



# Pathway Group

## Sub-Contracting, Fees & Charges and Arrangements Policy

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# **SUB-CONTRACTING / PARTNERSHIP ARRANGEMENTS**

## **2019/20 & 2020/21 FEES & CHARGES**

### **1. CONTEXT**

It is a requirement for a Training Provider to publish a document explaining any fees and charges associated with sub-contractor or partner provision.

This is a mandatory requirement of the Education and Skills Funding Agency (ESFA) and needs to be approved prior to undertaking any sub-contracted or partner activity in an academic year.

The content of this document has been developed in line with AoC / AELP Common Accord guidelines for sub-contracting, the ESFA funding rules, LSIS supply chain management quality documentation and the Company's strategic aims and objectives.

### **2. PURPOSE OF THE DOCUMENT**

The purpose of the document is to explain how the Company ensures that it undertakes fair and transparent procurement processes and conducts robust due diligence procedures in selecting potential partners.

The Company's aim in publishing this document is to ensure, as far as is reasonably practicable:

- compliance with current ESFA funding rules
- the highest quality teaching, learning and assessment
- value for money and a positive impact on the learner experience

### **3. RELATED DOCUMENTS**

This document should be read in conjunction with other relevant Pathway Group policies and guidance:

- 16-19 Bursary Policy
- Advanced Learner Loans
- Bursary Fund Policy

### **4. OUR RATIONALE FOR PARTNERSHIP WORKING**

We only seek the addition of new subcontractors that will not only supplement our own delivery but introduce new areas of specialty and strengthen the extent to which we:

- Successfully meeting employer demand.
- Create more opportunities for learners, through the building of localised partnerships.
- Respond to local and regional demand.

**The Company's Strategic Aims:**

- To provide our Learners with the highest quality education and training and an experience to match
- To provide a robust education and skills offer for local communities and beyond
- To support the economic regeneration of local communities through the development of an academic and vocationally relevant curriculum
- To be responsive to the rapidly changing education and skills world so that all of our learners are equipped for the future.
- To provide our learners with the highest quality education and training and an experience to match
- To achieve external recognition for the quality of teaching, learning and outcomes for learners
- To provide a service for local communities and beyond that provides value for money.
- To work effectively with all stakeholders to promote a culture of ambition and continuous improvement.
- To improve and grow through mutually beneficial strategic partnerships.

Pathway Group works with partners to enhance and extend the curriculum we offer. Partnership working should enable us to respond quickly to employer and learner demand. It provides greater choice for learners, ensures national coverage, maintains the delivery of niche provision and supports the local communities.

Partnership work enables flexibility in what is often an uncertain and changing market. Partnership working is an important element of the further education system and enables us to offer a high quality and locally responsive curriculum.

**5. DUE DILIGENCE**

Prior to setting up a partnership contract, we will carry out a robust due diligence process to assess the suitability of the potential partner. See below some of document that we will require for review.

Evidence required
Evidence of UKRPN registration & ROTO
Evidence of ICO registration
Full Financial Accounts (Three Years)
Employers, Public and professional Indemnity Insurance Certificates
Up to date Organisational Chart
Staff Single Central Register
1 Copy of recent OTLA's conducted upon delivery staff and 1 example of Scheme of work for potential qualification delivery
Awarding body registration(s)
Latest EQA reports for the area you are/would be delivering covering the last 12 months
Evidence of Direct Claims Status (if different from above)

Latest Self-Assessment Report (SAR) if available
Quality Improvement Plan (QIP)
Matrix - Certificate & Report
ISO 9001 - Certificate & Report
Most recent OFSTED report or Monitoring visit report
ESFA (PFA) Audit - if Applicable or other external audits and contract management reviews
Fraud Prevention policy & procedures
Health & Safety policy & procedures
Equal Opportunities & Diversity policy & procedures
Data Security / Data Protection Policy / GDPR policy & procedures
Safeguarding policy & procedure
Quality Assurance/Continuous Improvement / Assessment and Verification policy & procedure
Observation of Teaching, Learning and Assessment (OTLA) policy & procedure
Appeals policy & procedure
Invigilation policy & procedure

We will through documents, conversation, communication and any other sources assess the following:

- Capability & Capacity to deliver
- Range of provision/apprenticeships, workplace learning, distance learning etc.
- Previous track record/quality
- Retention/success rates
- Financial status of the partner
- Synergy to Pathway Groups culture and operations

Our staff will also visit the proposed partner's premises and meet the management staff and a percentage of the delivery team

The partner will be required to apply for registration on the Register of Training Organisations if they hold non-apprenticeship contracts with an overall value of £100,000 or above. This £100,000 is inclusive of any non-apprenticeship contract with Pathway Group and all other Prime Contractors (if applicable).

