



## **POLICY**

# **SUBCONTRACTING**

**Issue : V2.0**  
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## AMENDMENT HISTORY

<b>Issue</b>	<b>Date</b>	<b>Author</b>	<b>Description of Change</b>
0.1	26/01/2018	J Mitchell	First draft
1.0	29/01/2018	J Mitchell	First issue
1.1	31/08/2018	J Mitchell	Update of Supporting Documents
2.0	23/06/2020	J Mitchell	Removal of "They are not on the published register of apprenticeship training providers but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers" definition updated and addition of £500,000 restriction Pg 8. New section added in respect of external audit. Supporting documents updated.

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# 1 INTRODUCTION

GK Apprenticeships (GKA) recognises that working with sub-contractors can present a potential risk to apprenticeship programmes. However, GKA may need to work with sub-contractors from time-to-time when it has been identified as being in the best interest of the learners and employers. However, GKA will consider a business case prior to entering the subcontracting process to ensure it is in the best interest of both parties.

## 1.1 Purpose

The purpose of the document is to ensure that:

- the proposed delivery is in the best interest of the learners and employer
- the proposed delivery has clear strategic fit with our mission, objectives and values
- there is sufficient curriculum/delivery expertise within GKA to quality assure the provision
- the proposal addresses areas that we ourselves consider to be a priority
- there is sufficient staff resource in support areas to administer the process
- there is sufficient funding in place
- the subcontractor agrees to work within the terms of our contract

## 1.2 Scope

The policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency, the Education Funding Agency or successor organisations. Where a partnership or collaboration is formed, these arrangements should not be confused with subcontracting. Whilst these are useful approaches to delivery, they do not form part of this policy.

There are two key areas of subcontracting that fall within this strategy:

- Provision subcontracting – the delivery of full frameworks or standards.
- Service subcontracting – the delivery of a service as part of a programme (for example buying the delivery of part of an Apprenticeship framework/standard)

## 1.3 Review

The document will be reviewed annually from the date of first issue and updated as required.

## 1.4 Definitions

Policy

A **Policy** is a guideline or statement of position with respect to a given topic.

## 1.5 Supporting Documents

ESFA Apprenticeship funding rules for main providers August 2019 – July 2020 Version 2

ESFA Using subcontractors in the delivery of apprenticeships April 2018

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1.6 **Stakeholders**

The people mentioned in Table 1 are process stakeholders. Stakeholders are responsible for ensuring that their respective teams buy into the process.

<b>Name</b>	<b>Role</b>	
Gordon Richardson	Head of Quality and Education	Document Owner
Jenny Harman	Director of Education & Talent	Business Sponsor

**Table 1 – Stakeholders**

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## 2 DELIVERY SUBCONTRACTORS

GKA will only use delivery subcontractors that satisfy one of the following two criteria as stated in the funding rules.

- they are on the published Register of Apprenticeship Training Providers and have applied by the main or supporting application routes; or
- They are either the apprentice's employer, a connected company or charity as defined by HMRC and are on the published Register of Apprenticeship Training Providers, having applied through the employer-provider application route.

GKA will ensure that it is not one of a number of organisations making payments to any supporting provider that exceed £500,000, or £100,000 if the delivery subcontractor is identified as new, in any one year.

Where the employer is the delivery subcontractor GKA will ensure the it only pays them for actual costs of delivery.



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### 3 DUE DILIGENCE

GKA will carry out its own due diligence checks of potential delivery subcontractors, the process and results of which will be available for inspection by the ESFA and our employers.

Potential delivery subcontractors must not be selected as suitable to deliver to our, or the employers specific requirement based solely on their presence on the register of training providers, or any public register or database.

- 3.1 GKA will not agree with an employer the use of a delivery subcontractor that they assess is unsuitable, or whose quality of delivery is demonstrably inadequate, even where the employer decides not to work with us as a consequence.
- 3.2 A delivery subcontractor must not be used where this would require us to subcontract apprenticeship training and/ or on-programme assessment to a second level. All of our delivery subcontractors must be contracted directly by us.

