

Higher and Degree Apprenticeships Subcontracting Policy

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1. Introduction

- 1.1 Teesside University has a strong track record of delivering high quality business and education services. Higher and degree apprenticeships broaden this commitment by providing a further route to employers that supports them in the development of workforce skills. Apprenticeships also play a key role in widening participation in higher education. For these reasons they form a significant strand of University strategy.

2. Purpose of Policy/Document

- 2.1 The University is committed to maintaining high-quality provision that is compliant with the funding rules of the Education and Skills Funding Agency (ESFA). This policy defines the framework within which the University will subcontract any apprenticeship programme delivery funded by the ESFA and regulated by the Office for Student (OfS), the Quality Assurance Agency (QAA), and Ofsted. It will do this by ensuring:
- That robust due diligence processes provide assurance to the University, as a lead provider, that the subcontractor has been selected fairly, and demonstrates capacity, capability, quality and a good financial business standing;
 - That there is transparency in supply chain fees and charges;
 - That collaborative approaches are adopted to enhance the quality of teaching and learning practices and assure the overall quality and academic standards of the provision, wherever it is delivered.

3. Rationale for Subcontracting

- 3.1 In order to meet employer needs and to fulfil apprenticeship standards learning outcomes, the University may wish to approve the delivery of elements of a Higher or Degree Apprenticeship through a subcontracting arrangement with another organisation. This could apply to elements of a University award, or aspects of the apprenticeship which are separate to the award, but not delivered by the University.
- 3.2 The specific reasons for subcontracting elements of delivery include:
- Provision of access to specialist staff or other resources that would otherwise not be available;
 - Widening access, increasing participation and enabling progression with groups that are hard to engage or geographically removed from the University;

- The ability to bring benefits to the region in terms of business innovation and knowledge transfer with the University and its stakeholders;
- Meeting the requirements of a successful bid or tender for higher and degree apprenticeship delivery in which the University is the lead provider;
- Meeting the particular needs of employers, apprentices, or main providers in relation to scope, reach or quality of apprenticeship training provision.

This list is not exhaustive

3.3 Successful subcontractors will be issued with a legally binding contract eligible for the period from when the contract commences until the planned completion date of an apprenticeship. The requirements of this policy form part of that contractual agreement and will include:

- Details of provision and assessment being delivered by the subcontractor
- The reasons for subcontracting
- Funding payments to the subcontractor for their contributions
- Funding retained by the University, together with reasons;
 - Any actual or perceived conflicts of interest between the University and the subcontractor

3.4 The contract will be signed by the subcontractor and the University. Terms and conditions will be agreed and included in the contract. The University, Ofsted, the Office for Students (OfS), and the ESFA will be granted full permission and rights to monitor the quality of training being provided and to visit the subcontractor at their premises, training sites or employers premises from which they operate.

3.5 The University will provide transparency with regard to the specific costs of managing the subcontractor, quality monitoring and support activities by itemising costs and describing how each cost contributes to the delivery of high quality provision confirming that they are proportionate to the delivery of the subcontracted apprenticeship training, and making them available to the subcontractor and employer.

4. Scope

4.1 This policy applies to all Higher and Degree Apprenticeship subcontracted provision funded by the ESFA. It is a mandatory requirement for higher and degree apprenticeship subcontracting activity.

5. The Policy

5.1 There will be a standardised approach to the selection, approval and management of subcontractors, in accordance with ESFA guidance, the OfS regulatory framework, and the University's Quality Framework.

