

Apprenticeship Sub-Contractor Rationale, Fees and Charging Policy

2025-2026

1. Scope

This policy provides explanation and clarity for the Chartered Institution of Railway Operators (CIRO) use of sub-contractors. This policy relates to all activity funded through the DFE whereby CIRO enters into a subcontracting agreement with a supplier for delivery. This policy provides transparency for all subcontractors, funding bodies and other associated parties or individuals regarding the procurement, due diligence process, support and charging rationale related to subcontracted provision under CIRO's direct contract with the DFE.

2. Context

CIRO must be satisfied that all sub-contracting undertaken by the organisation meets its strategic aims and enhances the quality of its offer to learners. CIRO will at all times undertake fair and transparent procurement activities and conduct robust due diligence checks of all sub-contractors delivering on our behalf. This will include quality assurance checks of the training provided by our sub-contractors. CIRO will ensure only the highest quality of learning delivery is made available to our learners, whilst demonstrating value for money and a positive impact on learner lives thereafter. CIRO endeavours to minimise the risk within the supply chain by ensuring that the subcontractors working with CIRO offer provision that is responsive to learners and employers' needs.

Sub-contracted work must meet the requirements laid out in relation to sub-contractors in the latest versions of the relevant DFE funding documents and rules. It is CIRO's policy to only use a subcontractor as a means of supporting elements of an apprenticeship standard. Sub-contractors must be registered on the Apprenticeship Provider and Assessment Register (APAR).

3. Rationale for Subcontracting

CIRO:

- Recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for learners.
- Uses subcontractors to widen participation amongst student groups that would be otherwise "hard to reach" and other individuals that face barriers to participation in learning and work.
- Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision.

4. Services Provided

CIRO:

- Uses subcontractors to enable apprentices under the age of 19 to achieve Level 2 Functional Skills in maths and/or English where they have not already achieved this qualification or its equivalent. This is a requirement of the apprenticeship standards our learners undertake. Without this, apprentices are unable to progress

through gateway into end point assessment and are therefore unable to complete their apprenticeship programme.

- Uses subcontractors to enable apprentices aged 19+ to achieve Level 2 Functional Skills in maths and/or English where they have not already achieved this qualification or its equivalent and wish to do so alongside their apprenticeship. The decision to undertake maths and/or English must be supported by the apprentices' employer.

5. Costs

CIRO:

- Pays its subcontractors £724 per learner to undertake Level 2 Functional Skills maths.
- Pays its subcontractors £724 per learner to undertake Level 2 Functional Skills English.
- CIRO does not currently retain a fee for the management of subcontracted maths or English provision.

6. Selection, Procurement and Due Diligence

Potential subcontractors may approach CIRO with a proposal or CIRO may approach a supplier with a proposal for delivery of tuition. In all cases a need to contract will have been identified based on demand from learners and employers.

CIRO will ensure that all procurement activity undertaken is fair and transparent. CIRO will inform the DFE in writing, about any circumstances which might lead to an actual or perceived conflict of interest.

Pre-contract due diligence checks are carried out on all potential subcontractors. This will include financial health, previous delivery performance, capacity, and capability to deliver, Awarding Body status, Ofsted report, internal quality assurance processes in relation to teaching and learning and self-assessment (See Annex One).

CIRO will only use delivery subcontractors that are on the published Apprenticeship Provider and Assessment Register (APAR) and have applied by the main or supporting application routes, or they are the apprentices employer having applied through the employer-provider route. CIRO will monitor as part of its due diligence and ongoing quality assurance and performance management the value on totality of any subcontractor contract arrangements.

A contract will be drawn up and agreed between both parties and will be reviewed, along with due diligence, annually. This will include: the subcontractor profile, subcontractor's duty, CIRO's duty, CIRO's offer, the management and service charges based on due diligence results and contract volume and value. Additional schedules of contract monitoring arrangements, fees, charges, key performance indicators and payment arrangements will also be included.

We aim to continually improve our quality of teaching, learning and assessment by ensuring that all subcontractors undergo a comprehensive due diligence process. Subcontractors are risk banded and managed via regular performance reviews, quality assurance of teaching and learning as well as financial audits.

7. Support Provided to Subcontractors

CIRO is committed to working with subcontractors who are able to provide subcontracted delivery of the highest quality. CIRO will support subcontractors to ensure successful delivery, drawing on the internal structures and expertise and a regular schedule of contract review meetings in accordance with CIRO's contract management process. Specifically, this includes CIRO:

- Managing the relationship with the subcontractor and take overall responsibility for subcontracting and delivery.
- Ensuring that the quality of subcontractor's delivery meets its expectations and supporting the continuous improvement of the subcontractor's provision.
- Ensuring the timely and accurate recording of learner information on the CIRO ILR.

