



Pathway Group

Supply Chain Services Policy

Published: 18 May 2022



| Version | Action | Author | Verifier | Comments | Date |
|---------|------------|--------------|-------------|---------------------------------|------------|
| V0.1 | Amendments | Sharon Welch | Safaraz Ali | Amendments | 13/03/2020 |
| V0.2 | Review | S Johnston | Safaraz Ali | No Update | 05/02/2021 |
| V0.3 | Amendments | A Husain | Sajad Ali | Rationale Update & ROTO removal | 25/06/2021 |
| V0.4 | Review | H Sheldon | A Husain | Amendments | 18/05/2022 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Review

This policy will be regularly monitored to ensure that the objectives are achieved. In addition to the annual review cycle for this policy, this policy will also be reviewed and where necessary revised in the event of legislative or organisational changes.

Next Review Date

18/05/2023



1. Context

It is a requirement for a Training Provider to publish a document outlining the educational rationale for subcontracting as well as 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.

2. Rationale for Sub-contracting

Pathway Group is committed to the high-quality, innovative, relevant and responsive delivery of a range of courses and programmes whilst meeting the needs of employers and learners in line with the funders priorities and identified skills gaps.

Pathway Group recognise the benefits that effective subcontracting can bring in extending the range and accessibility of provision for learners and employers. We will only subcontract where it is established that the provision is of high quality and low risk.

Pathway Group has taken the strategic decision to subcontract part of its provision to partner organisations to meet the local, regional and national priorities by:

- Enhance the opportunities available to young people and adults
- Expanding provision with new courses or delivery models in niche or expert provision, or provide better access to training facilities
- Support better geographical access for learners
- Offer an entry point for disadvantaged groups.
- Targeting specific communities / priority groups to widen engagement and participation
- Gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps
- Offering flexibility by delivering provision at times and venues convenient to learners and employers
- Responding to requests made by a Levy paying employers.

Pathway Group will not subcontract to meet short-term funding objectives.

We will continue to strategically review all subcontracting arrangements, in relation to our strategic aims, funding allocations and performance throughout the year, thereby reducing the risk of poor performance by other organisations.

2. Scope of the Policy

This policy applies to all sub-contracted provision to support learner engagement, sustainment and the delivery of outcomes (accredited and non-accredited).

3. Selection and Appointment of Subcontractors

Subcontractors will only be used to complement Pathway Group delivery, specific to the type of provision and the relevant funding. All potential contractors will be required to satisfy due diligence processes and sign a legally binding agreement.

A PQQ will be required by all potential subcontractors and will include, as a minimum the following: Organisation name and address, including ultimate parent details including identity, ownership and background, principal activities (past and present), organisational chart, contractor/sub-contracting approach, professional/commercial affiliations, legal, financial, capability, quality management systems, Ofsted reports and experience and track record.

In selecting subcontractors we will consider the following:

- Reputation – including referral from other providers and employers
- Specialism – particularly in niche provision areas
- Geographic Location – with specific support to local partners and employers
- Quality Measures – including previous recruitment, retention and qualification success rates, Ofsted rating etc
- Finance – including credit rating and review of management accounts

The procurement process ensures that a robust assessment process for selecting subcontractors has been established that would review the subcontractor's completed PQQ as well as their capability to control quality, delivery, quantity, price and all the other factors contained in the opportunity. The opportunity will contain a clear rationale for how the tenders are evaluated and scored.

Subcontractor organisations must provide the following documentation:

- Annual financial accounts
- Details of the staff
- Continuous Professional Development policies, procedures and processes
- Awarding Organisation accreditation for the organisation and individual staff members

Company Policies including:

- Equality & Diversity
- Recruitment and DBS/Vetting procedure
- Quality monitoring
- Complaints procedure
- Environmental Policy
- Health & Safety Policy
- Safeguarding Policy and Procedure
- Business Continuity Policy
- Appeals Policy & Procedure
- Data Protection Policy & procedures
- OTLA Policy & procedures



- Invigilation Policy & procedures
- Insurance Policies, including:
 - Employers Liability Insurance
 - Public Liability Insurance
 - Professional Indemnity Insurance
- Three trade references
- Quality Standards held e.g. ISO 9001, ISO 27001
- Referral procedures

4. Fees and Charges

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

If a subcontractor is delivering apprenticeship provision, in excess of £100,000 across the total value of their contracts (not just with Pathway Group), they must have successfully applied to 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, which will inform the agreed management fee.

| Partner risk factors that can influence the management fees |
|--|
| 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 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 |

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 regard 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
- Use of E-Learning & Electronic paperwork

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.