If the partner offers advice and guidance as part of the delivery of the training services, they are required to attain the Matrix Standard Accreditation within twelve months of the start of the partnership contract.

If the partner is unable to evidence or achieve the Matrix accreditation within this time, we will take responsibility for providing advice and guidance as an additional service outside the usual subcontract. Support to work towards Matrix accreditation can also be provided at an additional cost.

If a subcontractor exceeds the £100,000 threshold and is not listed on the Register of Training Organisations, the Company will immediately end the subcontract arrangement with the organisation.

If a subcontractor is delivering any apprenticeship provision, they must be on the Register of Apprenticeship Training Providers (RoATP) prior to entering in to a partnership with Pathway Group, either through the supporting route, or if in excess of £500,000 through the main route.

The table below identifies the risk factor of the partner.

Partner risk factors
Financial status of the partner
Business financial history and evidence of business planning and successful performance
Previous track record and quality
Registered on the register of training organisations
Registered on the UK register of learning providers (UKRLP) and hold a valid UKPRN
References - previous history of working with other providers and reasons for any termination of contracts
Capacity to deliver and resources
Suitability of premises
Resources
Suitability of staffing
Retention and success rates
Success rates over last 3 years (80% minimum requirement)
Self-assessment report graded as OFSTED Education Inspection Framework
OFSTED grade at last inspection
Provision range: Apprenticeships, Workplace Learning, Distance Learning, Adult Classroom
Marketing
Course information and guidance (IAG) Matrix standard accreditation
Learner interviews
Quality
Curriculum Vitae of all applicable staff with teaching qualifications and assessor awards
Copies of all original certificates
Annual update of CPD evidence for all staff
Internal quality assurance moderation plan and reports
Observation of teaching and learning and assessment

External quality assurance reports
Delivery and Assessment
Course planning
Apprenticeship delivery requirements for each programme
Risk management of learners in the event of contract termination
Health and Safety
Health and Safety documentation
HR policies: safeguarding, disclosure and barring service, appraisal process
Equality and Diversity
Equality and Diversity Documentation

## 6. FEES AND CHARGES

The standard Company management fee for subcontracted partnership arrangements at Pathway Group is 20% (plus VAT) of the income from the provision to be delivered. This percentage represents the expenditure that the Company incurs in effectively identifying, selecting and risk rating partner provision. It reflects the cost of managing the contract and monitoring the quality assurance activities.

This fee percentage agreed will not cover any additional expenditure that we undertake with regards to delivery of the learning programmes including matter such as:

- Awarding Body registration fees and charges
- Hiring of facilities/equipment within/from the Company
- Internal Quality Assurance

These will be charged in addition on case by case basis. Further charges to cover additional costs may be added to the percentage agreed to cover the cost to the Company of any additional support that the Company considers necessary to ensure the quality of teaching, learning and assessment and to secure high achievement rates of any partner provision.

## 7. ADDITIONAL SUPPORT AND CONSULTANCY FOR PARTNERS

We are open to discussing on a case by case basis any additional support and consultancy that the partner may need throughout the year. This could include:

- Additional site visits
- Additional lesson observation
- Additional tutor support
- More rigorous verification

## 8. QUALITY ASSURANCE (QA)

Partnership activity is a fundamental part of our provision. The quality of the provision will be monitored and managed through our existing processes and procedures.



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Title: Sub-Contracting, Fees & Charges and Arrangements Policy

This fees and charges policy document positions subcontracted partner provision as a core part of the Company activity to support continuous improvement in the quality of teaching, learning and assessment for both the Company and its partner. This will be achieved through the sharing of effective practice, for example through the Self Assessment Reporting process.

