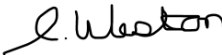





Subcontracting Policy and Rationale

2024-2025

Prepared by	Authorised by	Board Signature
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Purpose

This policy sets out how Apprentify will comply with the ESFA rules in respect of subcontracted provision. Apprentify is committed to broadening the scope of provision to meet market demand, enhance and enrich the experiences of our learners. To enable this vision, Apprentify has taken the strategic decision to subcontract part of its provision to high quality partner providers.

Apprentify retains full accountability for contract delivery where provision and service subcontracting take place. All providers, before becoming a sub-contractor must undergo a comprehensive due diligence process prior to any delivery taking place and are selected based on their track record, type of provision delivered, location and to ensure Apprentify can effectively respond to employer demand whilst reflecting on local priorities. Once sub-contractual arrangements have been agreed a service level agreement is signed by both parties.

Rationale

Apprentify aims to support employers to engage and develop their staff and enable individuals to achieve their full potential.

Apprentify will always take responsibility of the Employer Agreement and Training Plan for all our learners (where relevant). Subcontracting will only be used to deliver part of the learning.

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

- ❖ Providing access to, or engagement with, a new range of customers.
- ❖ To meet employer requirements where we do not have the internal capacity or skills to ensure learner experience and quality of education are at the forefront of our provision.
- ❖ To provide niche and specialist delivery where the cost of developing direct delivery would be inappropriate.
- ❖ To support employers with a wide geographic requirement.
- ❖ To improve cost effectiveness of provision.
- ❖ Enhance opportunities available to young people and adults.

For Apprentify to offer the best quality experience for every learner and employer, there will be some instances where we need to work with high quality delivery partners. This being at the request of the employer or individual, or to provide relevant sector, geographic or specialist expertise.

Types of support the subcontractor will receive from Apprentify to deliver services to clients:

- ❖ Performance assessment of activities such as teaching, learning & assessment.
- ❖ Experienced staff as a point of call and support to enable the subcontractor to contact Apprentify for any questions and queries relating to their provision, funding arrangements and quality improvement.
- ❖ Regular contract monitoring visits, frequency based on risk assessment according to the performance of the subcontractor.
- ❖ Apprentify to invite subcontractor staff to attend wider learning/enrichment activities such as Health and Safety, Safeguarding, Prevent, Equality and Diversity, British Values, Masterclasses etc.
- ❖ Advice & Guidance (pre-contract and during).
- ❖ Audit/Compliance.
- ❖ Monthly funding reports and reconciliations against claims received.
- ❖ Access to training events/seminars, as appropriate.
- ❖ Curriculum development support.
- ❖ APAR support offered if applicable/required.
- ❖ Ongoing support to address any areas for improvement.

Responsibility of Subcontractors:

- ❖ To provide regular update and data in respect of learners in line with ESFA data reporting requirements.
- ❖ To provide access to Apprentify colleagues to help ensure that provision continues to meet quality requirements.
- ❖ To comply with this policy and the requirements of the contract and ESFA funding rules.
- ❖ To comply with awarding organisation requirements.
- ❖ To deliver the training services to the highest possible quality in line with this policy and to ensure that health and safety requirements, safeguarding arrangements etc protect learners.
- ❖ To meet the requirements of the OFSTED Education Inspection Framework (EIF), retain MATRIX accreditation and any other conditions required as part of the funding agreement.

Due Diligence Process:

The first stage in establishing the partnership is the completion of a rigorous Due Diligence process. This ensures that each partner's financial, quality and learner support arrangements are robust. Apprentify will fully support the partner to complete this process. Companies House checks on Company Directors will be undertaken. Partners will be asked to refresh their Due Diligence on an annual basis.

The potential subcontractor will have to provide:

- Organisation Details.
- Contact names, addresses and telephone numbers of all Company Directors/Secretary/Partners.

- Details of other subcontracting agreements or contracts that fall under the provision of funded / regulated provision.
- Performance Data including previous success rates for each cohort/programme, by type of learner.
- Latest audited accounts for a financial viability health check.
- Employer, Public and Product Liability.
- Health and Safety Policy.
- Equality and Diversity Policy.
- Safeguarding and Prevent Policies.
- Schemes of work for proposed programmes.
- Details of approved centres for examinations.
- CVs including professional qualifications and DBS checks of all staff.
- Evidence that all staff have undertaken safeguarding training.
- All relevant policies and procedures.
- Performance Data.
- Confirmation that the company (or any of its predecessors) have not failed any compliance checks, including any companies that any of the directors or officers have been associated with.
- Declaration from directors to confirm no criminal convictions as detailed in the [Funding higher risk organisations and subcontractors policy](#).
- Last Ofsted report where the subcontractor came within scope / was inspected as part of a partner inspection.

