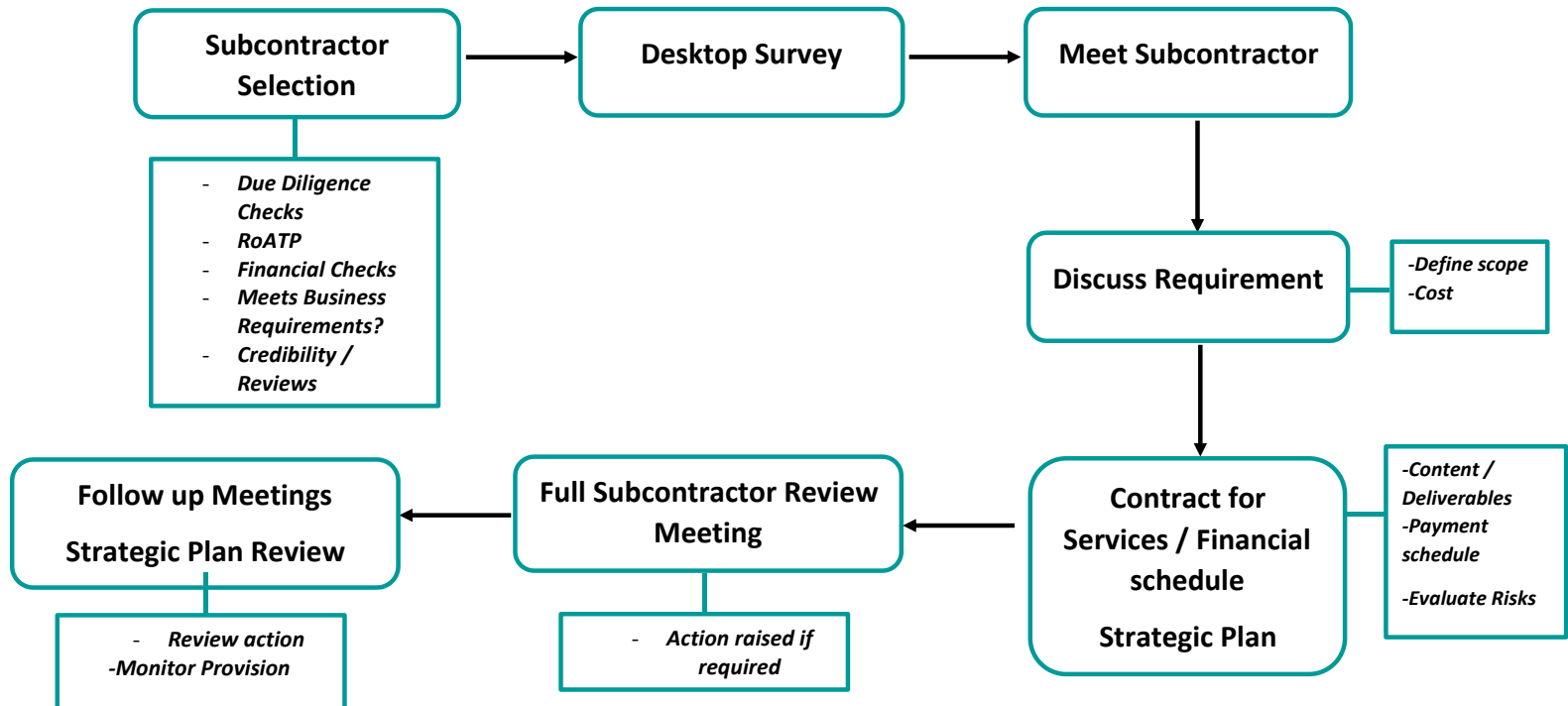
The subcontractor due diligence form (CL005) must be completed with the service provider before the Contract for Services is signed. If the quality or judgements made in evidence supplied in the form causes concern, then the Contract for Services will not be signed, and no service will be procured.


4.3 Subcontractor review

To ensure that the Contract for Services and due diligence forms are being adhered to, suitable staff will conduct periodical review meetings with the sub-contractor. The sub-contractors meeting form (F006) should be used during these meetings.

5. Process Flowchart

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	Document type: <p style="text-align: center;">Form</p>	No.: CL005 Revision/Date: 4 28/09/2020 Issued by: SPE (UK)
Title: <p style="text-align: center;">Subcontractors Due Diligence</p>		Page 8 of 13

The Due Diligence Process

The Education and Skills Funding Agency (ESFA) requires that all arrangements between main providers (those with a direct contract from the Chief Executive of the Education and Skills Funding Agency), and subcontractors are confirmed in legally binding contracts. All contracts, whether or not they are called service level agreements or contracts,

This process identifies key factors to consider before entering into a service level agreement or contract. They are drafted from the point of view of the main provider. However, they also inform the subcontractors what they should expect to have reviewed and checked by any potential main provider. Subcontractors may like to consider to what extent the main provider itself complies with the conditions in the due diligence process.