- 5.2 The University will at all times undertake fair and transparent procurement activities. Selection will be in accordance with the University's financial regulations to ensure that it is not a contracting authority awarding a public contract.
- 5.3 The University will inform the Chief Executive of the ESFA in writing, about any circumstance which might lead to an actual or perceived conflict of interest.
- 5.4 The University will not agree the use of a subcontractor where this would entail subcontracting provision to a second level. This is to ensure that:
- The University retains clear and transparent accountability for the quality and training provision
 - Proper and appropriate controls are in place to manage the apprentice experience
 - Value for money is achieved by preventing the use of funding multiple tiers of subcontractor management.
- 5.5 The University will nominate a suitable person, with appropriate skills, and clear responsibilities to oversee subcontract management and monitoring.
- 5.6 The University will not subcontract with providers who are deemed to be inappropriate. To establish this the University will undertake a robust process of due diligence when selecting subcontractors to ensure quality of learning delivery, value for money, positive learning experience for the apprentice, and a positive impact for employers. Due diligence will seek to confirm:
- The proposed subcontractor has capacity and a track record of high-quality provision, including the ability to quality-assure and enhance relevant provision in accordance with the University's requirements to manage subcontracting arrangements;
 - Appropriate quality, legal and financial due diligence checks are satisfied¹¹ and measures to identify any conflict of interest are in place
 - The provider has compatible and complementary aims, values and Mission.
 - The provider has put in place the appropriate internal policies to ensure compliance with legislative undertakings and general good practice and that these policies are regularly updated and effectively implemented
- 5.7 The University will only use subcontractors who satisfy one of the following criteria:
- They are on the published Register of Apprenticeship Training Providers (RoATP) and have applied by the main or supporting application route

¹¹ including the requirement that the organisation is a legal entity, not subject to legal proceedings to dissolve or wind up the company, and up to date with submission of statutory accounts that have been subject to external audit by an independent and qualified auditor

- They are either the apprentices employer, a connected company or charity as defined by HMRC and are on the published Register of Apprenticeship Training Providers (RoATP), having applied through the employer/provider route
- 5.8 The University will manage subcontract delivery by thoroughly and regularly monitoring its associated delivery and business practices throughout the length of the contract.
- 5.9 Where any subcontract management, monitoring, or monthly reviews highlight areas of concern, an action plan will be drawn up by the subcontractor and agreed by the University to address these. Additional meetings and monitoring reviews will be scheduled as required by the University until the issue have been resolved.
- 5.10 Any instances identified from the management and monitoring of the subcontract that result in the subcontractors practices not being consistent with the ESFA funding rules, will result in the University reporting those instances to the ESFA.
- 5.11 The University will conduct further due diligence checks if there is any material change with regard to the subcontracted provider that has the potential to impact on its ability to deliver subcontracted services. These include but are not limited to:
- Merger with another provider
 - Change of ownership
 - Change of key personnel (e.g. managers, directors, link person)
 - 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).
- 5.12 If a University subcontractor undergoes a change of circumstances that affects its ability to continue to deliver under the subcontracting agreement, the University will make appropriate alternative arrangements for the apprenticeship delivery to continue with the agreement of the apprentice's employer. Changes of circumstances include:
- Going into liquidation or administration
 - Key delivery staff leaving the organisation
 - Removal from the RoATP
- 5.13 For the delivery of academic credit by a Collaborative Partner, the University applies its existing process ([Collaborative Partnership process, Chapters E & D of the Quality Framework](#)) for approving and managing collaborative partnerships and provision, including where this applies to subcontract apprenticeship delivery and arrangements.
- 5.14 Any Collaborative Partner organisation proposed as a subcontractor will require collaborative partnership approval at appropriate levels, in accordance with the requirements outlined in the University Quality Framework, see Appendix 1.

6. Fees and Charges

- 6.1 The University will retain funding for the management of the subcontract and for supporting any academic provision that is proportionate to the activity. Further charges may be negotiated between the subcontractor and the University to reflect particular additional services or support that the University is providing to apprentices
- 6.2 The fee and any substantial changes in fees and charges for subcontractors are subject to review and sign-off by the University's Fees Strategy Group.

