

SUBCONTRACTING POLICY & PROCEDURE

1) Introduction and purpose

Engineering Trust Training (ETT) offers apprenticeships to employers within the Engineering and Manufacturing sector.

The purpose of this policy is to provide information about how we procure subcontracted services then manage and monitor their performance.

2) Scope and context

- a) This policy applies to all subcontracted provision funded both by the ESFA and Apprenticeship Levy. The Subcontracting Policy is a mandatory requirement for subcontracting activity. The policy's content has been developed to comply with the ESFA Apprenticeship Funding Rules and Subcontracting Rules which are updated periodically. This policy will be updated in line with the rules.

3) Subcontracting Rationale & Outline

- a) ETT subcontracts the provision level 2, 3 and 4 qualifications to colleges & ITPs. We do this to offer the businesses, who choose us as their training provider, to access local provision for the qualifications required to be delivered as part of an apprenticeship programme. Employers approach ETT in order to benefit from our high-quality in-company training, support and assessment, whilst also ensuring their apprentice can access 'college' based training close to their home. This enhances the opportunities available for learners and supports better geographical access for learners, rather than making them travel out of region for their release to a 'college' setting.
- b) ETT is responsible for all administration & delivery of the apprenticeships. We meet with learners every 4 weeks throughout their programme for 1to1 learning and assessment meetings. During the meetings, learning is set, training is delivered, work assessed, and competency mapped against the Standard and any qualification being delivered in-company by ETT. Visits include involvement from the employer, pastoral support for the learner and feedback is gathered regarding the delivery by any subcontractor involved in the delivery. ETT are responsible for managing the progress of the apprentice from the start of the apprenticeship to Gateway, organisation of the EPAO and preparation/management of the apprentice through their EPA. ETT are responsible for all functional skills training and any required exams, adjustment and support for any apprentice with SEND and quality assess the provision being delivered by the each college subcontractor.

4) Procurement

- a) We procure subcontracted provision on a needs basis. This means once an employer has approached us to deliver their apprenticeship, we procure a subcontractor close to the apprenticeship delivery site if they are not in reach of our venue or require specialist provision. Much of the time there is little choice and, due to the low number of learners we place, we offer the employer the units and delivery schedule available with that subcontractor.
- b) Once we have established what the sub-contractor is able to deliver, the cost and checked it fits the educational needs of the apprenticeship, we then propose that to the employer so they are able to decide if they would like to use us as their Main Provider with delivery by the subcontractor. An apprenticeship proposal is produced which the employer can agree to go ahead with (or not).

- c) Final agreement of enrolment of an apprentice with the subcontractor comes after the apprentice has been appointed and the RPL process completed.

5) Due diligence

- a) ETT will undertake a process of due diligence when selecting potential subcontractors.
- b) ETT will only procure the service of subcontractors who are registered on the Register of Apprenticeship Training Providers (RoATP) to deliver services to employers.
- c) ETT will conduct a review of its due diligence checks on each subcontractor on an annual basis to ensure that the subcontracted provider continues to be able to deliver contracted services.
- d) Further due diligence checks will be completed if there is any material change in the subcontracted provider that has the potential to impact on its ability to deliver subcontracted services. These include but are not limited to:
 - i) merger with another provider;
 - ii) change of ownership;
 - iii) change of key personnel (e.g. managers, directors, link person)
 - iv) any issues that may raise concern about the subcontractor's ability to deliver the programme (e.g. infrequent updates, poor student progress, student or employer complaints). These will also trigger an immediate review meeting.
- e) Information gathered
 - i) Latest Ofsted report
 - ii) Most recent financial report

6) Contracting arrangements

- a) A legally binding contract is drawn up that sets out how the subcontractor and ETT will work with one another.
- b) The process for changing the contract or dealing with disputes is set out in the contract.

7) Fees, charges & termination

- a) ETT negotiates a fee with each subcontractor based on the course and volume of learners.
- b) Each subcontractor has its own fee structure. ETT benchmark between subcontractors to check if any is significantly out of line.
- c) A contract is put in place with each subcontractor which sets out what the fees and charges are for each apprentice and when they will fall due.
- d) Contracts are in place for the period of the services being provided by the subcontractor and terminate on completion of those services. Clauses are in place should a service not be delivered to a high enough standard and the mechanisms in place for early termination should that be required.