Main providers should carry out due diligence before they enter into a contract. The scope and depth of due diligence should be proportionate to the size of the contract and to any other risk factors identified by the main provider, such as the latest Ofsted inspection grade of the potential subcontractor or its previous performance, either in terms of learner outcomes or finance.

It is the responsibility of the main provider to satisfy itself and the Education and Skills Funding Agency that the subcontractor has been selected fairly through an open and transparent process. It is also necessary to ensure that the subcontractor has sufficient capacity, capability, quality and business standing to deliver the provision that it being subcontracted, and in accordance with current funding rules.

Due Diligence Requirements

Factor to consider and check	Needs checking ✓ State reason for decision	Evidence and comment
<p>1. Does the subcontractor comply with health and safety legislation?</p> <p>Evidence of health and safety risk assessments covering the proposed subcontracted learners, and the areas they will be working in? (i.e workshops/classrooms)</p>		
<p>2. Has the subcontractor declared to the main provider reportable injuries, diseases and dangerous occurrences covered by the RIDDOR regulations, together with the actions they have implemented to prevent reoccurrences? Please provide evidence, if applicable.</p>		

<p>3. Does the subcontractor have a policy on equality and diversity- How is this communicated to learners?</p> <p>Does the policy cover all groups: gender; ethnic origin; age (where appropriate); disability; transgender; ex-offenders; any others identified as underachieving?</p>		
<p>4. Does the subcontractor have policies for safeguarding young people, vulnerable adults and also promotes British Values through its Prevent duty plan- How is this communicated, and awareness measured?</p> <p>Do these policies include staff recruitment and vetting, training of all staff and learners, dealing with allegations and concerns, whistle-blowing, and checking employers and workplaces where appropriate and based on assessment of risk?</p>		
<p>5. Does the subcontractor have a policy for preventing and dealing effectively with bullying and harassment? How is this communicated to learners, and effectiveness measured?</p>		
<p>6. Does the subcontractor comply with the new data protection legislation, GDPR? How will they communicate learner information to the main provider?</p>		
<p>7. Does the subcontractor intend to subcontract any part of the provision to another provider? ‘</p>		
<p>8. Does the subcontractor have appropriately qualified and trained staff to deliver the proposed contract</p>		

	effectively from its start? Please provide evidence. What measures are put in place for temporary staff?		
9.	Does the subcontractor have the physical resources to deliver the proposed contract effectively from its start? Please provide evidence.		
10.	Does the subcontractor have appropriate learner support arrangements, including support for learners with disabilities and learning difficulties? Please provide evidence.		
11.	Does the subcontractor have information, advice and guidance arrangements for learners? How is this communicated to the learners?		
12.	Does the subcontractor have a policy on promoting the health and well-being of learners? How is this communicated to, and promoted with learners?		
13.	Does the subcontractor have a policy and processes for dealing effectively with complaints and compliments? What is the processes, and are learners/employers aware of how to do this?		
14.	Does the subcontractor have a clear policy on learner discipline and sanctions? Are the learners aware of this process? How are employers notified of this, if necessary?		
15.	How effective are the subcontractor's arrangements for communicating with learners? How is this effectiveness measured?		
16.	How effective are the subcontractor's arrangements for communicating with employers? How are		

arrangements communicated, and how is the effectiveness measured?		
17. Has the subcontractor a track record of implementing, reviewing, and improving policies? How often are policies refreshed? Please provide an example of a recently reviewed/improved policy?		
18. Does this review focus on the impact of policies on learners? How do you measure the impact?		
19. Does the subcontractor have appropriate quality assurance arrangements: audits, self-assessment reports and improvement plans, internal and external verification of assessment? Please provide evidence for each.		
20. Does the subcontractor have at least a “Good” Ofsted grade? When was the last Ofsted full or monitoring visit? Please provide evidence.		
21. Are there any potential conflicts of interest that either party are aware of?		
22. Does the subcontractor have a current RoATP status, and what is the date of registration? Please provide evidence		
23. For registered “supporting providers” please confirm that you do not receive more than £500,000, or £100,000 (if you are a new provider) in any one year? Please provide evidence.		
24. Does the subcontractor confirm that it has not entered into any agreement for brokerage. By brokerage we mean the provision by a third party of services, for a fee, to source delivery subcontractors to deliver, on behalf of yourself.		

Due Diligence conducted by
Siemens Representative _____

In the presence of
Subcontractor Representative _____

Date Due Diligence conducted _____