

## **Sub-Contracting Policy**

### **About PROCAT**

Prospects College of Advanced Technology (PROCAT) - is committed to high quality provision and an outstanding learner experience for all its students, including those receiving their provision through one of our partners. Our employers equally expect a first class service and the development of fully competent and skilled young people through an apprenticeship with us. Quality and achievement are key drivers to the provision and partners are required to adhere to our Policies and Procedures for the delivery of Teaching, Learning and Assessment (TLA) and engage positively in the process of continuous improvement and self-assessment.

PROCAT believes that for the majority of occupations, particularly within the Engineering sector requires competence that level 3 and above training provides. We are therefore committed to providing training at this level and above, even if individuals start their learning journey at a lower level, in order to meet industry need and better ensure the sustainable employment of our students. We are equally committed to ensuring that all young people who aspire and are committed to gaining a career in Engineering or Construction can start on a path to that career from the foundation level so we can support them right through to level 3 and beyond.

With the new opportunity that the apprenticeship reforms afford employers and individuals, PROCAT has made a commitment to move its provision from apprenticeship frameworks to standards wherever possible to ensure that employers and apprentices are developing the knowledge, skills and behaviours reflective of the needs of modern industry. The college is also developing programmes through to Level 6 degree apprenticeships and will support its partner organisations with a complementary mission.

### **Standards**

We believe that the following criteria help to deliver successful quality outcomes for both learners and employers and value for money. We therefore require all PROCAT sub contracting delivery partners to:

- Meet a minimum qualification success rate of **85%**
- Ensure employment outcomes for a minimum of 90% of apprentices following completion
- Ensure any provision delivered beneath level 3 offers progression for individuals to at least this level, ideally having pathways through to higher levels
- Provide robust quality assurance arrangements and meet the standards that are required for Ofsted Grade 1 or 2.
- Hold centre approval for the qualifications being delivered
- Ensure that the apprenticeship terms agreed with employers meets ESFA rules and regulations and is in line with the PROCAT GTA Skills Charter
- Ensure that all ESFA funding rules and regulations are strictly adhered to
- Ensure provision meets the agreed services and terms and conditions within the written agreement in place with the employer

Standards and quality are paramount to any sub-contracting arrangement and failure of sub-contracting organisations to meet the standards set out in this policy and contractual arrangements, may lead to an increase in management fees or in severe cases, termination of the sub-contracting arrangement.

### **Scope**

This document applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency or any successor organisations.

### **The Policy**

The College will use its supply chains to optimise the impact and effectiveness of service delivery to the end users. The college will therefore ensure that:

- a. Supply chain management activities comply with the principles of best practice in the skills sector.
- b. The college will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learners.
- c. Comprehensive due diligence is undertaken and assessed and where successful a full and clear sub contract is in place, managed, monitored and supported.
- d. The funding that is retained by the college 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.
- e. Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the college will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require all 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.

PROCAT is seeking to deliver the majority of its funding through direct delivery. Any subcontractors will be contracted only when the best interests of the College's learners are served through the use of the partners.

In addition, for apprenticeship starts from 1<sup>st</sup> May 2017, PROCAT will:

- Only contract with a partner organisation for apprenticeships when the employer requests or agrees their involvement to complement services delivered by PROCAT
- Ensure that all due diligence is undertaken, assessed and available to the employer
- Ensure that the written agreement clearly cites the delivery to be undertaken by PROCAT and any partner organisation, including funding to be retained by PROCAT and that to be passed to the partner organisation

### **Rationale for sub-contracting**

PROCAT is committed to the high quality delivery of a wide range of technical courses to meet industry's and its wider community's needs, in line with the funders' priorities and identified skills gaps. Where appropriate a small percentage of that delivery is delivered through high quality partners with the experience and expertise to meet specific learner needs.

