

1. Scope of Policy

1.1 This policy outlines how MI COMPUTSOLUTIONS will apply fees and charges to contracts with organisation that it subcontracts to deliver education and training provision on its behalf in 2017/18

1.2 This policy covers the delivery of all education and training provision funded by the Education Skills Funding Agency and the Education Funding Agency (the “Funding Bodies”) that MI COMPUTSOLUTIONS sub-contracts to third-party organisations.

1.3 It has been written in accordance with the Education Skills Funding Agency’s requirements stated in its Funding Rules 2017/18

2 Disclaimer

2.1 MI ComputSolutions reserves the right to amend its subcontracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in its standard contract for subcontracted provision.

3 Rationale for Sub-Contracting

3.1 MI ComputSolutions will enter into subcontracts with organisations to undertake provision that fits with its strategic objectives, where MI ComputSolutions cannot provide this directly for reasons of resourcing, efficiency or effectiveness.

3.2 By working with other organisations, MI ComputSolutions is able to better meet the needs of its customer. This may be for a number of reasons, such as:

- Providing niche delivery where the cost for MI ComputSolutions developing direct delivery would be inappropriate;
- Engaging with the wider community and so increasing participation by:
 - Widening the range of progression opportunities for learners, both from subcontractor’s provision to MI ComputSolutions and vice versa;
 - Offering flexibility by delivering provision at times and venues convenient to learners and employers;
- Contributing towards the sustainability of MI’s provision overall by helping MI ComputSolutions to respond to changing market demands and emerging opportunities;
- Supporting employers with a wide geographic requirement;
- Enabling MI ComputSolutions to respond quickly to employer and learner demand, so providing a greater choice for learners;
- Providing good development opportunities for both MI ComputSolutions and its subcontractors, to share good practice and explore ways of working;
- Temporarily expanding provision to meet a short term need;
- Providing immediate provision whilst expanding direct capacity, including exploring and learning about new frameworks or sectors prior to investment in resources;
- Enabling MI ComputSolutions to gain access to intellectual property required to enhance MI ComputSolutions curriculum offer.

3.3 MI ComputSolutions main priori for sub-contracting are to support:

- Work with disengaged young people;
- Unemployed and Employed adults;
- Apprenticeships and Traineeships;
- Workforce up-skilling.

3.4 Provision that meets one or more of the following criteria will be prioritised:

- It meets the needs of the residents and employers of Lambeth and neighbouring boroughs;
- It supplements and does not duplicate MI ComputSolutions curriculum offer; and
- It offers progression opportunities with MI ComputSolutions.

4 Contribution to Improving the Quality of Teaching and Learning

4.1 Subcontracted provision will only be supported with organisations that can demonstrate the actual achievement of, or the potential to rapidly achieve, good quality teaching and learning, exceptional learner and employer experience and success rates that achieve national benchmarks and the targets set out in MI ComputSolutions Strategic Plan.

4.2 MI ComputSolutions ensures that its subcontractors are included in MI ComputSolutions' quality cycle and are guided and supported by MI ComputSolutions to follow this process.

4.3 MI ComputSolutions supports subcontractors to complete the course review and self-assessment process, including quality improvement plans. It also offers support as required to share good practice through regular quality reviews, observation of teaching and learning and learner and employer feedback.

4.4 Subcontractors are expected to hold course Centre approvals where appropriate and liaise with awarding bodies. MI ComputSolutions regularly reviews external moderator reports submitted by subcontractors and monitors any follow-up required.

5 Fees and Charges

5.1 The management fee retained by MI ComputSolutions is calculated as a percentage of the total contract value agreed with the subcontractor.

5.2 The typical percentage range of fees retained by MI ComputSolutions to manage subcontractors is 20% of the ESFA matrix value agreed with the subcontractor, representing the cost of support by MI ComputSolutions to the subcontractors as set out in *Section 6* below.

5.3 MI ComputSolutions may charge a fee up to 25% in cases where it considers that:

- There is a high risk in working with an organisation, using the factors set out below; or
- Where more developmental quality assurance support is required.

5.4 The following risk factors are taken into account when determining the fee:

- Track record of the sub-contractor with regard to meeting success rate and funding targets;
- Length and history of the sub-contractor's previous contract relationship with MI ComputSolutions;
- Financial standing of the sub-contractor;
- Sector subject area;
- Contract size with regard to both funding and learner numbers;
- Quality and Delivery strategies;
- Anticipated demands of the contract on MI ComputSolutions resources.

5.5 The management fee is open to negotiation and review by sub-contractors and the final fee is agreed by both parties.

6 Support to Sub-Contractors

6.1 The management fee will cover the costs to MI ComputSolutions of providing the following services:

- Provision of a suitably qualified / experienced Account Liaison Officer;
- Advice and guidance at pre-contract stage and due diligence assessment; Contracting;
- Enrolment support (e.g. provision of paperwork, advice and guidance on student eligibility) and processing of enrolment documentation;
- Data and financial management – timely and accurate processing and submission of data to enable drawdown of funds from the Funding Bodies and analysis to ascertain funding earned by sub-contractor and calculation of success rates;
- Provision of regular class lists and funding reports;
- Provision of administrative, technical and management information support, from initial learner identification through to completion and achievement;
- Regular review meetings and performance reports;
- Compliance and quality assurance visits and ongoing support to address any areas for improvement;
- Provision of Quality Training Support in ensuring Quality Compliance and Staff Development is maintained
- Access for sub-contractor staff to MI-run staff development and training where appropriate.

7 Reasons for Differences in Fees Charged

7.1 Fees charged to individual sub-contractors may differ for the reasons set out in Section 5 above.

7.2 A higher fee will also be charged if additional services were provided to the sub-contractor (e.g. support to enhance teaching and learning policies and/or practices).

8 Payment Terms

8.1 Payments will be calculated as a percentage of the funding generated by actual activity recorded in the Individualised Learner Record (ILR) up to the maximum contract value. Payments are calculated on a monthly basis and in addition to the funding generated, also take into account audit hold back and payments to date and the delivery of agreed services in accordance with the contract.

8.2 For any funding to be generated for a given month, subcontractors are required to submit enrolment and achievement evidence by a certain cut-off date. This is to ensure MI ComputSolutions can process the data in time for the monthly ILR return and subsequent funding calculation.

8.3 After each month end, MI ComputSolutions will send a financial report to sub-contractors confirming the invoice amount.

8.4 Once an invoice is received, payments to subcontractors will be made within 30 days of the invoice date.

8.5 Full details of payment arrangements for each individual contract are included in each subcontractor's contract – these include the schedule for evidence submission and monthly financials deadlines.

9 Policy Review

9.1 This policy will be reviewed at least annually and in-year as needed to reflect any changes in Funding Body's funding rules and MI ComputSolutions strategy.

9.2 Any changes to this policy that are required mid-contract will be discussed with subcontractors