Quality activities that we expect the partner to undertake and for us to be informed of and oversee are as listed below:

- Monitoring and reviewing planning, delivery and assessment processes
- Staffing and staff qualifications ref. delivery and assessment
- Staff training/CPD/Inductions
- Monthly keep in touch meetings (KIT)
- Learner enrolments, retention, achievement, progression
- Learner interviews
- Progress tracking (via Red- Amber- Green (RAG) tracking)
- Planning, delivery and assessment
- Internal quality verification/External quality verification
- Direct observation of initial guidance
- Health and Safety
- Teaching, learning and assessment observations
- Audit/external quality assurance feedback
- Contract values and achievement towards target
- Reviews of the provision and the offer



## 9. CONTRACT MANAGEMENT

The contract will be managed by the Contract Manager – Service Delivery and reviewed annually or as appropriate to the delivery model agreed based on the below example.

Targeted Key Performance Indicators	
Service Levels	Target
Success Rate	<ul style="list-style-type: none"> <li>85%</li> </ul>
Timely Completion Rate	<ul style="list-style-type: none"> <li>80%</li> </ul>
Retention Rate	<ul style="list-style-type: none"> <li>90%</li> </ul>
Learner Satisfaction	<ul style="list-style-type: none"> <li>85% with a good or better rating</li> </ul>
Survey Response Data (Framework for Excellence and other such surveys)	<ul style="list-style-type: none"> <li>80% response rate</li> </ul>
Communications	<ul style="list-style-type: none"> <li>75% of Learners to give permission for Pathway Group, ESFA or Stakeholders to contact them in respect of quality of delivery or relevant learning opportunities.</li> </ul>
Quality Audit %	<ul style="list-style-type: none"> <li>0% error rate on all submissions (any submission found to hold an error will be queried and resolved before processing)</li> </ul>
Observations of Teaching, Learning & Assessment	<ul style="list-style-type: none"> <li>80% at Grade 2 or above</li> </ul>

- All Key Performance Indicators will be monitored at Contract Performance Meetings

## 10. FINANCIAL DETAILS AND INVOICING

Payment terms and timing of payments in relation to invoicing.

In a small number of cases, where the learners enrolled are only eligible for co-funding from the Education and Skills Funding Agency i.e. 19-23 year old learners (1/2 of the full funding available for the qualification) then there will be an expectation that the employer will pay a financial contribution.

We will agree with Partners, at the start of the contract, the fees expected so that an invoice can be sent out. Where the contribution is paid in kind i.e. through the use of employer delivery, assessment or resources, this must be in line with current funding rules and agreed and reported to us.

Invoices will be paid in line with the individual partner's contract, i.e. an agreed payment schedule will be set up at the start of the contract with agreed dates identified. We must receive valid invoices as per payment schedule and all payments will be made in accordance with our standard payment terms or payment terms agreed with the partner.

## 11. VALUE ADDED TAX (VAT)

We are generally unable to recover any Value Added Tax charged. The maximum sum payable under this agreement, as set out in paragraph 1.2 of the Sub Contractors Contract Schedule, includes the cost of the service and any other VAT or taxes to be charged, where they apply.



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**NB - Under the provision of Item 5A to Group 6 of Schedule 9 of the VAT Act 1994, the supply of education or vocational training funded by the Education and Skills Funding Agency, and the supply by the person providing that education or vocational training, of any goods or services essential to that provision, is generally considered to be an exempt supply for VAT purposes by HM Revenue and Customs.**

## **12. COMMUNICATION OF THE DOCUMENT AND UPDATES**

This fees and charges document will be reviewed in each summer term and updated as required. It will be published on PathwayGroup.co.uk website by the 1<sup>st</sup> August prior to the start of the academic year in which it will be applied. Effective communication will be imperative between the partners and Pathway Group to ensure the success of the contract and to ensure the learner experience is of high quality.

## **13. PUBLISHING OF DATA**

Data on the actual level of funding paid and retained under each subcontractor partner arrangements will be published annually.

In 2020-21 this information will be published within 30 days of the Company's final 2020-21 ESFA funding (ILR) return submission.

This Policy will be reviewed Annually  
Policy Approved By: Safaraz Ali

Position: Managing Director