Additional information may be requested.

Risk assessment, Management fees and charges:

Apprentify will conduct a rigorous due diligence and the Subcontractor will supply Apprentify with all relevant information requested to protect learners and to ensure the subcontractor is a legally, financially, and educationally robust organisation, prior to a contract being signed.

Apprentify will also ensure any due diligence checks will be made available to the ESFA for inspection.

Apprentify must not appoint any delivery subcontractor with a contract value of £100,000 or greater for each funding year **unless** they are listed on the APAR (Apprenticeship Provider and Assessment Register) first.

On completion of due diligence, Apprentify will review all evidence requirements as stated within this policy to determine the risk and compliance.

Costs and Terms of Payment

Apprentify review the requirements of the teaching that is planned to be delivered by the subcontractor and agree a fee based on the following:

- Number of sessions to be delivered.
- Consumables and other costs incurred for the administration.
- Management and review meetings.
- Level of support required from Apprentify.

Apprentify pays on the following terms:

- Attendance registers for confirmation of session completed against the delivery plan.
- In-learning evidence for apprentices under subcontracted delivery per calendar month, where applicable.
- Subcontractor claims.
- Invoiced at the end of each month – payment terms 30 days.

A management fee of between 15% and 20% is retained by Apprentify from all subcontracted provision, however, this can vary dependant on the level of support required. This fee is calculated against the assessment of risk, calculated from the due diligence process and level of management intervention associated with the subcontractor.

Eligible Costs	Percentage Retained
Training e.g., Self-directed distance learning, mentoring, interactive learning.	5-10%
Consumables e.g., materials (non-capital items) used in the delivery of the learning, registration, examination and certificate costs.	3%
Assessment e.g. tripartite progress reviews, ongoing assessment costs associated with a mandatory qualification.	2%
Administration e.g., processing of ILR, tailoring of existing teaching materials for a particular cohort/learner/employer.	5%

The management fee retained by Apprentify will cover:

- ❖ All administration including learner data input onto the MIS (BUD Learner Management System).
- ❖ Financial ILR submissions to the ESFA via MIS (BUD Learner Management System).
- ❖ Compliance audits including management of progress and success rates.
- ❖ Management of subcontracted provision in line with Funding and Performance management rules.
- ❖ Management reports.
- ❖ Performance meetings.
- ❖ Observation of delivery staff and learner experience. The management fee will be reviewed annually and altered (if applicable) in accordance with management and performance activity.
- ❖ Management of subcontracted provision in line with Funding and Performance management rules.
- ❖ Development Coach engagement with employers/learner on site and virtual delivering e-learning modules, undertaking progress review, coaching call, assessments, discussing and supporting relevant knowledge, skills, and behaviours. Assessing progress against targets, including Off the Job hours and End Point Assessment Readiness (where required).
- ❖ Curriculum development in partnership with the subcontractor where they do not possess the ability or expertise to develop hybrid learning programmes in their entirety.

Apprentify will make monthly payments to subcontractors based on the correct submission of data and supporting evidence to validate learning delivery.

The ESFA will retain 20% of funding until the learning aim has been successfully achieved. Learner achievement will be claimed once all necessary evidence and paperwork has been submitted to Apprentify.

Any variations to this management fee are agreed on a contract and case by case basis and will only be undertaken by negotiation and agreement by both parties. Any variation will be authorised by the Managing Director.

Apprentify may not further sub-contract provision, this is referred to as 2nd Tier Subcontracting, which Apprentify does not condone under any circumstances unless first approved by the ESFA.

Financial Health Assessment

Apprentify undertakes a financial health assessment of all subcontractors to mitigate the risk in terms of capacity and capability to deliver.

Before provision is agreed, due diligence and scrutiny of policies is undertaken to obtain sufficient information to satisfy Apprentify that the subcontractor has the potential to deliver high quality services to Apprentify learners.

It is the responsibility of the sub-contractor to advise of any material change to its circumstances in terms of financial status, OFSTED grade, awarding body sanction etc, which would revise the outcome of the initial due diligence assessment. Apprentify will monitor the income of subcontracted delivery to ensure the total value does not exceed 25% threshold from any subcontracting partnership and will notify the subcontractor of any restrictions.

Quality Assurance

Apprentify expects high standards of teaching, learning and assessment, outcomes, and progression from subcontractors. We will visit subcontractors to carry out quality checks and ensure that they are meeting these standards. Apprentify is committed to supporting, developing, and sharing good practice and professional development of staff through quality reviews, operational meetings, observation of teaching and training, developmental deep dives and learner and employer feedback.

