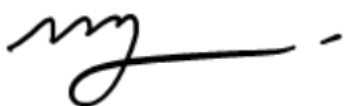


Subcontracting Policy and Rationale

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Purpose

This policy sets out how Apprentify will comply with Department of Work and Pensions (DWP) subcontracting funding rules during the final phase of subcontracted provision (2026/27).

Apprentify has taken a strategic decision to cease subcontracted delivery and transition to a fully direct delivery model.

This policy ensures that:

- All subcontracted provision is managed through a controlled and compliant run-out
- Apprentify retains full accountability for quality, funding and learner outcomes
- Subcontractor relationships are effectively governed to completion
- The organisation demonstrates transparency, value for money and regulatory compliance

Scope

This policy applies to:

- All subcontracted apprenticeship provision delivered on behalf of Apprentify
- All existing subcontractors engaged during the 2026/27 funding year
- All staff responsible for contract management, compliance, quality assurance, and funding

This policy covers run-out activity only and does not support future subcontracting growth.

Strategic Position (2026/27 Final Year)

For the 2026/27 funding year:

- Subcontracting is limited to the completion of existing learner cohorts only
- Apprentify will not procure new subcontracting arrangements, except in exceptional circumstances
- No new learners will be enrolled onto subcontracted provision unless required to protect learner continuity and approved through formal governance
- Subcontracting volumes will reduce throughout the year in line with transition to direct delivery
- All subcontracted provision will remain fully compliant with DWP funding rules and subcontracting standards.

Rationale

Apprentify previously used subcontracting to increase capacity, provide specialist expertise, and extend geographic reach.

Following strategic review, Apprentify has determined that direct delivery:

- Provides stronger control over quality and outcomes
- Improves learner and employer experience
- Aligns with increased regulatory expectations for transparency and accountability

Subcontracting is therefore being discontinued in a controlled and compliant manner. Remaining subcontracting exists solely to:

- Protect existing learners and employers
- Avoid disruption to learning programmes
- Ensure successful programme completion

Governance and Accountability

Apprentify retains full accountability for all subcontracted provision, including:

- Quality of teaching, learning and assessment
- Learner outcomes and achievement
- Compliance with funding and audit requirements

Approval Controls

- Any exception to subcontracting restrictions must:
- Be supported by a clear business case
- Demonstrate benefit to learners
- Be approved by the Managing Director
- Be formally recorded in governance records

Oversight

- Subcontracted provision will be monitored through:
- Monthly performance reporting
- Quality assurance activity
- Risk assessment and mitigation
- Governance oversight by senior leadership

Subcontractor Responsibilities

Subcontractors must:

- Deliver high-quality training in line with Apprentify and DWP requirements
- Provide accurate and timely learner data
- Comply with all contractual, funding and regulatory requirements
- Maintain safeguarding, health and safety, and equality standards
- Meet requirements of awarding organisations and inspection frameworks
- Subcontractors must notify Apprentify of any material changes affecting delivery, including financial status or regulatory position.

Due Diligence and Risk Management

Apprentify conducts a robust due diligence process before entering or continuing subcontracting arrangements.

This includes assessment of:

- Financial stability
- Quality performance
- Compliance history
- Safeguarding and learner protection arrangements

Annual review and risk reassessment will continue throughout the run-out period.

Subcontractors must meet all requirements associated with:

- DWP funding rules
- Subcontracting standards
- External audit expectations

Financial Management and Value for Money

Apprentify will ensure all subcontracting arrangements demonstrate:

- Clear value for money
- Transparent funding arrangements
- Accurate and evidenced delivery

Payments

Payments are made monthly based on:

- Verified delivery evidence
- Accurate learner data submissions
- Agreed contractual terms

Management Fees

- Management fees retained by Apprentify:
- Reflect actual costs of managing subcontracted provision
- Cover compliance, quality assurance, administration and oversight
- Are proportionate to the level of service provided
- Are supported by documented cost modelling

Quality Assurance

Apprentify requires subcontractors to meet high standards of:

- Teaching, learning and assessment
- Learner progress and achievement
- Employer engagement

Quality assurance activity includes:

- Observations of teaching, learning and assessment (OTLA)
- Performance reviews and monitoring visits
- Learner and employer feedback
- Continuous improvement planning

Apprentify will support subcontractors to address performance issues where identified.

Run-Out and Learner Protection

Apprentify will ensure that all learners on subcontracted provision are protected during transition by:

- Maintaining continuity of delivery
- Monitoring subcontractor performance
- Implementing contingency plans where required
- Ensuring clear communication with learners and employers

No subcontracting arrangement will be ended without appropriate learner protection planning.

External Assurance and Audit

Apprentify will:

- Comply with all DWP subcontracting reporting requirements
- Obtain external assurance where required under subcontracting standards
- Maintain full audit trails for all subcontracted provision

The DWP may audit subcontracted provision at any time and access to documentation will be provided.

Communication

Apprentify will maintain regular communication with subcontractors through:

- Review meetings (virtual and face-to-face)
- Performance and quality discussions
- Email and operational updates
- Audit and monitoring feedback

Records of all communication will be retained for audit purposes.

Current Subcontractors (2026/27)

Contract Year	Subcontractor	UKPRN	Status
2026/27	Tangerine Partnership Limited	10041124	Supporting Provider
2026/27	Smoking Gun PR Limited	10093518	Supporting Provider
2026/27	We Are Tempt Limited	10097564	N/A

Prohibited Activity

Apprentify does not permit:

- Second-tier subcontracting (unless explicitly approved by DWP)
- Unapproved subcontracting arrangements
- Delivery outside agreed contractual scope

Monitoring and Review

This policy will be:

- Reviewed annually or updated in line with DWP rule changes
- Shared with all subcontractors
- Published on the Apprentify website

A formal subcontracting exit plan will be monitored throughout 2026/27.