



**Ixion Holdings (Contracts) Ltd**

**ESFA Skills Supply Chain Partners Fees and  
Charges Policy 2018/19**

This policy is available on-line at:

<http://www.ixionholdings.com/management-fees-payments>

and published on the Ixion Gateway Portal:

[www.in-tendhost.co.uk/ixion](http://www.in-tendhost.co.uk/ixion)

## 1. Rationale for Subcontracting

- 1.1. As an Ofsted Grade One *Outstanding* provider Ixion Holdings (Contracts) Ltd is committed to the high-quality delivery of a range of courses and programmes whilst meeting the needs of employers and individuals in line with the funders priorities and identified skills gaps.
- 1.2. In order to achieve this Ixion Holdings (Contracts) Ltd has taken the strategic decision to subcontract part of its provision to partner organisations to meet the needs of customers, both local and regional in order to:
  - 1.2.1. Expand its provision with new courses or delivery models that Ixion is currently not equipped to deliver
  - 1.2.2. Target specific communities that Ixion is unable to reach and widen participation
  - 1.2.3. Grow its provision and provider customers with niche or specialist provision offered by partners
  - 1.2.4. Maintain market share and look to expand contract values whilst supporting smaller providers to develop and grow their specialist provision
  - 1.2.5. Offer flexibility by delivering provision at times and venues convenient to learners and employers

## 2. Scope of the Policy

- 2.1. This policy applies to supply chain activity supported by funds from the Education & Skills Funding Agency (ESFA) or any successor organisations and will be effective from 1<sup>st</sup> August 2018.
- 2.2. The policy applies only to '*Provision subcontracting*' where Ixion subcontracts the delivery of full programmes for learners during the academic year 2018/19. **It does not apply to the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship framework/standard, enrichment or outreach support)**

The following programmes are covered by this policy:

- 16 – 18 Traineeships
- Adult Education Budget including 19+ Traineeships
- ESF Co-Financed Contracts

2.3 This policy is a mandatory requirement, and has been written in accordance with the following ESFA Funding and Performance Rules

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/705254/ESF\\_2014-20\\_Funding\\_Rules\\_V4.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705254/ESF_2014-20_Funding_Rules_V4.pdf)

### **3. Supply Chain Management Framework**

- 3.1. Ixion's Supply Chain Management Framework (SCMF) has been developed using Merlin Principles to support Ixion to procure and maintain excellent and positive relationships with supply chain partners in a creative and innovative way ensuring maximum flexibility. In as much as the Merlin Standard has been designed to recognise and promote sustainable excellence and partnership working within supply chains and provide guidance to those seeking to achieve it, Ixion has implemented its Supply Chain Management Framework to ensure it aligns to the four integrated and fundamental Merlin principles; Supply Chain Design, Commitment, Conduct and Review.
- 3.2. The framework will assist in the identification of need for subcontracted delivery, the selection of subcontractors in an open, fair and transparent way and the qualitative, financial and relationship management of subcontractors throughout the life of their contract with Ixion.
- 3.3. The Supply Chain Management Framework, in addition to addressing every step in the process of subcontracting, also reviews the role of commissioning, including the procurement process and how the supply chain behaviour is affected by the behaviour of Ixion. The framework aligns to each element of the four Merlin Principles ensuring a clear process flow is set out for each. All associated documentation is included or referenced in the framework for ease of use.
- 3.4. The aim of the framework is to set a consistent standard for the management of subcontractors across the Ixion Group and thereby drive the behaviours required to operate to the benefit of the funding body providing value for money at every stage.
- 3.5. In support of the Merlin Principle "Commitment" to develop supply chain partners and to inform them how they will be procured, managed and monitored a version of the process is available for distribution and storage on the Ixion Gateway Portal.

### **4. Improving the Quality of Teaching, Learning and Assessment**

- 4.1. Subcontracted partners will be expected to meet Ixion Holdings (Contracts) Ltd quality assurance standards with Ixion being committed to supporting, developing and sharing good practice and the professional development of all staff through quality reviews, webinars, operational meetings, observations of teaching and learning and participating in learner and employer feedback.
- 4.2. Subcontracted activity is a fundamental part of Ixion Holding (Contracts) Ltd Skills provision. The quality of provision will be managed and monitored as outlined in the Supply Chain Management Framework together with Ixion's Self-Assessment

Report / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

## **5. Charges and Management Fees 2018/19**

5.1. The standard management fee is 20% of all funding drawn down against the provision to be delivered. This figure represents the total cost that Ixion incurs in effectively identifying, selecting and managing all subcontracted provision. Levels of funding being retained will be clearly documented and agreed by all parties.

