

# Supply Chain Policy and Retained Fess



Potential powered up

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<b>Author</b>	Group Director of Quality & People		
<b>Reviewed by</b>	Group Director MI, Admin & Compliance		
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## DOCUMENT CONTROL

Version	Name	Comment	Date
1.0	G. Dawkes	New issue as Leep Group	30.01.2026

## Policy Statement

For the purpose of clarity, the term “Leep” refers to the family of Leep organisations – Back to Work, Leep Trade & Leep Talent.

### 1.0 Context

The policy details B2W’s strategy and approach in relation to the use of supply chain partners in the delivery of education and skills contracts commissioned by the following public bodies:

- Department for Education
- Greater Manchester Combined Authority
- South Yorkshire Mayoral Combined Authority
- North East Combined Authority
- Tees Valley Combined Authority
- Greater London Authority
- West Midlands Combined Authority
- Cambridgeshire & Peterborough Combined Authority
- Liverpool City Region Combined Authority
- East Midlands County Combined Authority
- York and North Yorkshire Combined Authority

This policy describes the principles underpinning the acquisition, selection, management and development of B2W subcontracted provision, to ensure that it meets the required standard.

### 2.0 Strategic Aims

We will work with a range of sub-contract Partners who share our values of transforming businesses and communities by up-skilling current employees and residents, helping the recruitment of new talent and the development of locally skilled workforces that align to local needs and priorities.

We will procure high quality Partners to enhance and widen the reach of our provision, in the following circumstances:

- Support B2W to deliver high quality niche provision in areas where Partners’ have extensive and focused specialist expertise
- Deliver specialist programmes to complement our own provision to enhance and broaden our offer
- Assist employers to recruit and develop new and existing employees in priority sectors
- Meet local and regional community needs which B2W is not able to provide directly, such as specialist training for the unemployed/economically inactive
- Widen the range of progression opportunities for learners, both from Partners’ to B2W’s programmes and vice versa
- Provide good development opportunities for both B2W and its Partners, to share best practice and new ways of working

- Provide opportunities for learners and employers to access a wider range of training to meet skill shortages
- Support smaller supply chain Partners to access funding which will assist building their capacity and quality provision
- Provide opportunity of an entry point for disadvantaged groups and also for individuals who share protected characteristics where B2W would not ordinarily be able to engage with those individuals

We will ensure no more than 25% of contract delivery will be undertaken by subcontract Partners on any individual contract.

### **3.0 Subcontractor Selection**

We will ensure that our practices for selecting subcontractors are fair, impartial and seek to identify the best possible partners in relation to identified needs. Where practical to do so this will include running EOI processes, inviting applications from diverse organisations, and a measurable evaluation/selection process using pre-defined criteria, including but not limited to:

- Performance record
- Quality assurance and continuous improvement effectiveness
- Resource availability for contract requirements
- Readiness to meet contract requirements
- Local stakeholder integration
- Access to progression routes
- Support for learners with additional needs
- Wrap-around support for learners
- Effectiveness of compliance and eligibility controls
- Effectiveness of safeguarding policy and safer recruitment practices

All subcontract Partners will undergo a comprehensive due diligence process prior to any delivery. This will include a credit check and a detailed review of information submissions, including financial accounts, information security arrangements, safeguarding and Prevent awareness and policies and various other documents which help us to see the extent of delivery experience and expertise.

### **4.0 Subcontractor Appointment**

Before formally appointing a subcontractor and issuing contract terms, approval must be obtained from B2W's External Quality and Impact Committee.

The request submitted to the committee for review should, at a minimum, include:

- The reasoning behind selecting a subcontractor
- An explanation of how the proposed delivery aligns with local needs and priorities, whether nationally or within a specific region
- Confirmation of approval from the relevant funding body that commissioned the funding contract
- How the proposed delivery will complement existing services and provide added value to local communities and employers

- If applicable, details on how the subcontract will broaden access, participation, and engagement among priority target groups
- Reasons why the subcontractor is better suited to deliver the service compared to internal delivery
- The strategic intent behind the subcontract and the targeted learner outcomes
- Information about any specialised provision beyond B2W's internal capabilities
- Any specific employer needs or employers that the subcontract will address

Delivery requires committee approval, and subcontracting to achieve short-term funding is strictly prohibited.

