ESFA APPRENTICESHIP SUB-CONTRACTOR RATIONALE, FEES & CHARGING POLICY 2024 / 2025

1. SCOPE

This policy applies to all sub-contractor activity supported with funds supplied by the Education and Skills Funding Agency (ESFA), or any successor organisations.

2. CONTEXT

The Senior Management Team must be satisfied that all Sub-contracting undertaken by Train'd Up meets its strategic aims and enhances the quality of our offer to learners.

Train'd Up will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures. Train'd Up will ensure only the highest quality of learning delivery is made available, whilst demonstrating value for money and a positive impact on learner lives thereafter.

Sub-contracted work must meet the requirements laid out in relation to sub-contractors in the latest versions of the relevant ESFA funding documents 2024/25. It is Train'd Up policy to only use a sub-contractor as a means of supporting elements of an Apprenticeship Standard. Sub-contractors must be registered on the Apprenticeship Provider and Assessment Register (APAR).

There are three application routes:-

- Main Provider route;
- Employer Provider route;
- Supporting Provider route.

24/25 UPDATE: Train'd Up may if appropriate, use niche specialist subcontractors, that are not on the published APAR, but who will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 August and 31 July each year.

3. RATIONALE FOR SUB-CONTRACTING

Only niche employers on Apprenticeship Provider and Assessment Register (APAR) (Supporting, Main and Employer Provider) that provide safety critical training in the rail industry may be considered for use used as a sub-contractor, in order to better meet employer and learner needs and to do the following:

- enhance employment opportunities available to learners, by providing access to well-paid, sustainable jobs post apprenticeship;
- fill gaps in niche or expert provision or provide better access to training facilities. Support niche / specialist provision by providing access to sector specialist tutors and industry-based training facilities through employer partnerships;
- support better geographical access for learners nationally;
- provide niche delivery where the cost of developing 100% direct delivery would be unsustainable;
- offer an entry point for disadvantaged groups; or
- give consideration of the impact on individuals with shared protected characteristics.

At present this approach is restricted to the delivery of the **Level 3 Train Driver** and the **Level 2 Passenger Transport Operative** Apprenticeship Standards.

This approach is only considered and is further restricted to rail industry companies where they have engaged Train'd Up as their Apprenticeship provider for either one or both of the Standards set out above and we at Train'd Up have undertaken a detailed due diligence exercise and in turn satisfied ourselves that they have clearly demonstrated that they meet the conditions of our Employer Agreement. The rationale for sub-contracting a particular piece of work is outlined in the contract provided to each sub-contractor.

4. SUB-CONTRACTOR FEES

Train'd Up act as Main Provider in all delivery and only sub-contract niche / specialist elements of an Apprenticeship Standard to sector specific specialists through Apprenticeship Provider and Assessment Register (APAR) registered Employer Providers (rail sector), Supporting Providers (employers / rail sector) and Main Providers (employers / rail sector). Train'd Up maintain full responsibility for quality assurance, learner eligibility checks, inductions, data processing, portfolio building, learner reviews, learner support, EPAO co-ordination and liaison.

RAIL PROVISION ONLY:

Train'd Up acting as Main Provider on specialist rail provision retain 25% of the overall unit rate, the remaining 75% is allocated to the niche employer specialist sub-contractor and the End-Point Assessment organisation (EPA rates vary). The sub-contractor fee is a contribution towards actual delivery cost (no employer-based sub-contractor may profit from delivery).

This list of specific charges outlined above is reviewed each year by the Senior Management Team to determine whether it is reasonable and proportionate. Careful consideration will be given to whether these charges contribute positively to an improvement in the quality of teaching and learning delivered by the sub-contractor. Changes will be made if required.

These specific costs are included in the contract issued to each sub-contractor and are discussed during the first contract management meeting to ensure that the sub-contractor agrees that the costs are reasonable and proportionate and understands how they contribute to delivering high quality learning.

5. PAYMENT TERMS

Train'd Up will make payment to the sub-contractor within 30 days of the date of an invoice which incorporates a valid claim for payment, such claim being the part of the price due to the sub-contractor for each programme or fraction of a programme completed in the preceding payment period.

6. SUPPORT PROVIDED TO SUB-CONTRACTORS

Train'd Up is fully committed to working with niche rail employers who are able to provide sub-contracted delivery of the highest quality. We work closely with our sub-contractors to improve the quality of their teaching and learning where necessary.

This supports includes:

- regular visits to sub-contractors, and a structured contract management process;
- provision of curriculum planning advice and funding updates;
- announced and unannounced observation, and joint observation of learning activities with feedback.

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7. SECOND-LEVEL SUB-CONTRACTING

Second level sub-contracting is not permitted under any circumstances. Any sub-contractor found to be second level subcontracting risks having their contract terminated.

