



## Supply-Chain fees and charges Policy

<b>Date established:</b>	August 2013
<b>Updated:</b>	August 2018
<b>Reviewed:</b>	This policy is valid until Jul 2019
<b>Purpose:</b>	This document covers policy of MIT Skills for Supply-Chain fees and charges in relation to “provision subcontracting”.

- MIT Skills is a learner centred private training provider working in the UK delivering training and skills valued by learners, employers, the community and the UK economy.
- MIT Skills is committed to the propagation of quality and choice for learners aiming to expand our range of delivery via internal growth, and where appropriate via subcontracted provision.
- This policy covers “provision subcontracting” Provision subcontracting is when you subcontract the delivery of AEB funded qualifications, full programmes, Apprenticeships Standards or frameworks as recognised for all apprenticeships prior to 1<sup>st</sup> May 2017 for Funding rules. It also covers the requirement for subcontracting under the new Apprenticeship funding model from 1<sup>st</sup> May 2017 This policy will be reviewed in line with changes to proposed funding arrangements and subcontracting rules which are proposed to changes in line with the requirements for Apprenticeships Levy Payer and Non Levy payers under ESFA rules and contract requirements.
- **Subcontracting it’s part in our provision**
- Subcontracting for MITSkills is aimed at creating access and choice of quality provision, to meet the demands of employer and learners both locally and nationally.
- MITSkills in subcontracting looks for synergy with its subcontractors, where our internal expertise and those of the subcontractors are enhanced to mutual benefit of all parties, employers, learners, the subcontractor and our own provision.

### **Quality Assured Learning**

- MIT Skills has significant expertise in quality assurance of teaching and learning. We are also recognised for quality of our provision in a number of subject areas, as has been recognised by a number of bodies, including awarding bodies some examples are given below.





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- To ensure quality of provision subcontractors are actively managed to our quality assurance and improvement system, and have access to MITSkills advice and expertise.
- MITSkills benefits from subcontractors by increased access to a wider pool of quality assured delivery and assessing staff, in a widening range of subjects and being able to offer employers more holistic provision.
- MITSkills shares best practice with, and between its subcontractors as part of the drive for better overall provision and enhancing the learner experience.
- MITSkills subcontractors are supported in improving the quality of provision to our subcontracted learners by a combination of ongoing quality assurance. This includes contract and quality assurance reviews, direct observation, access to quality maths and English assessments tools where appropriate, support on CPD, structured progress reviews, learner voice feedback agreed improvement plans, covering advice and guidance, teaching, delivery development, and requiring contractors to contribute a Self Assessment Report aligned to Ofsted CIF.

### Fees

- MITSkills managing fee rate varies from 20% to 30% of agreed subcontracted funded delivery content. Subcontractors agree this fee with MITSkills on a contract to contract basis depending on the following.
- MIT Skills takes into the subcontractors size, breadth of provision, geographical spread and their ability to deliver quality assurance processes internally,(the level they can apply quality assurance independently over and above the requirements for quality assurance by MITSkills as the lead provider). MITSkills also takes account of the level of support a subcontractor requires to comply with awarding bodies' requirements and the requirements of the Apprentice Standards and or Frameworks to be delivered.
- The fees will also reflect the contract requirements for quality assuring subcontracted learning, and will reflect the type of assurance and deliver requirement for the funding model, be this study programme, adult skills, apprenticeships quality assurance
- Having taken in to consideration the above factors, MITSkills will agree a management, quality assurance and support plan, which will be reflected in the managing fee.

### Payment terms

- Standard payment terms are agreed on a contract to contract basis, currently the following criteria is in place. The actual subcontracting contract for Apprenticeships will be at the individual apprentices and employer contract level. Any higher level overarching subcontracting documents will be part of the subcontractual requirement and will be issued prior to any individual or employer subcontract. Where an individual contract is issued and signed embodies the overarching contracting terms documents and ESFA requirement on payment and are taken as part of the individual contracts with each employer. Volume targets agreed in conjunction with overarching terms between Subcontractors are to allow planning and are only binding for payment with a matching employer contract agrees sub contracting from MITSkills to any given subcontractor. The existence of an overarching contractual terms, imply that MITSkills will work exclusively with a subcontractor for any given Apprenticeships Standard, framework ,or Geographical area, any subcontracting and payments will be to meet individual learner and employer contractual requirements.



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- AEB sub contracts and 16 to 18 non Apprenticeship subcontracts will be on a learner to learner basis, receipt of ESFA funding, again any overarching subcontracting terms will not confer a right to payment without a (subcontracted) fundable learner, and appropriate evidence of delivery and progression.
- Payment is made as part payment against provision under subcontract one month in arrears by MIT Skills to subcontractors when relevant funding received with the ESFA validating the funding claim.
- Monthly payments timing is the last working day of the month.
- Invoices received are paid with 14 days of a valid invoice, for non levy apprenticeships a valid invoice includes that there is cleared employer funds as per the ESFA employer contribution requirements including payment of the VAT element where relevant.
- Full payment terms and conditions are issued to each subcontractor.
- Subcontractor contracts will be aligned to the funding allocation or changes to rules and ESFA management periods, currently for apprenticeships this period is to 1<sup>st</sup> July 2019 when this document will be reviewed except where allowed by the appropriate funding body

**Policy communication and Deployment**

- This policy is communicated and discussed with current and potential subcontractors during contract negotiation, and or update to meet requirement of government bodies, or quality compliance.
- This policy is published on our website <http://mitskills.com/>

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