7. Payment

- 7.1 Payment to subcontractors will be made subject to the delivery targets being met and the timely receipt of accurate documentation for input into the Individualised Learner Record (ILR).
- 7.2 The University will provide subcontractors with full contractual terms to apply to all subcontractor payments. Fees and charges will be in line with ESFA apprenticeship rules.
- 7.3 If the subcontractor is the apprentice's employer, the University will only pay them only for the actual costs of the delivery. Employers must not profit from apprenticeship delivery to their own employees.

8. Policy Review and Communication

- 8.1 This policy is subject to annual review by the University's Academic Board (UAB), to ensure that it continues to meet the University's business needs and the requirements of the University contract with the ESFA and the relevant regulations. Any changes to the policy will be communicated to existing subcontractors once they have been approved.
- 8.2 This policy will be discussed with potential subcontractors prior to their engagement.
- 8.3 This policy is published on Teesside University's Higher and Degree Apprenticeships web page
https://www.tees.ac.uk/sections/degree_apprenticeships/

9. Declaration of Use of Subcontractors

- 9.1 In line with the ESFA funding rules, the University will submit a subcontractor use declaration to the ESFA by the dates requested summarising the value of any subcontracted provision paid for in the previous period.

- 9.2 Should the University's subcontracting arrangements change during the year, the University will inform the ESFA by updating its declaration to them.
- 9.3 The University will also publish a summary of total payments made to subcontractors in the previous year on the University's website.
- 9.4 If the total of all subcontracts exceed £100,000 in any ESFA financial year, the University will obtain an annual report from an external auditor to provide assurance that adequate arrangements are in place to manage and control subcontracted delivery.
- 9.5 The University will make sure that it is not one of a number of organisations making payments to supporting providers that exceed £500,000, of £100,000 if the subcontractor is a new one.

10. Disputes

- 10.1 Complaints from subcontractors, employers, and apprentices are managed through standard University Policy and Procedures, and are made available to subcontractors in the subcontract agreement, employer agreement, and apprenticeship commitment statement.

11. Mandatory Policies

- 11.1 Subcontractors will only be appointed on behalf by the University for the delivery of apprenticeships where they can demonstrate (and continue to demonstrate) compliance with the University's following Policies and/or statements (copies of which are available on the University's website or upon request):
- Safeguarding Children and Vulnerable Adults Policy
 - Anti-Money Laundering Policy
 - Counter-Fraud Policy
 - Anti-slavery policy
 - Anti-Tax Evasion Statement
- 11.2 Subcontractors appointed by the University will be obliged under the subcontract to ensure compliance with the General Data Protection Regulation and the Data Protection Act 2018.

12. Appendices

- Appendix 1 – Process for Approving delivery of academic credit by a Collaborative Partner, as part of an Apprenticeship through a Subcontracting Arrangement.
- Appendix 2 – Process for Approving delivery of provision related to a Higher and Degree Apprenticeship course by a Subcontractor.
- Appendix 3 - Teesside University and Collaborative Partner Delivery Cost (Apprenticeships).

PROCESS FOR APPROVING DELIVERY OF ACADEMIC CREDIT BY A COLLABORATIVE PARTNER, AS PART OF AN APPRENTICESHIP THROUGH A SUBCONTRACTING ARRANGEMENT.

Introduction

For delivery of an Apprenticeship course with a partner, there must be a subcontract in place between the University and the subcontractor. This process is designed to utilise the University's Quality Framework processes. Collaborative Partnership approval and management of arrangements include: Approval of Apprenticeship partnerships: University Executive Team (UET)

- Oversight of Apprenticeship partnerships: Academic Schools
- Management of partnerships: Associate Deans (Enterprise & Business Engagement) (AD, E&BE)

In addition, the Department of Academic Enterprise will manage oversight through the HDA Apprenticeship Subcontract Operations Group who have the responsibility of ensuring that the partnership is entered into, and monitored, in a manner that is compliant with the Education and Skills Funding Agency (ESFA) funding rules.