Sub-contracted delivery will be used to:

- Provide immediate provision to meet a specific identified need whilst reviewing the expansion of direct capacity.
- Providing access to, or engagement with, a new range of customers.
- Support another provider to develop capacity/quality that supports the colleges' mission.
- Provide niche delivery where the cost of developing direct delivery would be inappropriate.
- Support employers with delivery of services that cannot be directly delivered through the College
- Co-deliver degree apprenticeships with University partners

We will only subcontract where we are confident that:

- The proposed delivery is in the best interests of learners and employers
- The proposed delivery fits with our mission, objectives and values
- There is sufficient expertise within the College to quality assure the provision
- There is sufficient staff resource in support areas to administer the processes
- The Subcontractor is approved by our due-diligence process
- There is sufficient funding available within our funding contract
- The Subcontractor agrees to work within the terms of our contract and the funders' rules and regulations

### **Quality Improvement**

Sub contracted activity is recognised as a fundamental part of the College's provision. The quality of the provision will be monitored and managed through the existing College Quality Assurance processes and procedures, as amended in order to fully encompass all sub contracted activity. All Sub-contractor partners will work with our Quality and Performance staff to ensure that delivery in our name meets our robust requirements for experience and achievement.

This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching, learning and assessment for both the college and its subcontractor's. This will be achieved through the sharing of effective practice across the supply chain, for example through the Self- Assessment Report process.

### **Publication of information relating to sub-contracting**

In compliance with Education and Skills Funding Agency and other agency funding rules that apply, the College 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.

The College will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents and Due Diligence documentation which ensures the college can assess:

- The percentage range of fees retained to manage subcontractors, and how this range is calculated.
- The rationale used to determine the level of fee retained through each sub-contract is a risk based approach.
- The contributory risk factors that would result in differences in fees charged for, or support provided to, different subcontractors
- Previous track record
- Success levels
- Type of customers to be engaged
- Type of provision to be undertaken
- Payment terms between the college and subcontractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
- The support subcontractors will receive in return for the fees charged.

### **Communication**

This policy will be reviewed in each year and updated as required.

The Policy will be discussed with all current and future Subcontractors during contract negotiation meetings and reviewed at least annually over the summer period each year. Any changes will be notified to subcontractors as part of their regular performance review or via separate correspondence.

### **Management Fees 2017/18**

PROCAT retains a management fee from all subcontracted partner organisations, with this ranging from 7.5% to 20%. The fees charged reflect the cost of the procurement process and the management of the contracts.

The exact mix and level of support for each Subcontractor will vary depending on the needs of the individual Subcontractor. It is calculated based on the amount of staff time and resources are required to support the successful implementation, quality assurance and delivery of the subcontract.

The type of support and guidance they can expect include:

- Quality management systems
- Certification and registration with awarding bodies if required

- Management Information Services and data control advice
- Subcontracting and Charging Policy
- Safeguarding of Young People and Vulnerable Adults procedures
- PREVENT and British Values
- Health and Safety compliance
- Teaching, Learning and Assessment observations and coaching
- CPD Opportunities and planned training and development
- Support with Funding Rules compliance
- Quality and delivery meetings
- Equality and diversity support
- Utilisation of facilities/equipment within/from the College

Not all Subcontractors are charged the same management fee with the differences in fees being dependent upon the level of support required, the experience of the Subcontractor, their target learners; their track record, published success rates and the level of risk as determined by the due diligence process.

#### **Payment Arrangements**

- Payments are made on a monthly basis by the end of the following month in which the activity is successfully processed and uploaded to the Data Service by PROCAT (unless agreed otherwise).
- Following validation of the evidence in the ILR return, the College will make the appropriate payment to the Subcontractor based on the level of income calculated by the validation process in that month less the agreed management fee
- Payments are made by BACS
- PROCAT expects that the Subcontractors will fully engage in the assessment of accuracy of payments and they therefore have the responsibility to review their remittance advices to identify any inaccuracies.

All contracting is done on an annual basis and agreements will be recalculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement.

#### **Additional Support for Sub-contractors**

The precise additional support given to each sub-contractor will be negotiated with that sub-contractor, but will be based on a 'risk' approach and may include:

- Additional site visits
- Additional lesson observations
- Additional support
- More rigorous verification

### **Additional Charges**

The College may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:

- Awarding Organisation fees and charges
- Hiring of facilities/equipment within/from the College
- Internal Verification
- Employer contract management

All subcontracted provision is subject to a full legal agreement with the college and failure to meet robust quality requirements may result in the withdrawal of all funding.

Subcontractors are subject to external audit, including Ofsted and all funding agencies and cooperation with these processes are explicit within the contracting agreement.



Ros Parker  
Interim Principal  
1st August 2017