Apprenticeship Subcontracting Policy

2026 to 2027 funding year

This policy explains how NTG TRAINING LTD Training Ltd selects, contracts with and manages apprenticeship subcontractors. It also sets out the services covered by NTG TRAINING LTD's 20% management fee.

Organisation	NTG TRAINING LTD Training Ltd
UKPRN	10024833
Policy owner	Director
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1 Purpose and status

This policy explains when and why NTG TRAINING LTD may subcontract apprenticeship training, the services NTG TRAINING LTD provides when managing subcontractors and the fees retained for those services. It applies to apprenticeship provision funded through an employer's apprenticeship service account or government employer co-investment.
NTG TRAINING LTD remains the main provider and retains overall responsibility for the employer relationship, training quality and compliance, learner safeguarding, data accuracy, funding evidence and continuity of learning. Where this policy differs from the current funding rules or provider agreement, those requirements take precedence.

2 Scope

This policy applies to every organisation or individual contracted by NTG TRAINING LTD to deliver apprenticeship training who is not an NTG TRAINING LTD employee working under NTG TRAINING LTD's direct management and control. It applies regardless of whether the delivery is described as a partnership, service or collaborative arrangement.

3 Rationale for subcontracting

NTG TRAINING LTD will subcontract only where the arrangement enhances the learner offer and has a clear educational rationale. Financial gain will not be the reason for subcontracting. Each arrangement must support one or more of the following aims:

- enhance the opportunities available to apprentices;
- fill a gap in specialist or niche expertise or provide access to better training facilities;
- improve geographical access to high-quality training;
- provide an entry point for disadvantaged groups; or
- respond appropriately to the needs of people who share protected characteristics.

4 Direct delivery and employer agreement

NTG TRAINING LTD will directly deliver a substantive part of the apprenticeship training associated with each employer's apprenticeship programme. Direct delivery will not be token activity or limited to induction, English and maths, safeguarding or British values. The employer must request or agree to the use of a subcontractor at the start of the apprenticeship, or through a documented variation agreed later.

5 Management fee and charges

NTG TRAINING LTD will normally retain 20% of the overall subcontracted contract value as a management fee. The fee applies only to eligible services that NTG TRAINING LTD provides. It will be stated transparently in the written agreement with the employer and in the legally binding subcontract agreement. Each monetary value will be itemised, reasonable and proportionate to the delivery arrangement.

Service provided by NTG TRAINING LTD	**Fee**	**Contribution to delivery**
Contract management and performance oversight	**4%**	Contract meetings, performance review, risk management and action tracking.
Quality assurance and improvement	**5%**	Observations, sampling, standardisation, curriculum oversight and improvement support.
Funding compliance ILR and evidence checks	**4%**	Data validation, ILR returns, eligibility checks, funding evidence and audit-trail review.
Safeguarding Prevent and learner welfare	**2%**	Assurance checks, escalation routes, policy alignment and safeguarding monitoring.
Subcontractor support and development	**2%**	Induction, guidance, systems support and targeted staff development.
Employer and apprentice relationship management	**1.5%**	Primary contact, progress oversight, complaint handling and issue resolution.
Finance payment and audit administration	**1.5%**	Invoice validation, payment processing, reconciliation and assurance records.
Total management fee	**20%**	**The remaining 80% will normally fund the subcontractor's agreed delivery.**

6 Payment policy

The written subcontract agreement will set the payment schedule. Unless another compliant schedule is agreed, the subcontractor will submit a valid monthly invoice supported by the delivery and learner evidence specified in the contract. NTG TRAINING LTD will validate the evidence and pay in line with the agreed terms after the corresponding apprenticeship funding has been received.

NTG TRAINING LTD may withhold or adjust payment where delivery is unsupported, inaccurate, ineligible or below the contractual standard. Any recovery or adjustment made by the Department will be reflected in payments where it relates to the subcontractor's delivery.

7 Selection and due diligence

Before appointing a subcontractor, NTG TRAINING LTD will:

- confirm that the organisation meets the applicable Apprenticeship Provider and Assessment Register requirements or a valid funding-rule exception;
- complete and retain due diligence covering financial health, capacity, governance, safeguarding, Prevent, data protection, cyber security, health and safety, insurance, equality and conflicts of interest;
- consider relevant Ofsted reports and performance information without treating register status as proof of suitability;
- select subcontractors fairly, transparently and without discrimination, in line with applicable procurement law;
- confirm that suitably qualified and occupationally competent staff and adequate resources are available;
- confirm that the arrangement does not involve brokerage, artificial structures or second-level subcontracting; and
- document how the arrangement improves the learner offer and represents value for money.

8 Employer and apprentice arrangements

NTG TRAINING LTD will maintain the relationship with each employer and will not allow a subcontractor to lead that relationship. Before delivery begins, NTG TRAINING LTD will explain the roles of NTG TRAINING LTD and the subcontractor to the employer and apprentice. The employer agreement and training plan will identify who delivers each element of training.