Process

1. Authorisation in Principle

- 1.1. In all cases, following enquiry from a potential collaborative partner, the School AD E&BE must follow E – Annex 1, Single Partnership Approval Framework for New Partners. They must firstly consider how the potential partners operations fit with the University's mission and values. Once satisfied that these are aligned they should seek authorisation in principle by completing and submitting to AREG (QAV), E - Annex 3, Collaborative Provision – Request to University Executive Team for Authorisation in Principle. This document will inform the Statement of Expectations section of the Apprenticeship Subcontract Agreement, clearly outlining the reasons for the arrangement.
- 1.2. The School AD E&BE (or nominee) will oversee the Apprenticeship subcontract associated with the partnership.
- 1.3. The Head of Apprenticeships should be informed of the potential partnerships subcontracting requirements by the School AD E&BE, and will be kept informed of pre-approval progress.
- 1.4. The Head of Apprenticeships will inform the HDA Subcontract Operations Group of the proposed partnership and subcontracting arrangements and will monitor progress in conjunction with the Academic School.

2. Due Diligence and Authorisation to Proceed

2.1. Once Authorisation in Principle has been agreed by UET, an agreement will be made with the School AD E&BE and AREG (QAV) to confirm whether approval of the partnership will be considered via either:

- The Institutional Approval process
- The University Approval process

2.2. For existing Collaborative Partnership, where additional subcontracting arrangements are to be approved, please refer to the guidance outlined within the Quality Framework, Chapter E. In all cases, Due Diligence would be refreshed and appropriate contractual changes made by LGS.

3. Approval

3.1. The relevant, pre-determined approval events will take place, organised by AREG (QAV) following all relevant steps in Chapter E: Institutional Approval and Review of a Collaborative Partner.

3.2. The constitution of the approval panel will include the Head of Apprenticeships.

3.3. An additional documentary requirement, the School working with the Collaborative Partner will provide a Partnership Delivery Plan (timetable) clearly defining who will deliver what aspect of the Apprenticeship course, and the Collaborative Partner Subcontracting Management and Delivery Costs to the Head of Apprenticeships prior to the event (Appendix 3).

4. Delivery Contracts

4.1. Once the partnership is approved by UET, the Academic Registry will notify LGS to construct a CCP (or contractual agreement).

4.2. In addition, the Head of Apprenticeships, in conjunction with the School AD E&BE, LGS, and FCD will construct a subcontract agreement based on the outcomes of the Collaborative Partner event and:

- The Partnership Delivery Plan
- The Collaborative Partner Subcontracting Management and Delivery Costs

4.3. Both contracts will be sent to the partner by LGS for signature. The CCP will then be signed by the Vice-Chancellor (or nominee).

4.4. The subcontract will be signed by an appropriate member of either FCD or UET dependant on its value.

4.5. A copy of all records, approval and contract will be retained by the Head of Apprenticeships and be made available to the ESFA for audit purposes.

5. Continuous Monitoring and Enhancement

- 5.1. Once the approval of the collaborative partnership has been confirmed, the partnership and its associated delivery will be monitored:
- Quarterly by the School nominated person – face-to-face meetings will take place usually at the subcontractors premises to health check the delivery of the provisions of the subcontract
 - Annually by the School through the processes in Chapter D: Continuous Monitoring and Enhancement of the Quality Framework.
- 5.2. Additionally the School will carry out an annual Observation of Teaching and Delivery activity. This may take place at one of the quarterly review meetings.
- 5.3. Due diligence will refreshed annually by The Academic School and DAE using the Teesside University and Collaborative Partner Due Diligence Review (Apprenticeships) form (Appendix 3).
- 5.4. The Head of Apprenticeships will maintain a register of subcontract monitoring to ensure that the terms of the subcontract are regularly monitored and reviewed by the School in line with annual ESFA subcontracting requirements.