- Ensuring the accurate and timely reporting of learner progress data.
- Ensuring that the subcontractor's delivery to CIRO learners meets the DFE funding rules.

8. CIRO Commitment to Quality Improvements

CIRO actively works with subcontractors to improve the quality of the teaching, learning and assessment provision. This includes CIRO:

- Reviewing all aspects of learning and assessment including information, advice and guidance, progress reviews and assessment.
- Undertaking a regular and substantial programme of quality assurance checks on the education and training provided by the subcontractors. This will include face-to-face interviews with staff and learners, whether the learners exist and are eligible and involve direct, announced and unannounced observations of initial guidance, assessment and delivery of learning programmes, and joint observation of learning activities with feedback.
- Provides timely and meaningful feedback to both subcontractor and delivery staff. Observations are incorporated into CIRO's moderation and standardisation process, in order that improvement actions impact both internal and subcontractor quality of provision.
- Carries out learner voice surveys to gather feedback from learners.
- Supports subcontractors to implement effective policies and procedures relating to teaching and learning including assessment and verification policies and procedures.
- Supports subcontractors to develop an effective Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) and will incorporate subcontractors' SAR and QIPs into the whole CIRO SAR.

9. Supply Chain Fees

CIRO may retain a Management Fee and/or a Service Charge. This fee will be calculated against the assessment of risk and the due diligence process, and the level of management intervention associated with the subcontractor.

The Management Fee and/or Service Charge is calculated based on the level of resources required: to manage effectively the individual subcontractor relationship; to ensure funding and requirements are met and to ensure that the high quality of delivery to learners is maintained and that any risk to CIRO and the DFE is mitigated.

10. Payment Terms

Payment terms will be discussed and agreed between CIRO and the subcontractor. A payment schedule will form part of each contract.

CIRO will raise an agreed Payment Schedule to the subcontractor. The subcontractor will raise invoices according to the agreed payment schedule, to be sent directly to CIRO, where they will be checked against the contract's KPIs and approved for payment by CIRO. Approval for payment will be made only if the invoice is within terms of the payment schedule and the contract KPIs have been met.

11. Communication

The Apprenticeship Sub-Contractor Rationale, Fees and Charging Policy will be routinely communicated to and discussed with current subcontractors as part of the contract review process. The Sub-Contractor Rationale, Fees and Charging Policy will be communicated to potential subcontractors as part of the procurement process.

12. Contingency Plans

A contingency plan safeguards learners in the event that a partner withdraws from the arrangement or goes into liquidation or administration. Please see Annex Two.

13. Employer Agreement

CIRO will clearly describe to each employer the reason for subcontracting and the cost of all management and monitoring and quality assurance of the services CIRO will provide. CIRO will have a written agreement with each employer for the use of delivery subcontractors before the subcontracting agreement commences.

14. Reporting the Use of Delivery Subcontractors to DFE

CIRO will provide a fully completed delivery subcontractor declaration to DFE by no later than June 30th and October 31st each year. If provision changes in between these dates, CIRO will submit an updated declaration to reflect this.

15. Policy Review

The Apprenticeship Sub-Contractor Rationale, Fees and Charging Policy will be reviewed annually and published in line with DFE regulatory requirements.

Annex One

Chartered Institution of Railway Operators

Apprenticeship Sub-Contractor Rationale, Fees and Charging Policy - Sub Contractor Application Form/Due Diligence Review

Section A – General

Contact name:

Job title:

Telephone numbers:

Landline



Mobile



Email address:

Organisation website address:

Organisation name:

(as it appears on Companies House)

Trading name:

(if applicable)

Registered address:

Correspondence address:

(If different from the above)

Companies registration Number(s):

Year established:

Company size by number of employees

How many years have you been actively trading?

Legal status:

VAT registration number:

Is the Company a member of a group of companies or a subsidiary of another company as defined by section 736(1) of the Companies Act 1985?	YES / NO
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If YES, please provide details of holding Parent Company together with a list of wholly owned subsidiary companies:	
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Is the company registered with a charity commission or regulator? If yes, please enter the charity registration number.	
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Please provide your UKPRN registration number:	
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Is your organisation APAR approved?	YES / NO
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If YES, please state by which route – e.g. 'Main', 'Support' or 'Employer'?	
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Are you applying for any other funding streams e.g. Adult Education Budget.	
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Do you have a current notice of concern issued by the DFE? If yes, please explain.	
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Is the organisation permitted to recruit 16-19 year old students and/or 19 to 25 year old high needs students?	
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Section B – Provision

Please give a brief description of the programmes you are proposing to offer e.g. target group(s), geographical coverage, subjects, sectors, accredited units/full qualifications, number of courses/course duration, links to employment opportunities etc. (no more than 1 page of A4 please).
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Please provide details of your Qualification Achievement Rates for the last 3 years for the areas which you propose to deliver and have listed above. Please use the format below and if required attach a separate sheet to this application.

