**System People Ltd, Approach to Sub-contracting in Apprenticeships**

System People delivers apprenticeships in the following sectors:

* Business and Administration
* Logistics
* Education
* Child Care

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 and will only agree to subcontract delivery of any part of an apprenticeship in the following circumstances:

* To ensure geographic coverage for learners
* To fill the gaps in niche or expert provision, or provide better access to training facilities

In all these cases, the decision to subcontract will be discussed with the employer before entering into 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 the employer or another provider, they must be either a Main or Supporting Provider on ESFA’s register of Apprentice Training Providers or a registered Employer Provider.

All subcontracted provision will be subject to System Peoples Subcontracting Policy for ESFA Funded programmes which sets out how we will monitor and quality assure subcontracted provision. This policy applies to all subcontracted provision including that provided by employer providers, main providers or supporting providers.

Costs claimed by the subcontractor are to deliver the mandatory LGV licence element of the apprenticeship standard and will be proportionate to the amount of delivery based on a reasonable market rate as determined at the time of sub contracting.

Payment to employer providers will be made to cover direct costs only as required in the ESFA funding rules. Employers subcontracted to deliver part of an apprenticeship must evidence the direct costs of their delivery in order to claim payment.

System People will not make any charge for the management of subcontractors who deliver the driver training element of the LGV standard. Other subcontractor payments will be subject to a 15% charge which covers the cost of monitoring visits, report writing and due diligence checks. The activity undertaken to monitor a sub-contractor is set out in the Policy.