Apprentify will work with the Subcontractor to improve their overall quality and highlight opportunities to increase the quality of teaching, learning and assessment in line with OFSTED, awarding body, funding body and general good practice. Depending on the length of tenure of the subcontracting partnership, Apprentify will agree a schedule of quality assurance activity with the subcontractor in line with their experience and knowledge in management of successful apprenticeship provision. This will include appropriate consideration into the input of the self assessment report (SAR) depending on the experience of the subcontractor.

Quality Assurance and Observation of Teaching, Learning and Assessment (OTLA) will involve both prearranged and unannounced visits with the Subcontractor to sample records. OTLA's will take place and may include joint visits to observe a member of their delivery staff, both visits are to ensure that they meet Apprentify's reporting, statutory and quality assurance requirements.

External Assurance on Subcontracting

Apprentify are required to record and declare subcontracted provision in line with published funding rules, and must meet the ESFA subcontracting standard, for which Apprentify must obtain a report from an external auditor on our arrangement to manage and control our delivery subcontractors. This is specified in paragraph P210 from the 2024/25 funding rules detailed below:

210. In accordance with the provider's contract with us, they must meet the ESFA subcontracting standard as detailed in the subcontracting standard guidance. If the aggregate total of all subcontractors delivering ESFA funded provision on their behalf exceeds or is anticipated to exceed £100,000 in any single funding year. Whilst other programmes are excluded from these rules, for the purposes of calculating the aggregate total of subcontracted delivery the provider must include delivery of all DfE funded programmes, not just apprenticeships. Where the standard applies:

210.1. The provider must supply us with a report signed by an external auditor that provides assurance on the arrangements to manage and control their subcontractors. They must send a copy of the external auditor's final report including the action plan of agreed recommendations and assurance declaration via ESFA document exchange by 31 July of the relevant year (see subcontracting standard guidance for further information). The department will review this as part of our overall assurance arrangements.

The ESFA have the right to audit all documentation in relation to the subcontracted provision. A satisfactory audit is essential to avoid loss of funding through claw back or termination of contracts. Controls to ensure no double funding include:

- ❖ DSATS and BI Tools are used to test integrity of data
- ❖ Gaining information on other prime contractors at due diligence stage
- ❖ Monthly DSATS testing

Communication

Apprentify communicates with our subcontractors through:

- ❖ Meetings Face to Face/Virtual Meetings for account management and quality.
- ❖ Phone calls.
- ❖ Emails.
- ❖ Review and OTLA meetings.

It is important to maintain regular contact with our subcontractors to ensure that:

- ❖ All students are progressing to achieve their qualification in a timely manner.
- ❖ Identify any problems or concerns that either party may have identified
- ❖ Ensure all programmes are delivered according to funding and quality regulations
- ❖ Correspondence from these meetings, retained for auditing purposes, are:
 - ❖ Notes / minutes of meetings both internally with Manager/Board and with our Subcontractor
 - ❖ Records of e-mails, correspondence etc.
 - ❖ Notes from audit / monitoring visits kept on file and shared with the Subcontractor
 - ❖ Observations of teaching, learning and assessment

Subcontractors

Contract Year	Sub-Contractor Name	UKPRN Number	RoATP
2019/2020	TANGERINE PARTNERSHIP LIMITED T/A THE JUICE ACADEMY	10041124	Supporting Provider
2020/2021	TANGERINE PARTNERSHIP LIMITED T/A THE JUICE ACADEMY	10041124	Supporting Provider
2021/2022	TANGERINE PARTNERSHIP LIMITED T/A THE JUICE ACADEMY	10041124	Supporting Provider
2022/2023	TANGERINE PARTNERSHIP LIMITED T/A THE JUICE ACADEMY	10041124	Supporting Provider
2023/2024	TANGERINE PARTNERSHIP LIMITED	10041124	Supporting Provider
2024/2025	TANGERINE PARTNERSHIP LIMITED	10041124	Supporting Provider
2024/2025	SMOKING GUN PR LIMITED	10093518	Supporting Provider

Review

This policy will be disseminated to our current subcontractors via email and website link. Any potential subcontractors will be made aware of the policy at the outset. This policy will be reviewed annually and approved by the Apprentify board. It may be reviewed in year as needed to reflect any changes in Education Skills Funding Agency rules. Any changes to this policy mid-contact will be discussed with subcontractor. The policy will be published on the Apprentify website.