



University of  
**Salford**  
MANCHESTER

# **Apprenticeships Subcontracting Policy**

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MW	Revised subcontracting policy	V1.1	HTSA Board 01.06.23
<b>Policy Management and Responsibilities:</b>			
Owner:	This Policy is issued by the Higher Technical Skills & Apprenticeship Board who has the authority to issue and communicate policy on apprenticeship change in circumstances and has delegated day to day management and communication of the policy to the Head of Apprenticeships (ASU).		
Others with responsibilities (Please specify):	All subjects of the Policy will be responsible for engaging with and adhering to this policy.		
<b>Author to complete formal assessment with the following advisory teams:</b>			
Equality Analysis (E&D, HR) <a href="#">Equality Assessment form</a>	1.	01/06/23	
Legal implications (LPG)	2.	N/A	
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<a href="http://www.salford.ac.uk/policies">University of Salford Policy pages http://www.salford.ac.uk/policies</a>			
<b>The owner and author are responsible for publicising this policy document.</b>			

## 1.0 Purpose

The University of Salford is a vibrant, modern University situated in the heart of the Greater Manchester conurbation. We work with industry to pioneer industry partnerships that allow us to lead the way in providing real world experiences preparing our students for life and delivering real benefit for businesses and society. For the University of Salford (the "University"), higher and degree apprenticeships continue to make a significant contribution to the realisation of its vision to create exceptional industry partnerships that enable employers to develop the high-level skills of their workforce and support regional economic growth. The University's employer led apprenticeship portfolio is a key component of its work to support the delivery of the Greater Manchester Local Industrial Strategy and also makes a major contribution to its priority on widening participation in higher education. The University is continuing to grow its apprenticeship provision utilising levy and non-levy funding provided through the Education and Skills Funding Agency (ESFA).

In accordance with the ESFA Funding Rules this policy sets out the rationale and defines the arrangements under which the University will subcontract ESFA funded higher and degree apprentice provision. It identifies the core principles that the University will take into consideration prior to entering into a legally binding contract with an apprenticeship delivery subcontractor.

## 2.0 Rationale for subcontracting

The University has developed the following rationale to inform, manage and govern policy and practice with respect to the subcontracting of apprenticeship provision:

The University of Salford (UoS) is committed to working in partnership with industry to enhance the employability of its learners and support the development of employers' high-level skills needs. The University engages with its learners, employers, and other stakeholders across the city region and beyond to design and deliver demand led, flexible and high-quality apprenticeship programmes.

Alongside its emerging Higher Technical skills portfolio, apprenticeships are integral to the delivery of the University's vision in relation to growth and diversification. They provide a key solution to meeting industry's workforce development requirements and ensure that there is a suitable supply of skills and talent that is responsive to employer demand.

Normally, the University will deliver its apprenticeship programmes in full utilising its existing skills, knowledge, and resources. However, in response to employer and learner needs and dependent on the nature of the apprenticeship programme, there may be a requirement for the University to consider subcontracting some elements of the provision to other suitable approved delivery organisations. These providers must be listed on the [Register of Approved Training Providers](#) (RoTAP). The university will carefully assess any proposal for subcontracting ensuring that the key benefits to employers, stakeholders and the quality of the programme are clearly identified and agreed by all stakeholders.

Alongside its existing governance and decision-making processes, the University will apply a set of principles for subcontracting any element of its apprenticeships provision and these will be used to inform decisions on the appointment of suitable sub-contractors.

As is standard practice the University will aim to meet employer / learner apprenticeship requirements in full through direct delivery. Where this is not possible a partnership and / or subcontracting arrangement may be considered.

All proposals for subcontracting arrangements will need to clearly demonstrate how they will enhance the opportunities for learners through meeting one or more of the following requirements:

- enabling access to specialist staff and / or resources that would otherwise not be available through the University
- widening access and participation in apprenticeship provision for hard-to-reach groups
- contributing to the delivery of the Local Industrial Strategy through skills, innovation and knowledge transfer with the University and its stakeholders
- promoting equality, diversity, and inclusion in particular, for those learners with additional support needs

To ensure the quality of apprenticeship subcontractor delivery, and compliance with ESFA requirements, the University will ensure that:

- all subcontractors are on the Register of Apprenticeship Training Providers
- as a main provider it will maintain a direct relationship with employers
- it delivers a substantial element of an employer's apprenticeship provision
- any arrangements using subcontractors comply with all appropriate professional and regulatory frameworks, including ESFA funding guidance.
- provision delivered via subcontracting is approved/ monitored via the university's processes and procedures and specifically, its Collaborative Provision procedure (including internal arrangements for academic standards and quality / partner approval/ due diligence and external arrangements such as compliance audit).
- second tier/ serial subcontracting is not used
- any proposal for subcontracting is considered and approved through the appropriate university governance (currently the Higher Technical Skills & Apprenticeship Board).
- any proposal for subcontracting demonstrates alignment with the University's strategy and published principles and rationale

### 3.0 Selecting, approving and reviewing subcontractors

The University applies its existing processes for approving, managing and quality assuring [collaborative partnerships and provision](#) when selecting and managing subcontractors for apprenticeship provision - supplemented, as appropriate, where regulatory requirements (i.e. related to ESFA rules / Ofsted) necessitate alternative or additional approaches.

Where delivery subcontractors are existing collaborative partners of the University, they will have already successfully completed the University's processes for partner planning and institutional approval. Through this process (supplemented by any additional processes required by regulatory requirements applicable at the time) the University collects, and risk assesses, information about a proposed partner or subcontractor to ensure:

- I. the overall rationale for a proposed subcontract fits with relevant University policies and strategy (including the published rationale provided in section 2 above)
- II. the subcontractor's capacity and track record in providing high quality provision including that it can quality assure and improve relevant provision.
- III. appropriate legal and financial due diligence checks are satisfied (including that the organisation is a legal person, it is not subject to legal proceedings to dissolve or wind up the company, it is up to date with submission of its statutory accounts, and these have been subject to external audit by an independent and qualified auditor) and measures are taken to identify any conflicts of interest
- IV. there are effective monitoring and performance review procedures to oversee the subcontract - as determined by the Directorate of International and Regional Development (IRD) and relevant University quality assurance processes - in line with regulatory requirements
- V. there are monitoring triggers and processes to intervene and terminate subcontracts as necessary, including continuity arrangements to transfer or support current apprentices.

Existing approved University collaborative partner organisations would normally be eligible to be considered for subcontracting arrangements, subject to confirmation that they can meet the specific requirements of the subcontract and can satisfy any additional regulatory requirements related to apprenticeships. Partners are required to supply information for approval, via university quality assurance processes, setting out key information relating to the proposed delivery and management of the apprenticeship. The roles and responsibilities of both partners are agreed through the approval process; these are then formally recorded within the contract for the partner.

Proposed subcontractors that are not already approved partners of the University may be considered for approval as a subcontractor via the university's collaborative provision procedure (supplemented by any additional processes to ensure compliance with any regulatory requirements applicable at the time).

The University is responsible for ensuring that apprenticeship provision satisfies the regulatory requirements for subcontracting applicable at the time. As a main training provider, the University will:

- Agree the use of subcontractors with employers at the start of an apprenticeship
- Carry out due diligence checks on potential delivery subcontractors
- Enter into a written agreement with subcontractors
- Ensure that second-level subcontracting does not take place
- Obtain an annual report from an external auditor if the total apprenticeship contract value exceeds £100,000 in any one financial year
- Take responsibility for the quality of all aspects and carry out regular assurance checks of their subcontractor's provision
- Provide delivery sub-contractor declarations in line with ESFA dates and manage any updates if arrangements or circumstances change during the year

The Directorate of International and Regional Development (IRD) at the University will be the single, central point of contact with the ESFA.

Staff involved in selecting and managing subcontractors will normally be those in the Directorate of IRD with experience in developing and managing academic collaborative partnerships.

In line with the ESFA mandate and expectation the University will review its subcontractor provision towards the end of any contractual phase and endeavour to reduce subcontractor provision if alternative arrangements are possible which will not jeopardise the apprentices' learning journey.

#### **4.0 Fees and charges**

The University will normally apply fees for the management of the apprenticeship and for supporting any academic provision. Further additional charges may be negotiated between the subcontractor and the University to reflect additional services or support the University is providing to apprentices and their employers. These fees will reflect the University's costs in procuring and managing subcontracts and the associated academic provision.

