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Skills

Employability

Youth Provision

Enterprise

Subcontractors and Subcontractors Policy

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1. Overview & Purpose of Policy

Prevista is a leading provider expert in developing areas of enterprise, employment and skills as they relate to economic, social and cultural development. Operating since 1995, Prevista has extensive experience at a national, regional and sub regional level in providing delivering services that inspire business and strengthen communities. Prevista holds Quality Assessment Standards including Investors In People, Matrix, Disability Confident, ISO 9001 and ISO 27001. We were awarded an Ofsted Grade 2 rating across all our provision in August 2014. Our SHORT OFSTED inspection of 2018 stated that *'the management of sub-contractors was good. The rigorous quality assurance noted at the previous inspection continues, and leaders pay very good attention to the performance management of subcontractors.'*

2. Rationale for sub-contracting

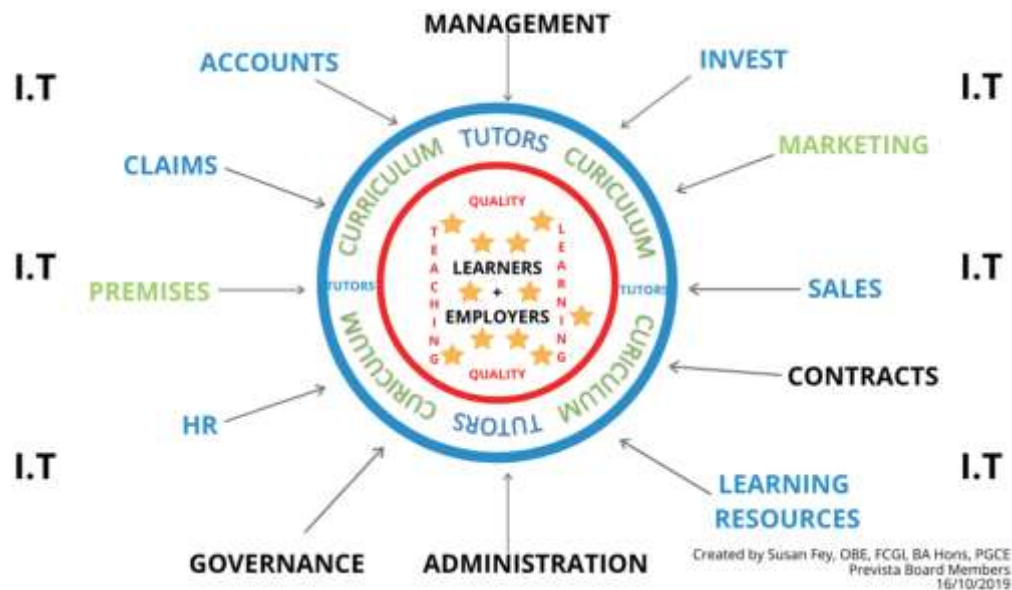
2.1 Our Vision:

"To create possibilities and transformation within our communities by being the best at providing skills, employment, youth and enterprise services, meeting the challenges of today, seizing the opportunities of tomorrow – at the heart of everything we do are our learners. We strive to have EVERY Learner at the heart of the business- not process, red tape, excuses, justifications or reasons for failure, nor unconscious bias or stereotypical views of what we see in front of us". Our business strategy set out the following key objectives:

- Quality performance in the delivery of all our contracts for the benefit of all our stakeholders – learners, employers, funders, the community
- Having good governance to ensure we are compliant with all legal, regulatory and financial regulations delivering a strong balance sheet
- Being an outstanding employer, having the best people in the right roles within the business in an environment where they can flourish
- A leading industry-recognised skills provider that uses innovation and technology to advance our delivery and to put learners at the heart of everything we do
- Being the reputable partner of first choice for our suppliers; responsive, communicative, supportive and an enabler in their success and the people they assist
- Being an agile business that behaves proactively at all levels, horizons scans effectively to be able to pivot and diversity to meet economic and government priorities.

As an organisation Prevista aims to support those people who are furthest from the labour market, underemployed or need support to progress in their career. We will make sure that we always respond to employer need tailoring our provision to meet future labour market demands. Whilst we operate predominantly in the early years and health and social care sectors for our apprenticeships, we do not limit our sectoral focus when supporting young people and we make no apologies for drawing on partners who can bring specialist support in other sectors in order for Prevista to meet our socially conscious aims.