5.2. However, dependant on the nature of the programme, the level of Ixion support required by the subcontractor, or the level of funding available for the activity, the management fee may be altered at the discretion of Ixion. Specific fees charged for other activities will be subject to negotiation between Ixion and the Subcontractor at the time of contracting.

5.3. Management fees will be deducted at source at the agreed rate.

5.4. The types of support that our supply chain partners can expect to receive as part of the management fee are:

- Dedicated Single Point of Contact Supply Chain Management
- Quarterly (as a minimum) Face to Face Review Meetings with Performance Reporting
- Regular Management Information
- Quarterly Partner Forums to share best practice
- IT - access and systems training (where required) including access to E-Portfolio
- Communications- Joint Marketing & Media enquires

### **Quality Assurance visits including support and guidance for:**

- Contract Support & Funding Compliance
- Observations of practice
- Policy Development
- Staff Training & Development Inc. online learning and webinars
- Annual Self-Assessment and QIP support
- Customer and stakeholder engagement
- Information Security and Data Control
- Self-Billing Process
- Advice on Safeguarding, Prevent, Equality & Diversity and Sustainable Development
- Advice on Management of Health & Safety
- Updates of National Funding and Policy guidance
- HR - Guidance & Support where TUPE applies

5.5 Differences in management fees charged to supply chain will be dependent upon the level of support required, the experience of the subcontractor, their target learners, their track record, success rates and the level of risk as determined by the due diligence process.

5.6 If contract performance management results in additional intervention to mitigate any risk, Ixion may agree the cost of that intervention with the subcontractor and this cost will be taken as a fee above the standard management fee.

5.7 For additional services required over and above the management fee support above, Ixion may charge a Service fee for additional services provided.

5.8 Through our continued investment in innovation and technology, Ixion may decide to reduce its management fee for those subcontractors who use our systems and as the business increases its efficiency and cuts its costs. Ixion will keep all subcontractors informed of improvements and efficiencies through innovation at each of its network meetings and through regular communications through In-tend.

## **6. Payments**

6.1 Ixion Holdings will make monthly payments to Subcontractors based on the correct submissions of data and supporting evidence to validate their learning delivery. All funding claims must comply with the current ESFA Funding Rules and the terms of the agreement between Ixion Holdings and the Subcontractor. Where funding claims cannot be substantiated, Ixion will adjust or reclaim funds from the Subcontractor, and where required make an appropriate repayment to the ESFA, employer or learner.

6.2 Payments will only be made to the subcontractor once Ixion Holdings (Contracts) Ltd has received the funding from the Education & Skills Funding Agency or its successor funding body.

6.3 The subcontractor will be notified of the payment and will invoice Ixion for that amount. Ixion will normally pay the subcontractor within 30 days of receiving the invoice. Any anomalies that arise following payment will be subject to reconciliation at a later invoice date.

## **7. Policy Communication**

7.1 This policy is available to download via the Ixion Gateway Portal under policies & procedures or <http://www.ixionholdings.com/management-fees-payments> and can be made available in hard copy upon request. The policy will also be published on [www.ixionholdings.com](http://www.ixionholdings.com)

7.2 This policy is made available to any potential new suppliers in response to expressions of interest received to partner with Ixion.



7.3 The policy will be discussed and reviewed with all current subcontractors during July of each academic year. Any changes will be notified to subcontractors as part of their regular performance review or via separate correspondence through the Ixion Gateway Portal.

## 8. Published Funding Data

8.1 Data regarding actual levels of funding paid and retained for each of our delivery subcontractors in 2018/19, within the timescales prescribed by the ESFA.

## 9. Policy Review

9.1 The Policy will be reviewed on an annual basis and/or when significant changes in the Funding Rules occur. Prior to publication this policy is reviewed and signed off by Ixion Executive Board and Accounting Officer.

<p><b>Policy Agreed by:</b></p> <p>Signed: </p> <hr/>
<p><b>Jacqueline Oughton (Chief Operating Officer)</b></p> <p><b>Date: 27/07/2018</b></p>
<p>Signed: </p> <hr/>
<p><b>Rachael White</b></p> <p><b>On behalf of Ixion Board / Accounting Officer</b></p> <p><b>Date: 27/07/2018</b></p>