

SUPPLY CHAIN FEE POLICY 2019/2020

Introduction

MRG Services UK Ltd (The Prime), works with a limited number of subcontractors, and only when such subcontracted providers (Partners), are enhancing the scope of our own provision. Subcontracts will only be offered on ESFA programmes for Adults.

Fees and Payments

MRG will retain an agreed amount of funding generated from the subcontracted provision of 20%. This retention is expected to meet the provider obligations in respect of the ILR, compliance and audit, quality and curriculum.

Where a Partner achieves a range of metrics including performance, quality and compliance, and, as a result of this, requires less support, then this fee can be reviewed accordingly.

The exact mix and level of support for each subcontractor will vary depending on needs. They will be provided with support to ensure that the overall aims of the programme are met.

Where MRG (The Prime) is required to provide a “substantive” input into the programme, there will be a further retention to reflect the cost of this delivery. The further retention will be calculated by MRG and the subcontractor informed.

Payment Arrangements

Payments will be made on a monthly basis, unless agreed, in writing, with the Partner. Following the validation of evidence in the ILR return, MRG will make the appropriate payment based upon the level of net funding taking into account any further retentions, and also any adjustments for reconciliation. Payment profiles will be provided with each remittance. Payment terms will be 30 days from Invoice date.

Teaching and Learning

MRG is committed to improving the quality of teaching and learning and will expect the Partners to be fully compliant with all and any requests for quality checks of whatsoever nature. Checks will include:

- Monthly RAG Reports
- OTLA & OKP
- Periodic Curriculum Visits.
- Periodic Unplanned Visits
- Self-Assessment.

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All reports will include a risk banding with resultant interventions and sanctions

Contingency Plan 2019/20

Where MRG (The Prime), or the subcontractor (Partner) withdraws from a subcontract arrangement, for whatsoever reason, MRG will always seek, to the best of their ability to create a continuity of provision for the learner, thus enabling them to complete their programme. The contingency will, subject to a case-by-case assessment, will include the options of MRG delivering the programme, subcontracting to a new Partner, or transferring the learner to a new Provider.

Payment Arrangements

Payments will be made monthly, or as agreed with the Partner following the submission and validation of the required evidence,

MRG will make the appropriate payment through the BACS system. The payment to the subcontractor will reflect the agreed Management Fee, and any adjustments for reconciliation, MRG direct delivery, disbursements, and any other retentions. MRG will inform the Partner with details of the payment.

The level of support will be determined at the commencement of the subcontract following due diligence. This will be subject to review at any time, and at least on an annual basis. Such reviews may also alter the retention fee accordingly.

Communication of Policy

This Policy will be published on the MRG website

Policy Review

Will be carried out on an annual basis. The current document review information is in the footnote

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