8) Quality Assurance (QA) of delivery

- a) ETT is committed to delivering the best possible learning for the Apprentice and service to the Employer. We are in regular contact with each subcontractor and work with each to review progress and manage the quality of their provision.
- b) ETT continually engage with the apprentices and their employers to gather regular feedback about the quality of delivery. This feedback comes within the review meetings held with apprentices or via ad-hoc feedback from the employer.
- c) Quality Assurance Check (QAC).
 - i) ETT will carry out at least one QAC per academic year.
 - ii) Where a subcontractor permanently changes delivery staff on a programme, they should inform ETT of this change. Additional QAC may then be required.
- d) Any improvement or development activities highlighted to the subcontractor as part of a QAC will be monitored through subsequent visits, conversations or apprentice and employer feedback about the service.

9) Internal policies

- a) Subcontractors are required to have robust internal policies.
- b) All those we work with are lead providers and as such, have good policy and procedure in place.

10) Policy review and communication

- a) This policy will be reviewed annually
- b) An up-to-date copy of this policy will be posted on the ETT website and paper copies will be made available upon request.

11) Declaration of Use of Sub-contractors

- a) In line with ESFA funding rules, ETT will submit a subcontractor declaration at least twice each year summarising the value of any sub-contracted provision paid for in the previous period. ETT will also publish a summary of payments made to sub-contractors in the previous year on its website and a rationale for subcontracting.

12) Risk Management

- a) A subcontracting risk assessment is maintained by ETT which identifies who should manage each risk and how to escalate.

13) Contingency Planning

- a) It is fully understood that although aspects of an ETT apprenticeship is delivered by a subcontractor, responsibility for these learner's rests with ETT.
- b) The subcontracted provider is required to notify ETT immediately if there are changes that may cause a risk to the contracted delivery. These include but are not limited to:
 - i) The possibility of the provider ceasing to trade
 - ii) Notice to be struck off the Register of Apprenticeship Training Providers (RoATP)
 - iii) Poor Ofsted Inspection
 - iv) Poor ESFA audit
 - v) Other significant changes that affect the ability of the subcontractor to deliver required programmes.
- c) In these circumstances, ETT will meet with the subcontractor immediately and reserves the right to seek alternative provision of services to ensure continuity for its apprentices.
- d) If a subcontractor was temporarily unable to continue, the apprentices would remain in-company and visited by ETT staff to continue their learning whilst the issue is resolved.
- e) If a subcontractor was unable to continue long term, the relevant clauses in the subcontractor Agreement would be triggered.
- f) Where appropriate, a period of time will be given to the subcontractor to allow them to address any issues or shortcomings that have led to their inability to continue.
- g) If unable to rectify or due to facility failure, business failure or due to a time critical issue, ETT would find alternative provision.
- h) Learner and employers would be informed of the changes and the reasons the change is required and relevant amendments to the apprenticeship paperwork made.

14) Responsibilities

- a) Procurement and contract: ETT CEO or ETT Director of Delivery and Operations
- b) Management of subcontractors: ETT CEO, ETT Director of Delivery and Operations, ETT Head of Delivery & ETT Lead SW.
- c) Management of contractual agreements: ETT CEO or ETT Director of Delivery and Operations

15) Reduction of subcontracting

- a) Following confirmation from the ESFA that they wanted to see a staged reduction in the volume of subcontracting across the sector, ETT began the process of reducing this practice with the aim to be below 25% of our funding stream by September 2023.

- b) We have been successful in requesting to continue with existing arrangements above 25% in 21/22 and 22/23 to allow us time to make other arrangements.
- c) We are on track to drop below 25% by September 2023 and have not requested an exemption to be above the threshold for 23/24.
- d) We received assurance from the ESFA that we did not need to ask permission for distance subcontracting. The subcontractors are at a 'distance' from our HQ but not a 'distance' from the learners we are working with who will attend. All the areas we work in are 'normal recruitment areas' for us and therefore we do not need to ask the ESFA for permission.