8. COMMUNICATION OF THE SUB-CONTRACTOR RATIONALE, FEES & CHARGING POLICY

The Train'd Up Sub-contractor Rationale, Fees & Charging Policy is published on Train'd Up's website at www.traindup.org and links sent to our sub-contractors. The policy will be discussed with potential sub-contractors during the due diligence process. The policy is discussed with current sub-contractors during the first contract management meeting of the academic year. This policy is also sent to the ESFA Post-16 Regions and FE Provider Oversight Directorate.

9. REPORTING

An annual report will be presented to Board of Directors detailing what sub-contractor has taken place for the previous year and what is expected to be sub-contracted in the forthcoming year.

10. SELECTION, APPROVAL AND MONITORING OF SUB-CONTRACTORS

The selection of sub-contractors will be informed by the criteria outlined in point 3 above which will be subject to sub-contracting thresholds defined by the ESFA sub-contracting thresholds subject to

Apprenticeship Provider and Assessment Register (APAR) status (Supporting, Employer, Main).

Train'd Up applies its existing processes for approving and managing collaborative working partnerships and provision when selecting and managing sub-contractors for apprenticeship provision - supplemented, as appropriate, where ESFA rules require alternative or additional approaches.

All delivery sub-contractors will be existing employer partners of Train'd Up that have already successfully completed a due diligence process. Through this process (supplemented by any additional processes required by the ESFA Sub-contracting Standard and funding rules applicable at the time). Train'd Up collects, and risk assesses, information about a proposed employer partner sub-contractor to ensure:

- the overall rationale for a proposed sub-contract fits with relevant Train'd Up policies and strategy and the rationale provided in section 3.
- the sub-contractor's capacity and track record in providing high quality provision, including that it is able to quality assure and improve relevant provision.
- appropriate legal and financial due diligence checks are satisfied (including that the organisation is a legal entity, 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 to identify any conflicts of interest.
- there are effective monitoring and performance review procedures to oversee the sub-contract - as determined by Train'd Up policies and processes and in line with EFSA rules and requirements. Monitoring activity includes quarterly checks to ensure sustained sub-contractor registration on the Register of Apprenticeship Training Provider (Apprenticeship Provider and Assessment Register - APAR).
- there are monitoring triggers and processes to intervene and terminate sub-contracts as necessary, including continuity arrangements to transfer or support current apprentices.

10. POLICY REVIEW

The Train'd Up sub-contractor Fees & Charging Policy is reviewed and updated in line with ESFA compliance requirements.

11. SUB-CONTRACTORS

1. ABELLIO EAST ANGLIA LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10081633
2. ARRIVA RAIL LONDON LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10083930
3. THE CHILTERN RAILWAY COMPANY LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10081735
4. EAST COAST TRAINS LIMITED (ECTL) TRADING AS LUMO – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10086681
5. FIRST MTR SOUTH WESTERN TRAINS LIMITED (T/A SOUTH WESTERN RAILWAY) – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10082697
6. FIRST TRENITALIA WEST COAST RAIL LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10090631
7. FREIGHTLINER GROUP LIMITED T/A FREIGHTLINER LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10082051
8. GOVIA THAMESLINK RAILWAY LIMITED – EMPLOYER PROVIDER (MAX. FUNDING IN 2024-25 N/A)
UKPRN: 10056776
9. HULL TRAINS COMPANY LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10090659

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10. MERSEYRAIL ELECTRICS 2002 LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10083936
11. TRANSPENNINE TRAINS LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10092858
12. WEST MIDLANDS TRAINS LIMITED – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10081101
13. XC TRAINS LIMITED (T/A CROSSCOUNTRY) – SUPPORTING PROVIDER (MAX. FUNDING IN 2024-25 £500,000)
UKPRN: 10090618

FLEXIBILITY DECISION REGARDING APPRENTICESHIP FUNDING RULE 216:

216: Subcontractors who have successfully applied to the supporting application route of the APAR must not receive more than £500,000, or £100,000 if the subcontractor is identified as new, of apprenticeship funding for their delivery from 1 August to 31 July each year. The provider must ensure that they are not one of a number of organisations making payments to any supporting provider that exceed £500,000, or £100,000 if the subcontractor is identified as new, in any one year. We will place restrictions on the future use of subcontractors if this happens.

During this academic year (2024/25) the maximum amount of funding to be paid to an individual subcontractor must not exceed £1,000,000.

12. DIRECTOR POLICY APPROVAL:

This Policy is reviewed as a minimum on an annual basis and is approved and endorsed by the Board of Directors and Senior Management Team.

Signed on behalf of Company Directors:

Laura Thompson

Name: Laura Thompson
Position: Finance Director
Date: 14/10/2025

END.

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