6. Declaration to ESFA

- 6.1. FCD, in conjunction with the Head of Apprenticeships, will continually monitor the amount paid to the partner and report this to the HDA Subcontract Operations Group meetings.
- 6.2. FCD will complete a bi-annual declaration to the ESFA of subcontracting activity its associated costs.
- 6.3. Should payments exceed £100,000 in any one financial year, FCD will obtain an annual report from an external auditor that provides the ESFA with assurance that the arrangements to manage and control the University's subcontracting arrangements are adequate.

PROCESS FOR APPROVING THE ARRANGEMENT OF DELIVERY OF PROVISION RELATED TO HIGHER AND DEGREE APPRENTICESHIP COURSE BY A SUBCONTRACTOR.

Introduction

For delivery of provision as part of a Higher and Degree Apprenticeship (HDA) course with another provider, there must be a subcontract in place between the University and the subcontractor. This process is designed to manage the key activities that must be undertaken to ensure robust due diligence is carried out giving confidence that the University is partnering with quality external providers, getting value for money, meeting its funders requirements, and that the provider has the ability to provide a quality experience to the University's apprentices.

The University's Procurement Procedures and Guidance Manual will be followed. Approval arrangements will be by the Finance and Commercial Development (FCD) Department, and Legal and Governance Services (LGS).

The Department of Academic Enterprise (DAE) will manage oversight through the HDA Apprenticeship Subcontract Operations Group who have the responsibility of ensuring that the subcontract is entered into, and monitored, in a manner that is compliant with the Education and Skills Funding Agency (ESFA) funding rules.

Process

1. Project Initiation Document

- 1.1. The Head of Apprenticeships should be informed of the potential subcontracting requirements by the School AD E&BE or Department Head/Director.
- 1.2. The Head of Apprenticeships will inform and report on progress to the HDA Subcontract Operations Group of the proposed subcontracting arrangements.
- 1.3. The School AD E&BE of Department Head/Director (or nominee) will oversee the Apprenticeship subcontract associated with the partnership.
- 1.4. In all cases, the Project Initiation Document (PID) will be completed by the relevant School or Department and signed by the budget holder, usually the School AD E&BE, or the Director of the Department procuring the provision.
- 1.5. The PID will be signed off by the Procurement team and determines the requirements for the procurement project, route to market, whether privacy impact assessments and information sharing agreements are required. These

will be discussed and agreed with the School/Department and supported by LGS.

- 1.6. Procurement projects of £50,000+ budgets must be confirmed and signed off by the Deputy Director of Finance.

2. Invitation to Tender

- 2.1. Standard template documents will be used to invite potential providers to tender and will be completed by the relevant School/Department.
- 2.2. The School/Department will compile the Invitation to Tender (ITT) document
- 2.3. Additional documents will be appended/included in the ITT:
 - Subcontract Template
- 2.4. The Procurement Team will manage the invitation to tender by issuing the:
 - ITT
 - HDA Standard Selection Questionnaire
- 2.5. The invitation to tender will be via the procurement e-Portal and managed by the Procurement team

3. Evaluation of Bids

- 3.1. Once bids are received via the e-Portal system they will be sent to the evaluation team.
- 3.2. The Procurement Team will manage the initial evaluation process by carrying out due diligence of the information provided in the HDA Standard Selection Questionnaire sections:
 - Potential Supplier Information
 - Exclusion Grounds
 - Grounds for Discretionary Exclusion
 - Selection Questions

And the ITT:

- Pricing element (where appropriate and best placed to do so)

- 3.3. The evaluation team (as defined by the project/contract owner and agreed with Procurement team) will carry out an evaluation and due diligence of the HAD Standard Selection Questionnaire sections:
 - Exclusion Grounds
 - Grounds for Discretionary Exclusion
 - Selection Questions
 - Declaring any conflicts of interest

And the ITT:

- Quality Section

- 3.4. Evaluation timeframes will be dictated by project timescales and project timeframes which are detailed within the project document sent out at bid stage.