## **5.0 Improving the Quality of Teaching and Learning**

We are committed to providing all learners with a high standard of teaching, learning and assessment. This applies to learners who embark on qualifications directly with us as well as those who study with our subcontract Partners.

B2W adopt a simultaneous and consistent approach to analysing the quality of provision for both internal and external provision. Through the adoption of Ofsted's Education Inspection Framework (EIF) the primary objective of all quality assurance activities is to assess what it is like to be a learner at B2W. The approach taken is short notice curriculum review visits and activities include OTLAs, work scrutiny, learner, staff, and employer voice all of which we promote through joint activities. As a result of findings obtained, a detailed report with specific action points will be shared and monitored to aide improvements and to celebrate best practice. Furthermore, subcontractors are invited to attend all CPD sessions tailored to the results of curriculum reviews and to improve the expertise of tutors and curriculum offered to learners.

We complete robust due diligence checks on a variety of areas which impact teaching, learning and assessment prior to sub-contractors coming on board such as teaching qualifications, functional skills approach and policy, initial and diagnostic assessment approach and policy and the subcontract Partners self-assessment report.

All subcontractors are expected to fully engage with B2W's quality assurance framework and must provide reasonable access to learners, staff, and resources upon request in order for B2W to evaluate quality of education and provision impact.

## **6.0 Performance Management**

Performance management arrangements for each contract will be tailored to the requirements of each funding programme and the agreed focus of the appointment, as outlined in the contract terms with supply chain partners.

The level of performance management applied to each contract will depend on several factors, including:

- The provider's track record
- Ongoing performance in learner outcomes
- Findings from quality assurance activities
- The provider's general risk rating
- Learner volumes

- Contract length
- Due-diligence findings

At a minimum, each partner will have at least one monthly interaction with an appointed Contract Manager from Back 2 Work to review performance, learner outcomes, and funding claims. No less than every three months, this will include a full documented performance review, with evaluation against all key performance metrics and documented progress against quality assurance and improvement plans.

If underperformance occurs in any area and remedial actions are not resolving concerns within set timeframes, B2W will issue a performance improvement notice to partners. This notice will specify required remedial actions, measures of impact, and deadlines for resolution.

In cases of persistent underperformance, all contractual terms will reserve the right to terminate agreements, specifying related actions and notice periods. Contracts will also allow for immediate termination if any risk to the wellbeing of learners, subcontractor staff, or representatives of B2W is identified.

### 7.0 Retained Funding

Prior to any subcontracting relationship, we will ensure that all Retained Funding Fees are discussed and agreed with all parties, confirming how they are:

- Formulated in a consistent, fair and transparent manner
- Appropriately tailored to reflect each individual subcontract Partner
- Broken down into related costs of how B2W will provide the individualised support services relating to performance management, quality monitoring, compliance and administration

For all funded provision, we pay the full value allocated by the funding body less a 'Retained Funding Fee'. The retained funding is to ensure that B2W can meet all of the obligations of its funding authority main contracts. For the academic year 2025/2026 the retained funding will be on a sliding scale of between 15% and 25%. For any ASF provision any retained funding will be capped at 20% in line with local and national funding rules. The rate of retained funding will be determined on a "best fit" basis by the following categories:

<u>Retained Fees</u>	<u>Requirements for provider characteristics and support level</u>
15% - low risk/low-resource	<ul style="list-style-type: none"> <li>-Extensive track record of performance on associated funding line</li> <li>-High quality internal quality assurance framework and continuous improvement strategies in place</li> <li>-Highly developed internal processes for administration and compliance leading to minimal assistance with monthly claims and low rejection rates</li> <li>-No assistance required in the development of appropriate policies, controls and</li> </ul>