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## 4 AGREEING THE USE OF SUBCONTRACTORS WITH EMPLOYERS

If GKA agrees the use of delivery subcontractor with an employer, an up-to-date written agreement must be in place that sets out the following for the delivery of their apprenticeship programme:

- the apprenticeship training and/or on-programme assessment that GKA will directly deliver
- the amount of funding that GKA will retain for direct delivery
- the apprenticeship training and/or on-programme assessment that each delivery subcontractor will contribute to the employer's apprenticeship programme
- the amount of funding that GKA will pay each delivery subcontractor for their contribution
- the amount of funding that GKA will retain to manage and monitor each delivery subcontractor
- the support to be provided to each delivery subcontractor in exchange for the amount of funding received
- the monitoring GKA will undertake to ensure that the quality of the apprenticeship training and/or on-programme assessment it has contracted its delivery subcontractors to carry out
- any actual or perceived conflict of interest between GKA and any delivery subcontractor, for example, where GKA and a delivery subcontractor are part of the same group, share common directors or senior personnel, or where GKA will benefit financially from using a particular delivery subcontractor

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## 5 DELIVERY OF APPRENTICESHIP TRAINING AND ON-PROGRAMME ASSESSMENT BY DELIVERY SUBCONTRACTORS

GKA is responsible for all of the actions of its delivery sub contractors that are connected to them, or arise out of, all the apprenticeship training and on-programme assessment that they subcontract. We carry overall responsibility for the quality of apprenticeship training and on-programme assessment undertaken by our delivery subcontractors.

- 5.1 GKA will manage and monitor all of its delivery subcontractors to ensure that high-quality delivery is taking place that meets the ESFA funding rules
- 5.2 There will be regular and substantial programme of quality assurance checks on the apprenticeship training and on-programme assessment provided by the delivery subcontractor, including visits at short notice and face to face interviews with staff and apprentices. The programme will include:
  - 5.2.1 Eligibility checks
  - 5.2.2 Direct observation of initial guidance, assessment and delivery and/or on-programme assessment
- 5.3 Where GKA's findings are not consistent with the ESFA funding rules, GKAs expectations or the subcontractors records this must be reported to the ESFA.
- 5.4 If any delivery subcontractors undergoes a change in circumstances that affects its ability to continue to deliver under a subcontract with GKA, GKA must make alternative arrangements for each apprentice affected, in agreement with their employer. Change of circumstances including going into liquidation, administration, key delivery staff leaving the organisation, or removal from the register of apprenticeship training providers. The change of delivery arrangements must be recorded in GKA's written agreement with the employer.
- 5.5 The relationship with the employer must be maintained at all times. It must not be lead be the delivery subcontractor.

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## **6 PUBLICATION OF INFORMATION RELATING TO SUB-CONTRACTING.**

In compliance with ESFA and other agency funding rules that apply, GKA will publish its subcontracting policy and fees on their website.

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## **7 REPORTING THE USE OF DELIVERY SUBCONTRACTORS TO THE ESFA**

A fully completed Delivery Subcontractor Declaration form must be provided to the ESFA by the dates given, twice between 1 April to 31 March each year. If GKA do not subcontract a nil return form must be completed to confirm this.

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## 8 EXTERNAL AUDIT

Where the total apprenticeship contracts with delivery subcontractors exceeds £100,000 in any one financial year GKA will obtain an annual report from an external auditor to provide assurance on the arrangements to manage and control our delivery subcontractors.

GKA will supply the ESFA with a certificate signed by the external auditor and an authorised signatory to confirm it has received a report that provides satisfactory assurance.

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## **9 DISPUTES AND ISSUE RESOLUTION BETWEEN THE EMPLOYER AND THE MAIN PROVIDER**

GKA are responsible for resolving issues and disputes between the employer and its delivery subcontractors. Employers and apprentices must be provided with GKA's Compliments and Complaints Procedure. The first contact point for this must be included in the written agreement and commitment statement.

- 9.1 Agreements entered into by GKA and the employer are legal agreements and dispute resolution should be in accordance with the written agreement as it would be enforceable through the courts.
- 9.2 GKA must make Apprentices and their employer aware that they can contact the apprenticeship helpline regarding apprentices concerns, compliments and enquiries. The contact number and website must be included in the employer's written agreement and in the apprentice's commitment statement.