The written employer agreement will state the funding retained by NTG TRAINING LTD, the amount paid to the subcontractor, management and quality-assurance costs, conflicts of interest, complaints arrangements and relevant Apprenticeship Service support details.

9 Written subcontract agreement

A legally binding written subcontract must be signed before delivery starts. It will set out the delivery scope, price, payment profile, evidence requirements, service charges, performance expectations and access rights for NTG TRAINING LTD, the Department and nominated auditors.

The subcontract agreement will require the subcontractor to:

- comply with the current apprenticeship funding rules, training plan and relevant legislation;
- supply complete and timely ILR, delivery, attendance, progress and off-the-job training evidence;
- maintain qualified and competent staff and report material staffing or organisational changes;
- support Ofsted evidence, NTG TRAINING LTD self-assessment and quality-improvement activity;
- report financial or delivery irregularities, complaints, safeguarding concerns and regulatory action immediately;
- co-operate with monitoring, short-notice visits, observations and apprentice interviews;
- support continuity of learning if the subcontract ends; and
- accept termination provisions where register status, UKPRN validity, quality or compliance requirements are no longer met.

10 Quality assurance and monitoring

NTG TRAINING LTD will operate a regular and substantial programme of management and quality-assurance activity. The frequency will reflect risk, delivery volume and performance. Monitoring may include short-notice visits, face-to-face interviews, learner and employer feedback, observations of initial guidance, assessment and training, file and evidence sampling, data checks, safeguarding assurance, financial reconciliation and progress against agreed performance indicators.

Where performance falls below the agreed standard, NTG TRAINING LTD will issue a time-bound improvement plan and may increase monitoring, withhold payment for unsupported delivery, suspend recruitment or terminate the subcontract. NTG TRAINING LTD will report material discrepancies to the relevant authority where required.

11 Safeguarding Prevent and equality

Safeguarding and the Prevent duty apply in full to subcontracted provision. Subcontractors must follow NTG TRAINING LTD's reporting routes and meet all statutory responsibilities for safeguarding, Prevent, equality, data protection and health and safety. NTG TRAINING LTD will test these arrangements through due diligence, monitoring and direct contact with apprentices.

12 Funding thresholds reporting and audit

- NTG TRAINING LTD will record all subcontracted delivery correctly in the ILR and submit complete subcontractor declarations by 31 October and 30 June, including nil returns and in-year updates where applicable.
- If planned payments to subcontractors exceed 25% of the relevant apprenticeship funding received, NTG TRAINING LTD will obtain the Department's agreement before provision starts, using the required exemption process and deadline.
- If the aggregate value of subcontracted DfE-funded and relevant DWP apprenticeship provision exceeds or is expected to exceed £100,000 in a funding year, NTG TRAINING LTD will meet the subcontracting standard and external assurance requirements, including the required report and declaration by 31 August.
- NTG TRAINING LTD will retain a complete audit trail supporting selection, contracting, delivery, management fees, payments, monitoring and corrective action.

Threshold control. The 20% management fee is separate from the rule requiring Departmental approval where planned payments to subcontractors exceed 25% of NTG TRAINING LTD's relevant apprenticeship funding.

13 Employer providers and actual costs

Where an employer or connected organisation acts as the subcontractor, NTG TRAINING LTD will pay only the actual eligible costs of apprenticeship training. The employer must not make a profit from delivering training to its own employees or those of a connected company. NTG TRAINING LTD will require evidence of actual costs and test those costs through contract monitoring.

14 Conflicts of interest

NTG TRAINING LTD and each subcontractor must declare actual or perceived conflicts of interest before appointment and throughout the contract. Staff with a direct or indirect financial interest in a subcontractor will not approve invoices, sign delivery evidence or undertake management and quality-control activity for that subcontractor. Conflicts will be recorded and managed through documented controls.

15 Continuity complaints and disputes

NTG TRAINING LTD is responsible for resolving issues between employers and subcontractors. Apprentices and employers will have access to NTG TRAINING LTD's complaints procedure and a named first contact. If a subcontractor cannot continue delivery, NTG TRAINING LTD will agree alternative arrangements with the employer, protect the audit trail and minimise disruption to apprentices. Apprentices and employers will also be told how to contact the Apprenticeship Service support centre about apprenticeship concerns, complaints or enquiries.

16 Policy approval review and publication

The person with overall responsibility for NTG TRAINING LTD will approve this policy. NTG TRAINING LTD will review the educational rationale, service schedule and fees before each funding year and publish the updated policy on its website by 31 October. NTG TRAINING LTD may update the policy sooner when funding rules, contractual requirements or delivery arrangements change.

Reference documents

- Apprenticeship funding rules 2026 to 2027 version 3 particularly paragraphs 253 to 290;
- DfE Apprenticeships Provider Agreement;
- DfE subcontracting standard guidance where the financial threshold applies;
- current ILR specification and provider support guidance; and
- NTG TRAINING LTD safeguarding Prevent complaints data protection health and safety equality and quality-assurance policies.

Approved by	Lee Morris
Role	Director
Approved date	October 2026
Next review	October 2027 or earlier if requirements change