4.1 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.

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.

5. Supply Chain Management Process

Our process is standardised across all contracts and embraces to principles of the Merlin Standard and the AELP, Collab Group and HOLEX 'Best Practice Guidance for a Relationship between a Prime Provider and a Subcontractor'. Our aim is to procure and maintain excellent and positive relationships with supply chain partners, harnessing innovation and maximum flexibility into provision.

Our process aligns to the four integrated and fundamental Merlin principles; Supply Chain Design, Commitment, Conduct and Review.

The process will assist in identifying the need for subcontracted delivery, the selection of subcontractors in an open, fair and transparent way and the qualitative, financial and relationship management of subcontractors throughout the life of their contract.

The aim of the process is to set a consistent standard for the management of subcontractors across the Pathway Group and drive collaborative behaviours to the benefit of the funding body, providing value for money at every stage.



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 example | |
|---|--|
| Service Levels | Target |
| Success Rate | 85% |
| Timely Completion Rate | 80% |
| Retention Rate | 90% |
| Learner Satisfaction | 85% with a good or better rating |
| Survey Response Data (Framework for Excellence and other such surveys) | 80% response rate |
| Communications | 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. |
| Quality Audit % | 0% error rate on all submissions (any submission found to hold an error will be queried and resolved before processing) |
| Observations of Teaching, Learning & Assessment | 80% at Grade 2 or above |

All Key Performance Indicators will be monitored at Contract Performance Meetings

Where performance falls below the standard required, subcontractors will be issued with a Notice to Improve. Support will be provided to help subcontractors develop and enhance the quality of their delivery. If a subcontractor fails to meet the necessary improvements within the agreed timescales, it may be necessary to implement contract termination procedures to protect learners. If contract termination procedures are implemented, subcontractors are required to co-operate fully with this process. Failure to comply with the requirements will result in penalties under the terms of the contract.

6. Improving the Quality of Teaching, Learning and Assessment

The Subcontractor must ensure that all employees linked to the Subcontractor Agreement have appropriate qualifications and experience to carry out their role. Subcontractors will be required to meet performance targets set out in individual contracts and will be expected to meet Pathway Group quality assurance standards. Pathway Group is committed to supporting, developing and sharing good practice. This includes the professional development of all staff through quality reviews, webinars, operational meetings, observations of teaching and assessment and participating in learner and employer feedback.

The quality of provision will be managed and monitored fairly and consistently, with performance measured against aims within our Self-Assessment Report / Quality Improvement Plan process ensuring continuous improvement in all parts of the learner journey.

Quality monitoring and support for subcontractors will include:

- Dedicated Single Point of Contact for Supply Chain Management
- Quarterly (as a minimum) Face to Face Review Meetings with Performance Reporting
- Regular Management Information against contractual KPIs and QARs
- Quarterly Partner Forums to share best practice
- Invoicing & Payments / Self Billing Process
- Information Security and Data Control
- Advice on Safeguarding, Prevent, Equality & Diversity and Sustainable Development
- Advice on Management of Health & Safety
- Updates of National Funding and Policy guidance
- Contract Support & Funding Compliance
- Observations of all practices including Teaching, Learning & Assessment and IAG
- Staff Training & Development including online learning and webinars
- Unannounced and Announced Visits
- Desktop Audits, Existence and Eligibility Checks, File Audits and processing of data in to the ILR
- Annual Self-Assessment and QIP support
- Participant and stakeholder engagement, including with employers.

7. Policy Communication

This policy is made available to any potential new suppliers in response to expressions of interest received to partner with Pathway Group.

The policy will be discussed and reviewed with all current subcontractors during performance reviews and prior to any new work allocations. Any changes will be notified to subcontractors as part of their regular performance review or by separate email/written communication to meet required response timescales.

8. Policy Review

The Policy will be reviewed on an annual basis and/or when significant changes in Funding Rules occur. Prior to publication this policy is reviewed and signed off by Pathway Group Executive Team and the CEO who must be satisfied that all delivery subcontracting meets with Pathway Group strategic aims and enhances the quality of the learner offer.