

Questions and Answers

The new Subcontracting Requirements - Pitfalls and Possibilities

6 April 2017

The rules state subs can deliver full or part apps yet it states also that the prime needs to deliver a substantial amount, can you explain?

The SFA intends that main providers will deliver some of the apprenticeship programme. The sub can deliver full or part apprenticeship, as can the main provider. An example would be an employer that has 40 apprentices and the sub is delivering 25 of those programmes and the main provider delivering 15. Or another example might be that the main provider is delivering part of the apprenticeship but the sub is delivering a specialist module, such as the clinical aspect of a Health and Social Care apprenticeship, because that is the sub-contractors specialist expertise. The intention is that there will no longer be main providers who sub-contract large amounts of apprenticeship funding and top slice a substantial management fee but actually deliver nothing except ILR data. The apprenticeships for employers and learners should be delivered with the best expertise available and the best outcome for the learner. Not as a funding opportunity for providers.

If we have a levy paying employer who wants to deliver to their own staff but are not on RoATP can we be the prime provider and subcontract to them? So essentially we will be paying them their levy funding for delivering?

Yes, you can do this as long as the employer does not deliver more than the £100k threshold across all their subcontract provision. If the employer is nearing that threshold then they would have to apply to get on the register. You will also need to collect evidence from the employer to prove that are spending the levy funding on apprenticeship delivery only, e.g. on programme assessment and materials, delivery staff payroll costs etc.)

How does a centre become an end-point assessment centre?

Apply to be an Apprenticeship Assessment Organisation (AAO) via the ESFA .Gov portal. The link is: <https://www.gov.uk/government/publications/register-of-apprentice-assessment-organisations-how-to-apply>

The new standards state that Level 2 apprentices must complete Level 1 Functional Skills English & maths and must then work towards and take an exam in Level 2 English and maths (unlike now, where they must only show they're working towards Level 2). Do apprentices still need to complete a Level 2 exam, even if they only complete their Level 1 towards the end of their apprenticeship? If not, what's the cut off?

At the moment, the funding rules state that if your apprentice has completed L1 FS or in maths and English, you must start them on the FS L2 and assist them to work towards the test, but they do not

need to pass the test to complete the apprenticeship, they just needed to be given the opportunity to study and gain the Level 2 via the test, if they can. We have queried this arrangement in the rules with the SFA and will flag any answers we get.

We are a main provider and currently subcontract to members only. Can we still do this going forward or will we fall foul of the open and transparent process under the guiding principles?

You must take your own legal advice about whether public procurement rules apply to your sub-contracting. There are financial thresholds that apply to open and competitive tendering (OCT). The links to the relevant information on the .Gov server are in the presentation slides.

You have mentioned eligibility of the apprentice in order to receive funding. What does this actually mean and how is this covered?

Learner eligibility applies to whether the learner has the right to access public funding because they are an EU citizen or other foreign national with rights to abode or study in the UK. The full eligibility listing is in the apprenticeship funding rules on the link below.
<https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018>

If you are a prime but are yet to provide training would you still need to go on the course with the SFA?

If your current organisation has never delivered apprenticeship before, you will be expected to go through and pass the ESFA training programme.

Do you still have to declare subcontractors even if they are below the £100K limit?

Yes, you must complete and return the sub-contractor declaration with all sub-contractors, and also make a NIL return even if you do no subcontract, regardless of the financial thresholds.

Will you be organising events for new main providers?

If there are enough main providers who would find an event useful we could run a workshop. We also run workshops for individual providers/groups of staff, or for groups of providers in a region who organize this through networks. There is a cost for this. Please contact me if you would be interested in a workshop – bryony.kingsland@cityandguilds.com

You have referenced end-point assessment organisations - do these only apply to standards or do they also apply to apprentices starting frameworks from 1 May?

End-point assessment only applies to apprenticeship standards. Apprenticeship frameworks will continue to be assessed as they are presently, via a portfolio and on-going assessment.