4. Award

- 4.1. The contract award approval form will be completed and signed by both the Procurement team and the relevant Dean or Director
- 4.2. A credit check will be carried out by the Procurement team.
- 4.3. The contract award form should be accompanied by evidence of evaluation outcomes to ensure transparency to the overall approver. This would usually be in the form of the standard evaluation template completed by the Procurement team.
- 4.4. The Procurement team will feedback to the bidders and make the award to the winning bidder.

5. Contract Checklist

- 5.1. The Dean/Director will complete the Contract Checklist Part A and forward this to LGS.
- 5.2. LGS will complete the Contract Checklists Part B and C.

6. Subcontract

- 6.1. LGS will manage the subcontracting process by liaising directly with the subcontractor for the agreement of the contracts terms, conditions, clauses, and schedules.
- 6.2. The School/Department, and Head of Apprenticeships, and FCD will support this.
- 6.3. The subcontract will be signed by all relevant parties.

7. Continuous Monitoring and Enhancement

- 7.1. Once the subcontract in place, delivery will be managed and monitored:
 - Monthly by the School/Department nominated person
 - Quarterly by the, Dean/Director, and the Head of Apprenticeships:
 - health check the delivery of the provisions of the subcontract
 - action to improve upon any issues identified
 - Observe provision

- 7.2. Due diligence will be refreshed annually by the School/Department using the Subcontracting Application and Due Diligence Form
- 7.3. The Head of Apprenticeships will maintain a register of subcontract monitoring to ensure that the terms of the subcontract are regularly monitored and reviewed by the School in line with annual ESFA subcontracting requirements.

8. Declaration to ESFA

- 8.1. FCD, in conjunction with the Head of Apprenticeships, will continually monitor the amount paid to the partner and report this to the HDA Subcontract Operations Group meetings.
- 8.2. FCD will complete a bi-annual declaration to the ESFA of subcontracting activity its associated costs.
- 8.3. Should payments exceed £100,000 in any one financial year, FCD will obtain an annual report from an external auditor that provides the ESFA with assurance that the arrangements to manage and control the University's subcontracting arrangements are adequate.

Appendix 3

TEESSIDE UNIVERSITY AND COLLABORATIVE PARTNER DELIVERY COSTS (APPRENTICESHIPS)

This document should be used by the School(s) in addition to the University Due Diligence, to determine who will carry out functions particular to the management and quality assurance of the delivery of Teesside University courses that are delivered by a Collaborative Partner (Subcontractor). FCD will use the information to calculate the amount of ESFA funding that the University will retain for the management of the subcontract for the duration of its lifetime.

Subcontractor Name:

Number of Students:

Specific costs for managing the subcontract					FCD Only
Activity	Frequency of Occurrence	How does this contribute to delivering high quality training	Named Person	Hours of Activity per Occurrence	Cost
Review meetings <ul style="list-style-type: none"> • Touch Base/Relationship Management 	Quarterly				
Due Diligence Review <ul style="list-style-type: none"> • , Due Diligence Review 	Annual				
Quality Monitoring <ul style="list-style-type: none"> • Continuous Monitoring and Enhancement 	Annual				

Specific costs for quality monitoring of activities associated with the subcontract					FCD Only
Activity	Frequency of Occurrence	How does this contribute to delivering high quality training	Named Person	Hours of Activity	Cost
Student interaction & feedback	Annual				
Observations of teaching and learning	Annual				
Subcontracting Cost Monitoring & Reporting	Annual				
Specific costs for any other activities offered by The University to the subcontractor					FCD Only
Activity	Frequency of Occurrence	How does this contribute to delivering high quality training	Named Person	Hours of Activity	Cost
Workshops <ul style="list-style-type: none"> • Training to support delivery, learning needs • Standardisation • Invigilation • Assessment 					
Learning Resources <ul style="list-style-type: none"> • TU SLS resource licenses 					
Total Amount Retained by Teesside University					

Explain how costs are reasonable and proportionate to delivery:

School	
Signed	Name:
Position:	Date:

FCD				
Approved by FCD:	Yes	No	Signed:	Name:
Position:				Date:

