

Supply Chain Fees & Charges Policy

1. Introduction

1.1 As an ESFA Main Provider Siemens must publish a supply-chain fees and charges policy on our website before entering into any Sub-Contract Agreements for the 2017/18 academic year.

2. Scope

2.1 This policy statement details how Siemens will apply fees and charges to Sub-Contracting Agreements with organisations for the delivery of training on the Company's behalf for 2017/18 and is published in line with ESFA requirements stated in Funding Rules 2017/18.

3. Reasons for Subcontracting

3.1 Siemens 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 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 frameworks 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 temporarily expand provision to meet a short term need.

4. Contribution to Improving the Quality of Teaching, Learning and Assessment.

4.1 Siemens 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 ensures that all sub-contractors are made aware of the process of completing the Siemens 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 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 regular quality assurance monitoring visits to check learner files, schemes of work and conduct Internal Verification.

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 management fee for the internal apprenticeship provision. Siemens plc does charge a management fee for our customer apprenticeship provision which is inclusive of (and not limited to) access to our facilities, resources and SPE management team including administrative duties. The typical percentage range of fees Siemens retains to manage its customer apprenticeship provision is 4%

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5.2 The fee is calculated by assessing a number of risk factors 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

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.
- Specific 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 bodies.
- 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.

12. Current subcontractor costs for Siemens apprentice cohorts per region

College Name	UKPRN	Start/End Dates	Type of Provision	Subcontractor Cost	Funding Received	Funding Retained
Birmingham Metropolitan College (Pre 2017)	10006442	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			16-18 Trailblazer	11,250		
			19+ Trailbazer	2,750		
Bournemouth and Poole College (Pre 2017)	10000820	01/09/17 - 30/06/18	16-18 Framework	10,500		
			19+ Framework	0		
			Trailblazer	0		
Bournemouth and Poole College (Post 2017)			16-18 Framework	12,800		
			19+ Framework	6,400		
			Trailblazer	0		
Derby College (Pre 2017)	10001919	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	17,250		
Derby College (Post 2017)	10001919		16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	4,000		
		Trailblazer 19+	7,500			
DN Colleges Group (Post 2017)	10004695	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	11,000		
			Trailblazer 19+	11,000		
Fareham (Pre 2017)	10007928	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	34,500		
			Trailblazer 19+	11,500		
Fareham (Post 2017)	10007928		16-18 Framework	0		
			19+ Framework	0		
		Trailblazer 16-18	16,500			

			Trailblazer 19+	22,000	
Furness (Pre 2017)	10002599	01/09/17	16-18 Framework	9102	
		-	19+ Framework	3034	
		30/06/18	Trailblazer	0	
Hull (Pre 2017)	10003200	01/09/17	16-18 Framework	14,440	
		-	19+ Framework	9,000	
		30/06/18	Trailblazer	0	
HETA (Pre 2017)	10003206	01/09/17	16-18 Framework	2,500	
		-	19+ Framework	2,500	
		30/06/18	Trailblazer	0	
IPS International (Post 2017)	10003385	01/09/17	16-18 Framework	0	
		-	19+ Framework	0	
		30/06/18	Trailblazer 16-18	19,350	
			Trailblazer 19+	25,800	
South Thames college group (Pre 2017)	10003674	01/09/17	16-18 Framework	0	
		-	19+ Framework	0	
		30/06/18	Trailblazer 16-18	2,312	
Kingston post 2017	10003674	01/09/17	16-18 Framework	0	
		-	19+ Framework	0	
		30/06/18	Trailblazer 16-18	7,632	
Leeds City college (Pre 2017)	10024962	01/09/17	16-18 Framework	4,200	
		-	19+ Framework	0	
		30/06/18	Trailblazer	0	
Lincoln College (Pre 2017)	10003928	01/09/17	16-18 Framework	34,194	
		-	19+ Framework	8,566	
		30/06/18	Trailblazer	0	
Lincoln College (Post 2017)	10003928	01/09/17	16-18 Framework	124,722	
		-	19+ Framework	38,376	
		30/06/18	Trailblazer	0	
Loughborough College (Pre 2017)	10004112	01/09/17	16-18 Framework	14,650	
		-	19+ Framework	3,650	
		30/06/18	Trailblazer	0	
Loughborough College (Post 2017)	10004112	01/09/17	16-18 Framework	0	
		-	19+ Framework	0	
		30/06/18	Trailblazer 19+	8,000	

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London Southbank University (Post 2017)	10004078	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	13,780		
			Trailblazer	0		
Newcastle and Stafford colleges group (Pre 2017)	10004603	01/09/17 - 30/06/18	16-18 Framework	3,075		
			19+ Framework	0		
			Trailblazer	0		
Newcastle and Stafford colleges group (Post 2017)	10004603	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			16-18 Trailblazer	16,992		
			19+ trailblazer	8,496		
North Warwickshire and South Leicestershire	10004718	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer	0		
Northampton College (Pre 2017)	10007011	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	11,500		
			Trailblazer 19+	5,750		
Northampton College (Post 2017)	10007011	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	16,500		
			Trailblazer 19+	11,000		
Capital City College Group (Pre 2017)	10007455	01/09/17 - 30/06/18	16-18 Framework	1,520		
			19+ Framework	6,080		
			Trailblazer 16-18	15,960		
			Trailblazer 19+	6,840		
Capital City College Group (Post 2017)	10007455	01/09/17 - 30/06/18	16-18 Framework	36,560		
			19+ Framework	35,040		
			Trailblazer 16-18	48,600		
			Trailblazer 19+	29,160		
Trafford College (Pre 2017)	10005998	01/09/17 - 30/06/18	16-18 Framework	18,000		
			19+ Framework	14,400		
			Trailblazer 16-18	3,200		
			Trailblazer 19+	0		
Trafford College (Post 2017)	10005998	01/09/17 -	16-18 Framework	33,150		
			19+ Framework	33,150		

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		30/06/18	Trailblazer 16-18	48,328		
			Trailblazer 19+	55,232		
Tyne Coast College (Pre 2017)	10005999	01/09/17 - 30/06/18	16-18 Framework	10,750		
			19+ Framework	10,750		
			Trailblazer 16-18	97,920		
			Trailblazer 19+	71,808		
Tyne Coast College (Post 2017)	10005999	01/09/17 - 30/06/18	16-18 Framework	97,653.50		
			19+ Framework	13,950.50		
			Trailblazer 16-18	105,380		
			Trailblazer 19+	67,060		
Warwickshire College (Pre 2017)	10007859	01/09/17 - 30/06/18	16-18 Framework	1,250		
			19+ Framework	1,250		
			Trailblazer	0		
Wiltshire College (Pre 2017)	10007527	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	0		
			Trailblazer 19+	4,500		
Wiltshire College (Post 2017)	10007527	01/09/17 - 30/06/18	16-18 Framework	11,427		
			19+ Framework	7,618		
			Trailblazer 16-18	15,236		
			Trailblazer 19+	3,809		
York College (Pre 2017)	10007709	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	0		
			Trailblazer 16-18	2,710		
			Trailblazer 19+	0		
York College (Post 2017)	10007709	01/09/17 - 30/06/18	16-18 Framework	0		
			19+ Framework	7850		
			Trailblazer 16-18	44,954		
			Trailblazer 19+	0		

Total

£1,559,167

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*The variations in the funding retained demonstrate the fluctuations in cost between local provider provision and apprentices in different year groups. Each of our subcontractors charge a higher cost for apprentices in year 1 when compared to years 2+ but the funding received remains stable

Signed:



Martin Hottass; General Manager Siemens Professional Education UK

Signed: (Type name, Title)

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