In consideration of the fee the University will normally provide the following support to the subcontractor:

- Subcontract management
- Monitoring of quality, standards and compliance related to the subcontract
- Support in recruiting learners where appropriate to the needs of the provision
- Support with learning, teaching, and assessment (including guidance and developing a community of practice)
- Review and enhancement for the apprenticeship
- Employer support ongoing throughout the apprenticeship programme including EPA
- Sharing of good practice
- Collating learner and employer feedback
- Providing advice and guidance to employers and apprentices on EPAO

In consideration of the fee the University will also be responsible for:

- Learner administration – eligibility checks, enrolment and ILR data
- Audit Compliance – Contractual paperwork and apprenticeship evidence pack
- Quality assurance of subcontracted provision

The University will provide potential subcontractors with full contractual terms to apply to all sub-contractor payments. Fees and charges will be in line with EFSA apprenticeship rules and standard University payment terms.

## 5.0 Due diligence

As the main provider, the University undertakes due diligence to ensure subcontractors are selected on quality, capability, capacity, and a good financial standing. As part of this process all potential subcontractors complete a due diligence checklist which is then reviewed by key stakeholders.

The University will perform financial and organisational checks on subcontractors via a Credit Safe report which covers the:

- subcontractor's company structure - legal, operational, and financial.
- relative size of potential subcontract proportionate to the rest of their business.
- subcontractor's financial health check.

The University will review the outcome of the Credit Safe report, the collaborative provision due diligence pro forma and the financial sanctions information to determine if it approves the proposed collaborative partner and proposed collaborative venture.

The University undertakes robust procedures to ensure that extremist organisations are not funded through subcontracting. The University will check the [current list of those who are currently subject to financial sanctions](#) for believed involvement in terrorist activity which is produced by HM Treasury and the [Office of Financial Sanctions Implementation](#) to satisfy ourselves that the subcontractor is not linked to companies or persons identified by these two bodies. In addition, the University requires:

- evidence relating to how the subcontractor meets the Prevent agenda.
- policies and procedures relating to avoiding and dealing with extremism.
- evidence that the subcontractor's Prevent Policy confirms that the company and its directors do not have links to extremist organisations.

## 6.0 Compliance with ESFA funding rules and evidence requirements

The University is responsible for ensuring that it satisfies ESFA's requirements for subcontracting.

The University's delivery commitments to the ESFA requires subcontractors to:

- adhere to ESFA funding rules.
- provide Individual Learner Record data to the University to ensure accurate delivery information is passed to ESFA.
- allow ESFA or any person nominated by them, access to their premises and documentation related to the delivery of funded apprenticeships.
- ensure all staff are suitably qualified to provide the agreed apprenticeship training.
- cooperate with the University to ensure continuity of learning for apprentices should the subcontract cease for any reason.

Subcontractor performance against the EFSA requirements will be monitored on an ongoing basis to ensure delivery of provision as outlined and agreed in the contract.

## 7.0 Monitoring and quality assurance processes

In order to monitor and improve the quality of subcontracted provision and manage risks on subcontractor capability and capacity on an ongoing basis, regular review meetings will be scheduled at appropriate intervals throughout the funding year. These will include, at a minimum.

- Review of delivery of training which will involve:
  - visiting the subcontractor at short notice and conducting face-to-face meetings with subcontractor staff and apprentices
  - undertaking direct observation visits of teaching, learning, assessment and progression.
- An annual review of the published financial accounts of the subcontractor.
- Senior stakeholder annual meeting to review capability, capacity and quality of provision.

In addition, both parties will notify each other of any changes to their governance structures to determine any impact on the subcontracting agreement.

Feedback on subcontractor performance will be provided be managed by the relevant Head of School in writing, and will require actions to address any identified issues, with agreed timelines for implementation and further review.

**8.0 Processes to terminate**

The contract between the University and the subcontractor provides a process whereby either side can terminate the agreement. The process recognises that the needs of apprentices and employers come first in the considerations. The University's subcontracting contract includes circumstances covering the following eventualities:

- where the subcontractor or University ceases to trade.
- where either party is unable to continue with the work due to a breach of the ESFA funding rules.
- where either party repeatedly breaks/fails to fulfil the terms of the contract.
- where the subcontracting work is no longer progressing.

**9.0 Publication and subcontracting arrangements review date**

This Policy is subject to annual review in line with existing University processes to ensure it continues to meet the University's needs and the requirements of the University's contract with the ESFA and all relevant regulatory bodies.

Any substantial changes to this policy are subject to review and sign off by the Higher Technical Skills and Apprenticeships Board on behalf of the University and are published on the University website. Minor changes and updates to ensure the currency and accuracy of the policy may be made by the policy owner and published on the website.