

The Growth Company Supply Chain Procurement and Fees Policy

Purpose and Policy Statement

The Growth Company (GC) works with diverse cross-sector Supply Chains and partners who add value to our capabilities and help us deliver better outcomes for our customers.

We promote and invest in Supply Chain excellence and aim to ensure the fair, transparent and open treatment of partners. We are committed to effectively managing our Supply Chain to ensure the very best outcomes for our customers and the communities we work in.

The **purpose** of this policy is to clearly set out:

- GC's rationale for subcontracting
- A high-level overview of the Supply Chain procurement approach, adherence to fair and open practice and dealing with conflicts of interest
- Our due diligence processes and how we manage risk in our Supply Chain
- Supply Chain retention funding
- GC payment terms
- How we use our retained funding and Supply Chain development
- Publication and communication of the Policy

Policy Scope

This Policy applies to The Growth Company (in particular; our Education and Skills and Employment Divisions). It sets out the overarching approach to subcontracting and meet the contractual obligations of our funders, partners, and commissioners. Where contractual obligations of funders and clients are more stringent, the regulations of these funders take precedence.

The Growth Company (GC) Rationale for Subcontracting

GC's long term strategic aims and objectives are supported through our dynamic and responsive framework of third-party providers who can complement GC's delivery and ensure quality outcomes for our learners and customers. There are several diverse reasons for including Supply Chain Partners or Delivery Partners in our delivery which include:

- Widening participation, responding quickly to employer and learner demand, meeting our customers' needs
- Enhancing the quality and availability of the offer to Learners and Customers to enable wider coverage and by ensuring programmes are diverse, innovative, and bespoke services, delivered by first-rate providers
- Delivery of a wide sector offer that responds to local and regional priorities
- Supporting and complementing directly delivered provision
- Maintaining the delivery of niche or expert provision
- Reaching wider geographical areas and providing better access to training facilities and supporting needs specific to local communities
- Reaching and providing entry point for disadvantage groups and providing specialist support to those groups, and to ensure contracts have an impact on individuals who share protected characteristics.
- Responding to government priorities
- Meeting commissioners specified requirements for Supply Chains
- Mitigating risk across a range of provision and partners
- Supporting smaller Supply Chain Partners (SMEs) and Voluntary, Community, Faith and Social Enterprise (VCFSE) organisations to access funding to help build their capacity, capability and quality

- Increasing social value impact through employment and learning within voluntary and community sector and working with supply chain partners to deliver our own and commissioner led social value commitments.

Diversity

GC aims to work with high quality partners who reflect the diverse economies and populations in which we operate. This includes:

- Micro, Small and Medium Enterprises (SMEs)
- Local businesses
- Voluntary, Community, Faith and Social Enterprise Organisations
- Organisations owned or led by individuals with diverse characteristics including:
 - Individuals from diverse ethnic communities
 - Businesses owned or managed by women
 - LGBTQ+ led organisations
- - Veterans of the Armed Forces- Suppliers demonstrating a diverse workforce composition; and
- A mix of private, community, social enterprise, voluntary and public organisations
- Real Living Wage organisations

GC will review the diversity of current Supply Chains and regularly review our networking/ marketing of opportunities by ensuring we attract a Supply Chain that represents our diverse communities.

Communication and Procurement of Opportunities

GC commits to conduct our procurement activities responsibly and with integrity. We will openly advertise opportunities to engage Supply Chain Partners to support our delivery. This could be on either new or existing contracts, or as part of a bidding process where we are looking for partners to support our bids to commissioners.

The procurement process is designed to ensure that the Supply Chain Partners we engage are good quality, innovative, and have sufficient capacity, capability, financial and good business arrangements in place to effectively deliver. During this process we also ensure any potential conflicts of interest are declared and managed.

All opportunities are openly advertised and communicated to attract the best Supply Chain partners and give potential providers the opportunity to partner with us.

We communicate with potential partners in the following ways:

- Advertise on the Government Contracts Finder (<https://www.gov.uk/contracts-finder>)
- Through our own and wider communication channels locally and nationally, including LinkedIn and through industry newsletters and sector groups.

Types of Opportunities:

- Expressions of Interest – we advertise for supply chain partners to join our delivery where GC are bidding as a Prime Contractor for a forthcoming opportunity
- Specific individual contracts - We may procure directly for specific contracts, where we have gaps in a current Supply Chain on existing programmes.
- Multi-Supply Chain Partner Frameworks – These frameworks are designed to provide GC with access to a pre-selected, quality assured, pool of best-in-industry Supply Chain Partners. Depending on the type of procurement process, we may open the Framework at multiple times to allow new Supply Chain Partners or previously unsuccessful Supply Chain Partners the opportunity to join the Framework.

Procurement Process:

Publication of our Procurement documents on GC's tender portal. These documents set out the specification, requirements, evaluation and scoring criteria, bidding instructions and contract award processes. Bids are evaluated and shortlisted following the scoring and evaluation criteria provided in the procurement documents including a moderation process to ensure consistency and fairness. All bidders will be contacted to communicate the outcome of the process with feedback to assist bidders in future opportunities.

Contracting processes

Specialist Intervention Partners: Should we require specialist support in any, but not limited to, of the areas listed below then dependant on scope of the requirement, a separate process will be used for purchasing ad hoc/ "one off"/ short term provision;

- Health Assessments
- Health support including Mental Health
- Functional and Entry Level Skills
- Drug and Alcohol service
- English for Speakers of Other Languages
- Ex Offender Specialist Services
- Translation Services

Due Diligence

GC manages risk in our Supply Chain through a proportionate due diligence process. The initial due diligence process will be dependent upon specific service or contractual requirements. An annual refresh is conducted each year to maintain assurance. Often, due diligence requirements are set out by our funders and commissioners and must be met by potential delivery partners.

As part of the due diligence process, potential Supply Chain Partners will need to meet several requirements (the list is not exhaustive and will vary depending on contract requirements and on the tier/ category of Supplier):

- Details of Partners/Directors contact names and addresses and company registrations
- Make declarations regarding organisational standing and arrangements
- Latest audited accounts to support a financial viability health check
- ESFA Funding Higher Risk Organisations and Subcontractors policy
- Insurance Details
- Modern Slavery Policy and/or statement on website for in scope organisations
- Information Security and Data Protection
- Information Handling, Retention & Disposal Policy
- Fraud & Whistleblowing Policies
- Equality & Diversity and Sustainability Policies
- Health and Safety policies and arrangements
- Safeguarding and Prevent policies and arrangements
- Quality Assurance / Monitoring Policy
- Customer Complaints Procedure
- Cyber Essentials (or equivalent)

Supply Chain Partner Retained Funding

GC may enter into both fully subcontracted (provision) and joint delivery (mixed) arrangements.

Due to the diverse mix of subcontract arrangements GC have in place, the funding we retain to manage subcontracts varies, depending on the contract. GC ensure all funding and payment arrangements are fair, proportionate to their delivery and do not cause undue financial risk for Supply Chain Partners.

Where funding is retained, we outline what the Supply Chain Partner will receive in return for this. This information can be found in the section below “Supply Chain Retention Funding and Developing our Supply Chain Partners”.

Rates for Supply Chain delivery will be explicitly covered in the individual contract.

Please see the **Contract Appendix** for individual contract funding rates retained to support the management of Supply Chain.

Funding is retained at source and before allocation and maximum contract value are confirmed in contracts. All funding claims must comply with the current Funding Rules/Commissioner Guidance and the terms of the contract with GC where relevant.

Payment Terms

GC will make payment 30 days following receipt of a valid and accurate claim/invoice.

Payment is subject to the correct evidence and data being provided to GC by the agreed monthly deadline.

Adjustments may be made to specific payments where evidence of eligibility, participation or achievement cannot be validated by GC.

Where funding claims cannot be substantiated, GC will adjust and reclaim any funds from the Supply Chain Partner and where required make appropriate repayment to the funder.

Supply Chain Retained Funding and Developing our Supply Chain Partners

Our Supply Chain Partners are supported from initial contract agreement and throughout the lifetime of the contract. The contract review processes highlight any specific development needs.

Due to the diverse mix of contracts with individual specific requirements and tier of providers that we have subcontract arrangements in place for, the support offered to our suppliers can vary. (The list is not exhaustive and will vary depending on contract requirements and on the tier/category of Supplier)

Our Supply Chain retained funding typically enables the following support for providers:

- Supply Chain Partners will be allocated an individual supply chain manager to support them with performance management, through regular reviews. This can also include regular networking meetings and events to help encourage collaboration.
- Compliance monitoring and support to meet contractual requirements, including communicating contractual and legislative updates.
- Administration – submission of claims, data returns, claw back and payments etc
- Quality Assurance and Oversight of quality to include IAG and teaching and learning. GC will undertake regular quality assurance visits which include observations of delivery and discussion with managers, staff and learners.
- Support to Supply Chain to build capacity which will include advice and guidance, offer of a range of additional business support offers and notification of relevant funding opportunities.
- Access to the required CRM, Assessment tools & reports (contract dependent)
- Mandatory training and development opportunities for Supply Chain Partners and staff - these can include:
 - Mandatory contract training
 - Information Security and Cyber Security

- Observations of Teaching and Learning, Compliance, Quality, Self-Assessment Reports /Quality Improvement Plans
- Safeguarding, Prevent & Equality, Diversity and Inclusion
- Going Green/ Environmental Sustainability, Modern Slavery
- Mental Health Awareness
- Paperwork and Procedures Workshops / Understanding Data.

Publication and Communication

This policy is shared and reviewed with subcontractors upon contract award whilst also being publicly available for potential applicants to our framework using the following link:<http://www.growthco.uk/about-us/policies/subcontracting-policy/>

Supply Chain Fees are published in the same location and reviewed on an annual basis in November.

Associated Documents

1. The Growth Company Procurement Policy and Procedures
2. Supplier Risk Management Policy and Procedures
3. Supply Chain Management Framework
4. Annex 1 (Retained Funding Rates)

Policy Owner and Approval

The GC Senior Management Team fully endorses this policy, and the policy is shared with the GC Board.

This version takes effect from: 24/10/2023

This policy is owned by GC Education and Skills MD (Jon-Paul Rimington) and will be reviewed by the Head of Planning and Funding annually or in line with relevant changes to legislation or contractual requirements.

Document Control

Date: 24/10/23
Version: 10
Comments: Updated
Review Date: 24/10/2024

Annex 1 - Supply Chain Partner Retained Funding for the academic year 2023-2024

Tiers 1 and 2 Provision – End to End or Skills delivery for a contracted period

Multiply Programmes - The Growth company will retain 19% of the full value allocated by the funding body.

Liverpool City Region Combined Authority (LCRCA) Adult Education Budget programmes – The Growth company will retain 19% of the full value allocated by the funding body

Greater Manchester Combined Authority (GMCA) Adult Education Budget programmes – The Growth company will retain 17.5% of the full value allocated by the funding body

Bootcamps - The Growth company will retain 15% of the full value allocated by the funding body.

Tier 3 Provision - Specialists delivering one-off services on behalf GC

Apprenticeship – We work with subcontractors that complement The Growth Company's Apprenticeship delivery by offering the knowledge delivery of a standard.

Rates for joint (mixed) and employer led delivery will vary dependent on the length and complexity of the standard being delivered and will be explicitly covered in the contract. e.g., subcontractor fees are paid a rate based on the qualification that is delivered, and the remaining income is put towards the delivery of remaining standard

For special providers with a commercial spot purchase arrangement, GC do not retain a fee.

For all other Tier 3 provision we will pay the service rate stated in successful submission at procurement stage.

Tier 3 Providers will have a contract/service level agreement/purchase order in place.

Annex 2 - Supply Chain Partner Retained Funding

The figures below illustrate the typical split of the retained fee for the management of subcontractors on the various contracts listed above.

The list below illustrates the itemised cost for the services that are provided to subcontractors.

GC feel these are reasonable and proportionate to the delivery of subcontracted provision.

Itemised cost for the services that are provided to subcontractors.	
<ul style="list-style-type: none"> Allocation of an individual supply chain manager to support with performance management, through regular reviews. 	4%
<ul style="list-style-type: none"> Compliance monitoring and support to meet contractual requirements, including communicating contractual and legislative updates. 	6%
<ul style="list-style-type: none"> Administration – submission of claims, data returns, claw back and payments etc. 	3%
<ul style="list-style-type: none"> Quality assurance and oversight of quality to include IAG and teaching and learning. GC will undertake regular quality assurance visits which include observations of delivery and discussion with managers, staff and learners. 	2%
<ul style="list-style-type: none"> CRM Support – development, user access, production of guides, training, tools and reports. 	1%
<ul style="list-style-type: none"> Training and development opportunities for supply chain partners and their staff. 	3%