

Subcontracting Policy

Purpose and Scope:

System People will declare the amount of subcontracted provision undertaken as well as a declaration of the individual providers whom System People Subcontract with.

System People are committed to delivering great programmes of learning that encompass the whole range of the curriculum regardless of the learner's geographic location.

Rationale for Subcontracting:

We need to subcontract in a limited fashion to achieve geographic coverage and service nationally based employers with a dispersed apprentice population. To support this, we may enter into limited subcontracted delivery arrangements with a number of organisations to deliver LGV driver training. In normal circumstances, System People will plan with the intention of delivering all parts of the programme itself, without the use of subcontractors. We will never subcontract to meet short term funding objectives. We will only agree to subcontract delivery of any part of an apprenticeship in the following circumstances:

Enhancing opportunities available to learners.

Filling gaps in niche or specialist provision or providing access to better facilities.

Improving geographical access to training.

Providing an entry point for disadvantaged groups.

Considering the impact on individuals with protected characteristics.

In all these cases, the decision to subcontract will be discussed with the employer before entering a subcontract arrangement and will be recorded in the agreement for services with the employer. System People will never subcontract to meet short term funding objectives.

Where any element of the programme is subcontracted to an employer or another provider, the organisation must meet one of the eligibility requirements set out in the apprenticeship funding rules, including being listed on the Apprenticeship Provider and Assessment Register (APAR), unless a specific funding rule exemption applies.

Selection and Due Diligence for Subcontracting

System People select subcontractors to support the delivery of apprenticeships only when geographically System People cannot provide this service. Procurement is completed along with due diligence to determine suitability, competence, security and financial viability also ensuring Safeguarding and Prevent policies are in place before entering into formal contracts.

Employer Relationship Management:

System People will maintain the relationship with each employer at all times and will retain overall responsibility for the apprenticeship programme. Subcontractors will not be permitted to lead or manage the employer relationship on behalf of System People. Employers and apprentices will be made aware of the respective roles and responsibilities of System People and any subcontractor involved in the delivery of apprenticeship training

Subcontracting Thresholds:

System People will monitor the volume of apprenticeship provision delivered through subcontracting arrangements to ensure compliance with apprenticeship funding rules. Where subcontracted delivery is expected to exceed the threshold set out in the funding rules, System People will obtain the necessary approval from the Department before the provision commences and will comply with all associated reporting and assurance requirements.

Quality assurance and monitoring arrangements:

System People will undertake contract reviews which are on a regular basis, dependent on risk, which encompass the quality of provision delivered and learner progress.

Fee's**Apprenticeship subcontracting:**

For apprenticeship delivery, System People's subcontracting is limited to practical LGV driver training. Subcontractors are paid a fixed fee for delivery of an agreed programme of either 5 or 10 days' practical driver training. System People does not apply a management fee to these apprenticeship subcontracting arrangements. The cost of subcontracted LGV training is determined by the agreed market rate charged by the specialist provider for delivery of a 5-day or 10-day practical driving course.

Other funding provision:

Where subcontracting is used for other funding streams, System People may retain a management fee of up to 20% to cover quality assurance, compliance monitoring, funding rule support, observations of teaching and learning and validation activity.

Reporting Subcontracting

The management and monitoring of subcontracting services will be undertaken through regular reviews of quality, performance, compliance, safeguarding and learner outcomes. System People will ensure that all subcontracted provision is accurately recorded and reported through ILR and subcontractor returns and will comply with all DfE/DWP reporting requirements

System People will maintain accurate records of all subcontracting arrangements and ensure that subcontracted provision is reported in accordance with ILR requirements, subcontractor declaration requirements and any other DfE/DWP reporting obligations. All subcontractor costs will be reviewed to ensure they remain reasonable, proportionate and representative of the delivery undertaken.

Governance, conflicts of interest and annual review

System People review contracts annually and amend in line with current legislation and financial requirements. Conflicts of interest are monitored regularly as part of the review process.

Publication and transparency arrangements

System People will publish the Subcontracting Policy on their website yearly in line with DWP/DfE guidelines.

Review Date

By when: August 2027

By Whom: Managing Director

Signed: 

Date: 18/08/2026