For clarity, sub-contracting is defined as a separate legal entity that has an agreement with Prevista to deliver any element of the learners' education and training programme. This applies to classroom-based delivery and remote delivery or whether it is described as a 'service'. A separate legal entity includes companies, other associated companies and sole traders. It also includes individuals who are self-employed or supplied by an employment agency, unless those individuals are working under Prevista direction and control, in the same way as our employees.



Our reasons for sub-contracting are manifold, we aim to engage with a wide range of Subcontractors who:

- Share our 'culture and values' of putting the interests of the Learner at the centre of all we do, willing to help review these values and principles.
- Strengthen engagement and widen opportunities for disadvantaged groups.
- Offer a routeway for sustainable employment and progression in work supported by high quality IAG.
- Complement mainstream provision filling gaps in the market.
- Respond to a geographical or LEP requirement that cannot be met elsewhere.
- Specialist provision in order to provide a deliver a better learning experience.
- Share of good practice, e.g., where the subcontractor can improve the quality of its delivery through working with Prevista, or vice versa.

To this end Prevista is committed to developing sustainable and reliable subcontractors to enable learning and training. We work with a diverse range of subcontractors across a whole range of government programmes to meet the needs of our clients and funders. These range from small, local niche providers, colleges, large Primes and many varied organizations representing the voluntary and community sector. In designing our subcontractor network, we take into account the scale and capacity of our network members, their ability to deliver the specific outputs, and the added value of specialist partners. Prevista aims to have no more than 25% end to end subcontractor delivery by the academic year 2022/23.

Prevista recruits the highest quality staff in our Subcontractor and Programme Development teams to ensure that we meet and exceed the standards set by the ESFA Subcontracting Standard to validate the management standards which we employ. This framework ensures that there is a clear and consistent approach for the (contract) management of subcontractors by lead providers and that there are robust assurance review arrangements.

In following the standard Prevista will assist in mitigating the risk of:

- inadequate (contract) management of subcontractors
- non-compliance with ESFA funding rules by subcontractors; and
- fraudulent and incorrect funding claims.

In our approach to sub-contractor's design, our commitments to our delivery partners, the way we work with Partners and our approach to reviewing our activities in order to promote the health of our sub-contractors.

Prevista ensures that our education rationale meets one or more of the following aims:

- enhances the opportunities available for learners
- fills gaps in niche or expert provision or provides better access to training facilities
- supports better geographical access for learners
- offers an entry point for disadvantaged groups; or
- gives consideration of the impact on individuals with shared protected characteristics, where there might otherwise be gaps.

Each year we will commission and external auditor to assess our subcontract management against the standard. This report is available on request.

3. This Policy

This policy outlines Prevista's approach to subcontracting and partnership activity and is related to activity funded through the Skills Funding Agency and any other Government funded provision whereby Prevista enters into a subcontracting arrangement with a supplier to deliver activity. This policy will be reviewed annually and is published on the Prevista website.

The purpose of our policy is to ensure the effective management of sub-contractors and other subcontractors in order to reduce and mitigate against potential risks to Prevista and other Funding Bodies. It sets out a clear framework for improving the quality of Teaching and Learning for Prevista and our subcontractors.

The policy adheres to the following principles:

- To ensure compliance with all legal and contractual requirements.
- To achieve value for money
- To apply open, fair, transparent and non-discriminatory practices; and
- To undertake risk assessments and manage accordingly.

3.1 Sub-contractor approval and Due Diligence

We will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors prior to any delivery through being invited onto the Prevista Partnership Network (PPN). We evaluate their Quality, Service Delivery History, Financial Health and use this to select providers based on the type of provision required and location to ensure Prevista is able to effectively able to respond to stakeholder demand whilst reflecting local skills priorities. All subcontractors will be managed in line with this policy and Subcontractor management processes.

A two-stage application process will be implemented that all sub-contractors will need to successfully pass in order to be offered a contract.

3.2 Stage One: Open Tender onto Prevista Framework

All applicants must successfully pass the open tender process and be accepted onto the framework of the Prevista Partnership Network. An approved sub-contractor list will be maintained which will record any organisation that has successfully completed the first stage. All organisations within this list will be required to ensure their information is updated annually. Passing this stage will not guarantee an offer of a delivery contract. This process

will consider the organisational level due diligence that must take place which will including and evaluation of their Quality, Service Delivery History, Financial Health and use this to select providers based on the type of provision required and location to ensure Prevista is able to effectively able to respond to stakeholder demand whilst reflecting local skills priorities .

3.3 Stage Two: a) Delivery Contract Level Approval

The Stage Two application process relates to a specific application or request to deliver a sub-contract. Prevista takes responsibility to decide the most appropriate method of procurement which will take into account the specific contract requirements and timescales. Prevista will also ensure that the process complies with any legal requirements. This process will consider the contract level due diligence that must take place which will take into account, but is not limited to, the following:

- Existing sub-contracting arrangements.
- ESFA funding rules pertaining to maximum amount of sub-contracted funds received in any one year.
- Capacity to deliver.
- Ability to deliver including evidence of ability for delivery staff.
- Track record including success rates and retention.
- Quality Improvement and Self-Assessment Reports.
- Safeguarding policy and practice.
- Proposed delivery model size of contract allocation.
- Geographical coverage.

Each organisation will be issued with a due diligence pack which covers finance, accounts, ESFA financial strength assessment, staffing – qualifications, experience and training, quality, policies, accreditations, regulatory compliance etc, for which evidence will be required. The due diligence pack is assessed by Prevista, and a RAG rating awarded. At each stage of application, the organisation will be risk assessed by Prevista staff and given a scoring mark that will take into account the results of the due diligence checks and give consideration to the specific contract being offered. The risk score will also be used to inform the management and monitoring arrangements. Each subcontractor will have to maintain a risk register which is to be updated monthly and shared with appropriate Prevista staff.

3.4 Stage Two: b) Delivery Contract Board Level Approval

Where we do subcontracts for all or part of a programme the rationale for sub-contracting will be clear and approval from the Board will be required following successful due diligence and this will be captured in Board meeting reports and minutes.

In line with our existing assessment proposed subcontractors will need to meet one of the following criteria:

- Deliver a service that Prevista cannot deliver directly to meet learner and/or employer need.
- Meet the specific needs of a learner support requirement.
- Respond to a geographical or LEP requirement that cannot be met elsewhere.
- Increase inclusivity of learners usually excluded from mainstream learning.
- Support the growth of internal delivery to enable the business to gain expertise and knowledge in areas for future internal delivery.

This will usually be at a scheduled Board meeting, or in exceptional circumstances by remote meeting.

4. Sub-Contractor Management and Monitoring

Each sub-contractor will have an identified main point of contact for administration and management which is specific to the contract being delivered. This person will be the Project Manager. An agreed reporting structure for each contract will be developed and based on contract requirements and subcontractor risk assessment. As a minimum, each sub-contractor will be subject to annual formal reviews and announced and unannounced spot checks and audits during the life of the contract. The detailed monitoring arrangements both formal and informal are detailed in the Prevista Subcontractor Framework. Prevista manages and monitors sub- contractors to ensure that the following standards are met:

3. Demonstrates value for money.
4. Demonstrates compliance with all contract requirements.
5. Delivery of a quality program; application process including safeguarding arrangements.
6. Delivery of minimum standards of performance.

5. Management Fees Calculation

Prevista will, for all funded provision pay the full value allocated by the Funding Body minus the management fee. These payments are made in line with Service Level agreements (SLAs) at post tender stage and negotiated with potential partners. Our management fees are determined by risk factors identified through our due diligence process and in line with this policy. New sub-contract provision will be subject to a higher management fee during the first delivery year, though management fees may be adjusted according to delivery and contract performance. Our management fee will be between 15-20% for new sub-contractors depending on the size and scale of the contract and the make-up of the subcontractor. The fee charge will reflect the costs associated with the contract management, capacity building, infrastructure, risk management assessment and procurement processes specific to each contract. Our management fees processes are consistently updated to meet the requirements of the ESFA Subcontracting Standard, and these include evaluating feedback from our Subcontractors.

In designing our management fee to align ourselves to ESFA Subcontracting Standard principles we offer clear and transparent unit rates pre-tender as part of the tender submission. We collaborate with all our Subcontractors fair and open negotiations to discuss unit rates before tender submission. Prevista provide appropriate time and resource to support new Subcontractors including a dedicated Subcontractor Manager who provides them with tailored levels of support and capacity building opportunities. This enables our Subcontractors to provide a high-quality service to all of our clients.

The management fee level will vary according to the following situations: where a sub-contractor has a high risk score and additional resources required from us to ensure that the overall performance on the Funding Agreement is not negatively, historical performance, poor audit scores, repeated errors in the paperwork submitted which require Prevista staff to support the adjustment or corrections to such paperwork; where apprenticeships are to be delivered – all apprentices will have to use the e-portfolio and the compliance levels of the system. Subcontractors will be required to use the Prevista approved system.

We may also vary our fee structure and agree set milestone payments or achievement-based payments, to reflect how we receive the funding or to encourage high quality performance. We recognise that all Subcontractors have different levels of capacity and skills and therefore we tailor the fee payable for services provided by Subcontractors.

