

POLICY STATEMENT

The policy applies to all supply chain activity supported with funds supplied by the Skills Funding Agency, the Education Funding Agency or any successor organisations.

Pareto will use its subcontractors to optimise the impact and effectiveness of service delivery to the client and learner.

Pareto will ensure that the following process is adhered to with any potential partner:

- Pareto will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure excellent compliance and quality at all levels to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- The funding that is retained by Pareto will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
- Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, Pareto will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore commit that all discussions, communications, negotiations and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the Overarching Principle.
- This policy is in line with Pareto's Equality and Diversity Policy

RATIONALE FOR SUBCONTRACTING

Pareto aims is to support employers to engage and develop their people, and enable individuals to achieve their full potential.

To meet these aims we may need to procure the provision or specialist service in from a subcontractor in order to enhance the quality or scope of the offer we provide.

- To meet an employer's requirements where we do not have the internal capacity or skills
- Providing access to, or engagement with, a new range of customers.
- To provide niche and specialist delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement

However, Pareto will always take responsibility for the Employer Agreement and Commitment Statement for all our apprenticeship learners, and sub-contracting will only be used to deliver part of the apprenticeship programme.

Our ethos is always to work in a spirit of partnership with our subcontractors, offering transparency and support in order to best serve the interests of our learners and employers.

SUBCONTRACTING FEES AND CHARGES

For the subcontracting of Provision, our standard subcontract management fee is 20% of the ESFA funding received against each learner.

For the subcontracting of services, the specific details of the services provided by the subcontractor will be agreed at the start of each contract year. Fees are calculated taking into consideration both the specific services the supplier provides, and those services provided by Pareto.

A management fee will be typically levied on the gross funding received by Pareto in relation to the learning that has been evidenced relating to relevant participants. The gross level of funding received will depend upon:

- The funding for the contract
- Prior learning already carried out by the participant
- Employer contributions
- SFA funding rates relevant to the Apprenticeship

The percentage management fee charged will be dependent on:

- The support required of Pareto by the subcontractor
- The level of risk assumed by Pareto as the lead provider on the contract
- The allocation of contractual activities between Pareto as the lead provider and the Subcontractor

Management fees will be negotiated on a case by case basis based upon the above factors and any other relevant information.

Where a new Subcontractor requires initial intensive support and management then this will be reflected in the fee agreed. This is to reflect the resources required to provide this more intensive support to ensure quality standards are being met, and any risk is being properly managed during any development process. At the end of the agreed period and once all quality thresholds are met the subcontractor will transfer to the applicable standard rate.

The payment terms, rates and payment triggers are set out in detail in each contract and will normally be made in line with ESFA payments to Pareto. Payment terms are 30 days following production of a self-billing invoice.

For further information please contact Jo Wade JWade@pareto.co.uk

QUALITY ASSURANCE

The quality of our subcontracted provision will be monitored and managed through the existing Pareto QA processes and procedures via the following mechanisms

- Undertaking regular observations of teaching and learning sessions with detailed feedback
- Close monitoring of achievement rates and learner progression
- Review and feedback on evidence of teaching and learning provided by the subcontractor incorporating it into the Pareto moderation and standardisation process, in order that improvement actions impact both internal and subcontract quality.
- Carrying out learner voice surveys to gather feedback from learners.

SUBCONTRACTOR SUPPORT

The exact level of support provided to subcontractors by Pareto will depend on a number of factors, for example:

- The track record of delivery of the subcontractor
- The compliance and administrative requirements of the contract
- The recording and reporting requirements of the contract

In general terms, subcontractors will receive the following services in return for the management fee:

Contractual support:

Controlling and administering the due diligence process prior to contract award

Periodic updates of the due diligence process

Drafting and issuing the initial contracts

Issuing contractual variations as and when required

Operational support:

Providing Management Information

Constructive feedback following observations of teaching and learning

Frequent communication where relevant following feedback from SFA or where contractual / guidance changes take place

Regular performance reviews with a designated account manager

Administrative support:

Training for all relevant staff in completion of compliant paperwork

Regular paperwork updates as appropriate

Update training on relevant SFA funding guidance

Audit services to ensure compliance

Provision of systems to record learner information

Information security services and assurances

Payment services

PUBLICATION OF INFORMATION RELATING TO SUBCONTRACTING

In compliance with Skills Funding Agency and other agency funding rules that apply, Pareto will publish its sub-contracting fees and charges policy and actual end-of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by SFA). This will only relate to 'provision subcontracting'. It will not include the delivery of a service as part of the delivery of a Programme (for example, buying the delivery of part of an Apprenticeship Standard). Provision subcontracting lists will be agreed with local SFA Officials prior to publication.