

# SUB-CONTRACTING SUPPLY CHAIN FEES & CHARGES POLICY

*(POL009)*

**2024/25**

**BE THE EXPERT  
BE THE CUSTOMER  
BE THE FUTURE**



## **SUB-CONTRACTING SUPPLY CHAIN FEES AND CHARGES**

### **Statement**

Baltic Apprenticeships has made a strategic decision to reduce the level of subcontracting activity significantly and to concentrate on direct delivery. As a consequence we do not expect to sub-contract any activity in 2024-25.

### **Scope of the policy**

The Policy applies to all subcontracted partner organisations.

### **Improving the Quality of Teaching and Learning**

Baltic Apprenticeships will support, develop and share good practice through: quality reviews, operational meetings, observations of teaching and learning and learner and employer feedback.

### **Management Fees**

Baltic Apprenticeships retains a management fee from all subcontracted partner organisations, ranging from 10% to 30%. The fees charged reflect the cost of the procurement process, services provided, the management of the contracts and the performance of the subcontractor.

Subcontractors working with Baltic Apprenticeships receive a high level of support and guidance and access to our systems, including:-

- Quality management systems
- Certification and registration with awarding bodies if required
- Management Information Services and data control advice
- Audit of management systems and delivery and observation of teaching, learning and assessment
- Teaching, Learning and Assessment coaching
- CPD Opportunities and planned training and development
- Policy development
- Support with Funding Rules compliance
- Regular national updates regarding funding and policy guidance.

Not all subcontractors will be charged the same management fee; differences in fees may depend upon the level of support required, the experience of the subcontractor, target



learners, track record, published success rates, the level of risk as determined by the due diligence process and the performance of the subcontractor in terms of qualification achievement and successful progression.

### **Payment Arrangements**

Payments will only be made to the subcontractor once Baltic has received the funding from the Education and Skills Funding Agency.

The subcontractor will be entitled to receive the amount of additional funding drawn down each month via Baltic Apprenticeships' ESFA claim, less the agreed management fee.

The subcontractor will be notified of the payment and will invoice Baltic Apprenticeships for that amount. Baltic Apprenticeships will normally pay the subcontractor by the end of the month within which it receives funding from the ESFA, assuming an invoice has been received. Any anomalies that arise following payment will be subject to reconciliation at a later invoice date.

### **Policy Communication**

The Policy is available on-line at [www.balticapprenticeship.com](http://www.balticapprenticeship.com) and can be made available in hard copy upon request. The Policy will be discussed with all current and future subcontractors during contract negotiation meetings.

### **Publishing Funding Data**

Data regarding the actual level of funding paid to each Subcontractor will be published annually within 30 days of the ILR closing. In 2023-24 Baltic did not engage with any subcontractors.

### **Policy Review**

The Policy will be reviewed at least annually and/or when significant changes in the Funding Rules occur.

## **- PROMOTING EQUALITY AND DIVERSITY -**