	<p>standard operating practices relevant to contract delivery requirement</p> <ul style="list-style-type: none"> <li>-Low risk due diligence findings leading to minimal resource requirements for contract set up and onboarding</li> <li>-High quality employee records and vetting procedures</li> <li>-Highly developed safeguarding policy and procedure in place</li> <li>-Internal and effective internal staff CPD schedule</li> </ul>
20% - medium risk/medium resource	<ul style="list-style-type: none"> <li>-Limited track record of success on associated funding line</li> <li>-Quality assurance frameworks with ongoing support requirements to ensure effective implementation and impactful strategies to drive quality of education and learner outcomes</li> <li>-Basic compliance and processing resource in place that requires additional compliance checks to ensure accuracy/eligibility prior to claim</li> <li>-Some element of assistance required in the development of appropriate policies, procedures and operating controls</li> <li>-Medium risk due diligence findings indicating wider/ongoing support needs with contract implementation and ongoing governance/management</li> <li>-Support requirements with Safer Recruitment and additional vetting checks to be carried out by B2W to ensure employees are safe to engage with B2W learners</li> <li>-Requirement for B2W to implement safeguarding processes and resources to meet internal standards</li> <li>-Staff CPD requirements identified to ensure B2W's expectations are met</li> </ul>
25%	<p><b>Only applicable to non-ASF contracts</b></p> <ul style="list-style-type: none"> <li>-Limited experience delivering contracts of a similar nature</li> <li>-Basic quality assurance controls in place with a requirement for B2W resource to be used on an ongoing basis in order to ensure effective strategies are implemented and maintained</li> <li>-Enhanced level of eligibility and processing checks due to limited internal resources to oversee robust compliance controls</li> </ul>

	<ul style="list-style-type: none"> <li>-Ongoing support needs in the development of appropriate policies, procedures and controls</li> <li>-Requirements for B2W to own/control staff vetting and safer recruitment checks due to limited assurance of internal controls</li> <li>-Limited resources available internally to support ongoing staff CPD strategies requiring full integration with B2W's CPD framework</li> <li>-Full access to B2W's safeguarding resource due to limited internal staffing with appropriate expertise</li> </ul>
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Information will be provided to subcontract partners about the amount of funding retained to cover the management and monitoring, administrative functions, quality assurance, and support activities, including:

- Programme set up, on-boarding and on-going query support
- Compliance and system training
- Access to IT engagement and delivery systems
- Enrolment input and compliance checks of documentation
- Monthly review of data in relation to retention, achievement, etc.
- Updates in relation to funding, provision and curriculum planning
- Ongoing quality assurance support
- Observation of Teaching and Learning
- Monthly performance review meetings and quarterly strategic meetings
- Access to training, CPD and forums undertaken by B2W
- Information Advice and Guidance for learners from a Matrix accredited team
- Assistance with self-assessment reporting
- Health, Safety & Environment advice and support
- Mandatory Safeguarding training and support
- Learner evaluation collation and summary
- Assessments/audits

## 8.0 Payments

B2W will specify evidence requirements and payment terms within individual contracts and ensure that Partners are fully informed about the arrangements relevant to their specific deliverables. Partners will be provided with a monthly schedule outlining cut-off dates for submitting data and learner records, ensuring timely inclusion in the monthly ILR returns.

Payments are processed, reconciled, and disbursed on a monthly basis. Each month, Partners will receive a detailed earnings statement that itemises payment breakdowns based on submitted data and contract provisions.

The methodology for earning payments strictly aligns with the funding criteria and performance management rules set forth by the applicable funding program or contract, mirroring the process through which B2W receives payments from its funding partners.

All verified payments due to Partners will be made within 30 days of B2W's receipt of funds from the relevant funding bodies. Additionally, B2W will publish an annual report detailing all funding received and payments made to individual subcontracted Partners.

Payments will not be made for any delivery exceeding a Partner's maximum contracted value without prior written authorisation.

B2W reserves the right to withhold or reclaim funds from future payments if claims are found to be ineligible. Furthermore, B2W may suspend payments immediately, pending a comprehensive investigation, in cases where there are concerns regarding malpractice, maladministration, fraud, or any other circumstances reasonably deemed to pose a risk to public funds.