

# 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 Sub-Contracting Agreements for the 2019/20 academic year.

## 2. Scope

2.1 This policy statement details how Siemens Plc will apply fees and charges to Sub-Contracting Agreements with organisations for the delivery of training on the Company's behalf for 2019/20. Is published in line with ESFA requirements stated in the Apprenticeship Funding Rules for Main Providers 2019/20 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 sub contracts for one or more of the following reasons:

3.1.1 To deliver niche provision – building on a sub-contractors' 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 sub-contractors 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 to build up in-house resources and expertise.

3.1.6 To provide good development opportunities for both Siemens and its Sub-contractors, 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 Sub-contractors are made aware of the Company's Quality processes and procedures and that they are guided and supported by Siemens to fully comply with the Company's Quality Standards.

4.2 Siemens Plc ensures that all sub-contractors are made aware of the process of completing the Siemens Plc Self-Assessment Review and the Quality Improvement Plan. Any actions arising are addressed in co-operation between the Company and the Sub-contractor.

4.3 Sub-contractors 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 Sub-contractors and monitor any follow-up required.

4.4 Siemens 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, schemes of work and conduct Internal Verification. See Appendix 1 – Related documents.

4.5 A number of risk factors are assessed that are derived through the Sub-Contracting with Training Partners/Associates Quality process and due diligence that Siemens requires all potential sub-contractors to undergo, including but not exclusively;

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

- Financial standing of the Sub-contractor.
- Proven track record of the Sub-contractor 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 Sub-contractors**

6.1 Sub-contractors will receive:

- Designated points of contact and support from the Siemens 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 strives to achieve value for money so its procurement process may result in variations of fees

## **8. Payment Terms between Siemens and its Sub-contractors**

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 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.

8.4 Siemens 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 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 sub-contractors 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 website and is also available upon request.

**Appendix 1**


Related documents-

Outsourced Provision (DISPE006)

Sub-contractors Due Diligence (CL005)

	Document type:	No.:	DISPE006
	<b>Department Instruction</b>	Revision/Date:	3 01/07/2020
		Issued by:	SPE (UK)
Title:		Page 4 of 4	
<b>Outsourced Provision</b>			

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		

	Document type:  <p style="text-align: center;"><b>Department Instruction</b></p>	No.: DISPE006  Revision/Date: 3 01/07/2020  Issued by: SPE (UK)
Title: <span style="float: right;">Page 2 of 4</span>  <p style="text-align: center;"><b>Outsourced Provision</b></p>		

## 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).

	Document type:  <p style="text-align: center;"><b>Department Instruction</b></p>	No.: DISPE006  Revision/Date: 3 01/07/2020  Issued by: SPE (UK)
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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

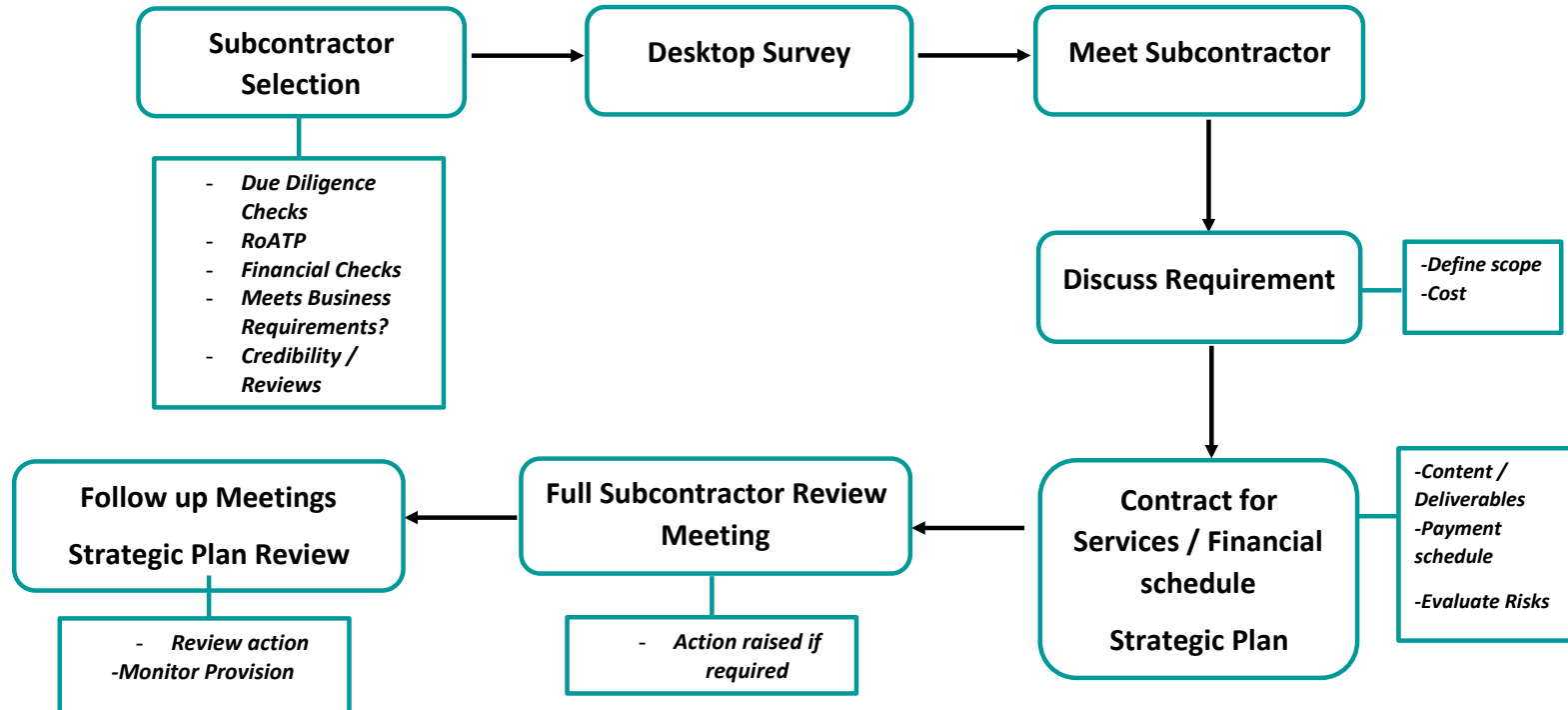
The subcontractor due diligence form (CL005) must be completed with the service provider before the Contract for Services is signed. If the quality or judgements made in evidence supplied in the form causes concern, then the Contract for Services will not be signed, and no service will be procured.


#### 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

	Document type:	No.:	DISPE006
	Department Instruction	Revision/Date:	3 01/07/2020
		Issued by:	SPE (UK)
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Outsourced Provision			



	Document type:  Form	No.: CL005 Revision/Date: 3 17/04/2020 Issued by: SPE (UK)
Title: <span style="float: right;">Page 8 of 13</span> <div style="text-align: center;"><b>Sub Contractors Due Diligence</b></div>		

## 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 sub-contractors 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 sub-contractor has been selected fairly through an open and transparent process. It is also necessary to ensure that the sub-contractor has sufficient capacity, capability, quality and business standing to deliver the provision that it being sub-contracted, 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 mainprovider?</p>		

7.	Does the subcontractor intend to subcontract any part of the provision to another provider? ‘		
8.	Does the subcontractor have appropriately qualified and trained staff to deliver the proposed contract 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 an 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.		

Due Diligence conducted by  
Siemens Representative \_\_\_\_\_

In the presence of  
Sub-Contractor Representative \_\_\_\_\_

Date Due Diligence conducted \_\_\_\_\_