All fees paid to Subcontractors will be reviewed at least annually. However, should the Subcontractor be under-performing against the Minimum Performance and Minimum Service

Levels, and we need to provide additional performance monitoring to drive high quality provision, we reserve the right to adjust the fee paid by us during the year.

6. What Management Fees cover

Prevista has a responsibility to support all sub-contractors to develop and deliver high quality provision that meets the needs of learners and exceeds the expectation of employers. and learners. The management fee deducted from allocated funds is used directly to provide a comprehensive programme and support and compliance measures to ensure that public funds are protected and used effectively and that sub-contractors are supported to develop their provision. For our apprenticeship delivery the management fees are proportionately used in the following areas:

Direct delivery <i>Through blended learning via the delivery of teaching modules</i>	20%
Support <i>Menu listed below</i>	40%
Quality assurance and monitoring <i>As detailed in the Subcontractor Framework</i>	40%

As a guide, a detailed description of the wide range of services provided for the management fees includes, but is not limited to the following*:

- Course and programme set up and mobilisation support.
- Access to our claims process and staff.
- Enrolment input and compliance check of documents.
- Course file monitoring (quarterly).
- E-portfolio training where appropriate.
- Access to E-portfolio software: APTM.
- Subsidised Internal Verifier (IV) support where appropriate
- Subsidised Functional Skills Initial Assessment where appropriate
- Assessor Training and OTLA support where appropriate
- PICS database training where appropriate.
- Health and Safety Training where appropriate.
- Safeguarding and Prevent Training where appropriate.
- Performance monthly review data in relation to retention and achievement.
- Regular Partnership meetings and best practise workshops.
- Provision of webinars, online Partnership forums, and E-driven Performance toolkit
- Funding and curriculum provision updates.
- Invitation to join the Prevista Partnership Network of 300+ members from the private and public sector. The PPN enables Prevista and the Subcontractors to share knowledge, best practise and intel regarding current and future work Opportunities.
- Access to resources via Prevista Personal Development Portal (Equal).
- Provision of weekly tender radar service to all Subcontractors to inform them of current and future tender and bidding opportunities. This enables Subcontractors to lead and participate in tender opportunities without Prevista.
- Formal observation of teaching and learning with written and verbal feedback and support
- Employer and learner feedback surveys.
- Access to specialist provision provided by Prevista such as Mental Health Support Staff and training on innovative tools such as Applied Positive Psychology and Aptem Employ which have been developed to support particularly vulnerable customers.
- Information and Guidance Learning from a Matrix accredited team.
- Assistance with Self-assessment reports.

- Health and Safety Consultancy support.
- Equality & Diversity Training support.
- Safeguarding Training support.

**Depending on the type of programme delivered as not all programmes require the same schedule of support*

In addition, we provide tailored services through an Information administrative Service Fee (IAF) which is charged annually, ranging from £500-£2,000. This allows use of specific MI databases and specific tailored reports which Subcontractors use to drive performance. We provide bespoke training, mentoring and support delivered to Subcontractors to maximise the benefits of using customised MI and the research database.

Prevista may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the subcontractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the College
- Internal Verification
- End point assessment

7. Improving Quality

Prevista is committed to continual improvement in teaching and learning, both in its own direct provision and in its subcontracted provision. A range of approaches are employed in order to do this, such as session observations, audit visits, Self-Assessment Reports, Quality Improvement Plans and regular Partnership meeting days. In terms of provision, the following processes are in place to help monitor quality of provision and actively improve quality on an on-going basis:

- A robust schedule of Quality Assurance Audits that are carried out throughout the year
- Observations of teaching and learning of sub-contracted provision
- Annual Reviews with target setting
- Regular meetings between Prevista and all its subcontractors
- Simulated QAA and Ofsted Inspections
- Training and Development workshops (as appropriate)
- Surveys and destination tracking analysis

8. Payment Terms

All sub-contractors will be required to agree to Prevista's supplier terms and conditions as set out in our SLAs. Prevista issues instructions for invoicing to our Subcontractors once we have confirmation from the Funder of validated and accepted delivery in line with our SLA. Once the correct invoice is received, we will then pay the invoice within 30 days. Depending on the delay of receiving validation of delivery and payment from the funder, we endeavour to pay the invoices in less than 30 days.

No invoices will be accepted unless an invoice advice note has been previously issued by Prevista. Adjustments may be made to specific payments where evidence of eligibility, participation or achievement cannot be validated by Prevista. Any amendments will be based on guidance provided by the current funding body rules and our negotiated SLAs.

