

## **Supply chain (sub-contractor) retained funding and charges policy- 2025/26**

Swatpro is a not-for-profit company limited by guarantee. We are a partnership of established training providers and employers. This enables the partnership to deliver the highest levels of support, expertise and opportunity to all our learners, business customers and members, with the security and economy of scale that comes from working together.

Funding is retained by Swatpro as a % of the government funding received. The funding covers the costs of Swatpro delivering the appropriate learning, the lead provider responsibilities and fund cross partnership tools, systems and support required to deliver a successful and high-quality apprenticeship or learning programme. The objective is to maintain the percentage of the funding retained as the economy changes and costs increase with no increase in funding provided by DfE. While maintaining an appropriately sized model that maintains optimum functionality and quality.

The retained funding level is fixed at 10% for 2025/26 -this may adjust when additional services are provided following consultation and agreement with the subcontractor- and as in the past five years if a surplus above the level of required surplus determined by the Board is achieved it is used to implement investment in resources or facilities to improve the Swatpro delivery, fund cross partnership development to support quality provision agreed by the board. The remaining surplus will be distributed to subcontractors based on the percentage of the overall funding they have received from Swatpro in year, ensuring funding is being targeted at education and learning. This reduced the overall service fee over the past five academic years to 9%, and supported investment in quality and programme improvement.

The sub-contracting agreement is determined on a basis based on the length and timing of contracts and agreement with funding bodies based on due diligence, quality, financial assessment, and performance. The performance management of quality improvement and compliance is continuously monitored and supported throughout the year. The payment terms, rates and funding triggers are set out in detail in a contract agreed on an annual basis. Payment terms are 30 days following Swatpro receipt of the funding. The specific details of the services provided by each party are agreed at the start of each contract year in a Service Level Agreement.

### **The services provided by Swatpro included in the fee are:**

- Delivery of the appropriate learning to support the Apprenticeship or other learning programme.
- Support from a Quality Improvement Manager through the performance and quality improvement management process.
- Support from a Management Information and Compliance Manager through the MI and compliance management process.
- Supply of an online Management Information System for members to enter ILR data. The system provides real time learner data and information and real time performance and contract management reports.
- Supply and maintenance of a virtual learning environment for all learners and staff.
- Monthly contract management and finance reports to support the member's business management.
- Monthly performance reports to support performance management and improvement.
- Supply of an English & mathematics initial assessment and diagnostic tool.
- Online learner, employer and staff satisfaction surveys are run continuously, and members receive analysed reports to support improvements.
- Base documentation provided, aligned to the current funding rules, updated following any funding rules changes or updates.
- Member promotion and representation on the Swatpro website [www.Swatpro.org.uk](http://www.Swatpro.org.uk) and social media.
- A quarterly membership meeting that includes information updates, new curriculum developments and policy changes. This also supports sharing of good practice and partnership development.
- A quarterly Quality Improvement Team meeting to develop systems and processes to support quality improvement, consult on the development of the Swatpro QI monitoring and support and facilitate sharing of good practice and resources.
- Provides an established online safeguarding and wellbeing concern management system with support, reporting and chronology management.
- Bi monthly Safeguarding Improvement Group to provide cross partnership information and support, facilitate peer to peer knowledge transfer and guest speakers.

- Support for SAR and QIP development and implementation.
- Interface with funding organisations for contract negotiations, growth cases and contract variations.
- Allocation and performance monitoring of funding allocations.
- Prompt payment and funding reconciliation.
- Support for and aggregation of quality self-assessment and development plans.
- Moderation of teaching and learning observations.
- An internal assurance programme for quality improvement and financial assurance management and compliance.

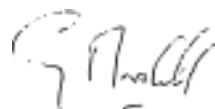
All of the above services are provided from the 10% funding retained.

This policy is subject to annual review and is available on our website. This policy is for the academic year ending July 2026.

Approved and signed by the Directors and the partnership Board:



Rod Davis  
Chief Executive



Craig Marshall  
Director