



Subcontracting Rationale

Purpose

This document applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency (ESFA) for apprenticeships.

This document is a mandatory requirement that must be in place prior to participating in any sub-contracting activity. The content of this document has been developed in line with the ESFA funding rules.

Rationale for subcontracting

From 1st April 2021 CITB have not recruited any subcontracted apprenticeship provision. CITB are reducing the subcontracting delivery with a view to exiting subcontracted apprenticeship provision by July 2023, our focus is on building direct delivery of apprenticeships through the CITB's National Construction College.

CITB is committed to delivering high quality apprenticeships to meet the needs of the apprentice and the employer. The delivery of apprenticeship programmes will be carried out by CITB, except in the limited instances.

CITB provides apprenticeships across a broad range of construction apprenticeship routes through its subcontracting arrangements, offering more specialised and often niche construction apprenticeships that may not otherwise be available or accessible across the whole of England.

Our approach prior to the 2022/23 contract, allowed employers to select the best possible apprenticeships programmes that CITB and its subcontracted network had to offer.

CITB underpins its subcontracted provision by providing apprentices and employers with a local Apprenticeship Development Coach (ADC) to support them through their apprenticeship journey, this aids achievement both at college and on site. Our approach to apprenticeship provision is proven to increase the success rate of apprentices and this is demonstrable in CITB's success rates being consistently above the national average.

CITB engaged with subcontractors to better meet customer needs. The reasons are varied, and include:

- Support supporting providers to develop capacity / quality with an intention to become a prime provider.

- Provide provision nationally for niche and standard occupations.
- By providing provision nationally to all groups of learners being inclusive of all cohorts.
- To support employers with a wide geographic requirement.

The quality of subcontracted provision is monitored and managed through the existing processes and procedures via the Contracts Team. These processes and procedures are fully embedded and monitored on an annual basis. In addition, the Quality Team drive to continuously improve the quality of teaching and learning for both NCC and its subcontractors. This will be achieved through the sharing of effective practices across the supply chain, for example through the Self-Assessment Report process.

Information relating to sub-contracting

In compliance with ESFA and other agency funding rules that apply, CITB will publish its subcontracting fees and charges within the Board Statement, however CITB subcontracted provision is not a full subcontract and therefore the subcontractor will not receive an allocation of funds. All subcontracted provision will be paid on census points at 65% of the Total Negotiated Price (TNP), as per the subcontracted agreement negotiated with the Association of Colleges (AOC).

The subcontractors are not responsible for the Individual Learner Record (ILR), this is the responsibility of CITB.

Publication will only relate to 'provision subcontracting' i.e., subcontracted delivery of full programmes or frameworks. It will not include the delivery of a 'service' as part of the delivery of a programme (for example, buying the delivery of part of an apprenticeship framework or outreach support).

Subcontracting fees

CITB ensure all actual and potential subcontractors have sight of this document and any other relevant documents, such as the Broad Statement which lists out our fees and obligations. All census schedules are within the agreement and variation dated January 2020.

Upon the agreement of census, the subcontractor invoices will be paid within 30 days of receipt.

The payment terms between CITB and subcontractors is set out in the Subcontractor Agreement Appendices 2 and 3.

The CITB's subcontracting management fee is 15% and 20% for the work and instruction provided by the Apprenticeship Development Coaches (ADCs), as this is not a full subcontracted provision.

The subcontractor has no responsibility for external audits or the quality of the ILR. This process is used to give subcontractors a set of standard fees to deliver the educational programme and take away any risk to them.

Additional activity costs (End Point Assessment (EPA))

CITB as detailed within the agreement will pay for the End Point Assessment and remaining funds will be passed onto the subcontractor to use for facilities, materials, and technical assistance.

Disputes

Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the subcontracting agreement has obligations that must be followed to resolution. Signatories therefore commit that all discussions, communications, negotiations, and actions undertaken to build, maintain and develop supply chains will be conducted in good faith in accordance with the overarching principle.

Monitoring, review and evaluation

CITB will comply with all ESFA regulations with regards to the publication of the declaration of subcontractor values and independent audit where the total value exceeds £100,000.

This rationale will be reviewed annually on the publication of the Education and Skills Funding Agency (ESFA) funding rules for each contract year.

This rationale will also be reviewed following any changes to the Education and Skills Funding Agency (ESFA) funding rules on subcontracting.

Note: -

CITB has not recruited new subcontracted provision since October 2020 and the last recruited subcontracted apprentices were on the 31st March 2021.

There is no intention of CITB changing this decision in 2022/23 contract year.



Laura Molyneux
Head of Apprenticeships – CITB

Dated 14th October 2022