



Supply-Chain Fees and Charges Policy

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| Date established: | August 2013 |
| Updated: | June 2021 |
| Reviewed: | This policy is valid until Jul 2022 |
| Purpose: | 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 1st May 2017 for Funding rules. It also covers the requirement for subcontracting under the new Apprenticeship funding model from 1st May 2017 This policy will be reviewed in line with changes to proposed funding arrangements and subcontracting rules which are proposed to change in line with the requirements for Apprenticeships Levy Payer and Non-Levy payers under ESFA rules and contract requirements.
- **Subcontracting its 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.
- Subcontracting allows both our own delivery and subcontractors to improve via the sharing of good practice, expertise, and resources, broadening capacity to deliver and improving the overall quality of teaching and learning for all learners across ourselves and subcontractors.
- MITSkills policy is to move towards reducing subcontracting in line with the ESFA expectation in their document ESFA Subcontracting standard July 2021 and will actively be reducing levels of subcontracting during 21/22 we recognise this may not always be reflective of current employer tendering and may by default exclude MITSkills from employers’ tenders and reduce employer choice overtime.



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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 several bodies, including awarding bodies some examples are given below.



- To ensure quality of provision subcontractors are actively managed to our quality assurance and improvement systems 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 EIF.

Fees

- MITSkills managing fee rate varies but averages 20% of the value of agreed subcontracted funded delivery content. Subcontractors agree this fee with MITSkills on a contract-to-contract basis depending on the following.
- For each subcontractor, MITSkills will determine a detailed list of specific costs for managing them, and specific costs for quality monitoring activities and specific costs for any other support activities offered to the subcontractor. This will include a core cost for management and quality assurance sufficient to ensure compliance in line with ESFA rules on subcontracting without which no subcontracting can take place.
- For each subcontractor, MITSkills with the subcontractor will agree in the contract schedules each cost (based on agreed levels of compliance with and contract adherence) is reasonable and proportionate to delivery of their teaching or learning and that it was agreed how this cost contributes to delivering high quality learning prior to signing the overarching contract agreement. By signing of an overarching subcontracting agreement, the subcontractor is agreeing the cost as proportionate and reasonable, and the agreed the costs contributed to delivering high quality delivery.



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- In identifying the support required by each subcontractor MITSkills takes account a range of factors. The following are examples of the factors (this is not an exhaustive list) which include the subcontractor's size, breadth of provision, geographical spread, and their ability to deliver, as well as quality assurance of their own 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 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, or apprenticeships quality assurance.
- Having taken into 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 subcontracting from MITSkills to any given subcontractor. The existence of 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.
- AEB subcontracts 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.
- Payment is made on condition of full compliance with current ESFA funding rules and requirement of funding and evidence of subcontracting delivery and progression as outlined in the funding rules.
- 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.



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- Subcontractor contracts will be aligned to the funding allocation or changes to rules and ESFA management periods, currently for apprenticeships this period is to 31st July 2022 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 negotiations, 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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