In instances of learners being transferred to another provider (including back to Prevista) during the year, Prevista will not make any payments for such learners. If payments have already been made, these will have to be clawed back.

Management fees will be deducted at source, i.e., subcontractors will receive a Maximum Contract Value (MCV) from Prevista that reflects their available funds. Any management fee will have been deducted prior to this allocation. Prevista will make monthly payments to subcontractors based on the correct submission of data and supporting evidence to validate learning delivery. All funding claims must comply with the current Skills Funding Agency or other funding bodies funding rules and the terms of the agreement between Prevista and the sub-contractors. Where funding claims cannot be substantiated, Prevista will adjust or reclaim any funds from the sub-contractor, and, where required, make an appropriate repayment to the Skills Funding Agency and other funding bodies.

Prevista invokes an annual audit cycle, which could put payments to our Subcontractors temporarily on hold or lead to adjustment of monies due to Partners. The timing of the cycle is communicated in advance via email and also 1:1 meetings with Subcontractors in advance.

9. Policy Review & Publications

This policy is reviewed annually with any changes communicated to Subcontractors as part of regular contract reviews and correspondence. The policy will be published on Prevista's internet site.

FEES BREAKDOWN

Item and rationale	% of management fee
Mobilization (6%)	
These costs are associated with the mobilization of a new partner in order to ensure successful delivery after contract award (i.e., post initial due diligence)	
<ul style="list-style-type: none"> • Course and programme set up and mobilisation onto the e-platform • Aptem or any such other MI system training • Administration training on compliance requirements • Induction to Prevista policies and procedures 	
Monitoring (27%)	
These costs are incurred in the daily, weekly, monthly and annual monitoring of delivery and compliance checking. These are required to ensure that all subcontracted delivery meets the ESFA requirements for valid claims to be submitted and audits are successful.	
<ul style="list-style-type: none"> • Processing of claims submissions from enrolment to completion • Error reporting and error reparation • Dip-testing • Monthly MI reports • Monthly finance reports • Risk assessed compliance audits • Annual due diligence review • Contract close out support 	

Management (14%)

These costs are incurred through the pay to day management of the sub-contractor to ensure successful delivery of the programme.

- Prevista project manager
- Monthly monitoring meetings to review performance, data, staffing, risk management, retention and achievement
- Partnership meetings
- ESFA update communications

Quality (25%)

These costs are incurred to ensure that all delivery is benchmarked as a minimum against OFSTED Grade 2 measures leading to high quality programme delivery.

- Leadership and management training
- OTLA
- Risk assessed quality audits
- Course file monitoring
- Corporate training such as E&D, H&S, data security incl GDPR and sustainability
- Safeguarding training and support including Prevent
- ALS and ASN training
- Mental health first aid introduction
- Subsidised Internal Verifier (IV) support where appropriate
- Subsidised Functional Skills Initial Assessment where appropriate
- QIP and SAR support
- Employer and learner feedback surveys and subsequent analysis
- Destination tracking
- Information and Guidance Learning from a Matrix accredited team
- Access to resources via Prevista Personal Development Portal Equal
- Access to specialist provision provided by Prevista such as Mental Health Support Staff and training on innovative tools such as Applied Positive Psychology and Aptem Employ which have been developed to support particularly vulnerable customers

Improvement of teaching and learning (22%)

These costs are incurred to ensure and embed high quality teaching and learning to demonstrate impact of programme delivery in this with EIF requirements.

- Tutor training
- Formal observation of teaching and learning with written and verbal feedback and support
- Best practice meetings/webinars

Sustainability (6%)

These costs are incurred in the provision of support provided to ensure sustainability of sub-contractors to reduce the risk of poor financial viability:

- Annual due diligence review
- Funding and curriculum provision updates
- Invitation to join the Prevista Partnership Network of 300+ members from the private and public sector. The PPN enables Prevista and the Subcontractors to share knowledge, best practise and intel regarding current and future work Opportunities
- Provision of weekly tender radar service to all Subcontractors to inform them of current and future tender and bidding opportunities. This enables Subcontractors to lead and participate in tender opportunities without Prevista

Other costs

IAF fees	£500-£3000 per annum
Aptem fees	£5 per user
Registration fees – if required	Determined by awarding body
EPA fees – if required	No more than 20% of the qualification cost
Room hire – If required	Determined by market

10. Document Review

Document Issued By	Issue Date	Review Date
Head of Finance	03/12/2018	31/07/21
Quality		03/08/22