Qualification Title	Level	2021/22	2022/23	2023/24

Do you have the facilities to deliver any proposed ‘classroom based’ provision?	
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Are Schemes of Work in place for any proposed programmes e.g. classroom/apprenticeship? Please provide working examples of Schemes of Work for any proposed programmes stated in Section B.	
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Does your organisation have sufficient capacity, capability and quality assurance processes in place to deliver the proposed provision in Section B?	
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Is your organisation in receipt of funding from any other source relating to the proposed provision in Section B?	
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Section C – Quality

Please list any quality standards and their expiry dates held by your organisation e.g. IIP, Matrix, ISO9000, TQS – QAA	
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Please confirm if your organisation is working towards any of the quality standards above. If so, which ones and at what stage are you at in the process of achieving accreditation.	
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Has your organisation been subject to an OFSTED inspection? If so, please give the date and grade of your last inspection.	
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Do you hold Approved Centre Status with any nationally recognised awarding bodies? If so, please give details.	
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Please detail how you conduct internal audit activity?	
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Do you have a Self-Assessment Report (SAR) and a Quality Improvement Plan (QIP)? Please provide a copy of each with your application.	
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Section D – Data Compliance & Security

Please confirm your organisation complies with Data Protection and General Data Protection Regulation (GDPR) legislation and has appropriate data protection and security systems in place including the encryption of all devices where learner information is stored and for the exchange of personal data with partners.	
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Please provide your Information Commissioners Office (ICO) - Data Protection Registration Number:	
Please confirm your organisation has in place demonstrable procedures and policies to enable confirmation of learner existence and eligibility (including physical confirmation).	YES / NO
Does your organisation hold Cyber Essentials certification?	

Section E – Teaching and Learning

Please confirm that your organisation has appropriately experienced, qualified and trained staff together with resources to deliver the proposed services effectively from the start.	
Please confirm that all proposed delivery staff have a current DBS certificate in line with legislation (if not applicable, please explain why).	
Does the organisation have a programme of Continuous Professional Development and do all delivery staff have up to date CPD records in place?	YES / NO
Please detail your key process for delivery of training	
Does the organisation have Individual Learning Plans and Monthly Action Plans in place? Please provide details.	

Section F – Financial Information and Legal Status

Please detail all contracts that you currently hold or have held in the past 3 years with either the Skills Funding Agency or the Education and Skills Funding Agency/DfE.

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Please provide details of all contracts that you currently hold as a subcontractor during this academic year (please continue on separate sheet if required).

Company Name	Value £

Please confirm that any further contracts, including this proposed delivery will not exceed the DfE sub-contracting allocation allowance where applicable (this is an aggregation of all contracts you will hold with providers or employer providers for apprenticeship delivery).

Please provide details of any contracts terminated and of any deductions due to non-performance or liquidated damages payment of any contract within the last 3 years.	
Have you had any reduction in contract due to non-performance within the last 3 years? If yes, please provide details.	
Are there any current or outstanding court judgements against your organisation?	
Has the organisation previously been or is currently considered as a high-risk organisation by the DFE as described in the DFE Funding Higher Risk Organisations and Subcontractors Policy (January 2025)? If yes, please give details.	
Declaration of Interest - please declare any interest that might be reasonably thought likely to affect the Supplier's independence and objectivity in carrying out the services.	

Section G – Safeguarding

Please tell us about your Safer Recruitment Practices.	
Please tell us about your Equality, Diversity & Inclusion procedures.	
Do you have a senior manager responsible for Safeguarding and Prevent? If yes, please provide their name, role and contact details.	

Are all staff in the organisation trained in safeguarding and understand their responsibilities if they have concerns?	YES / NO
Are all staff in the organisation trained in the government Prevent agenda and understand their responsibilities if there are any concerns?	YES / NO
How often do staff in the organisation undertake refresher training in safeguarding and Prevent?	
Do staff and learners understand safeguarding issues including acceptable behaviour to promote British Values? Please explain.	YES / NO
Please provide the name and contact details of the Local Area Designated Officer (LADO) in the area/s you operate .	
In the last 3 years, has any finding of unlawful discrimination been made against your organisation by an Employment Tribunal, an Employment Appeal Tribunal or any other court (or in comparable proceedings in any jurisdiction other than the UK)? If yes, please provide details.	
In the last 3 years, has your organisation had a complaint upheld following an investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in any jurisdiction other than the UK), on grounds of alleged unlawful discrimination. If yes, please provide detail.	

Section H – Contract Performance Management and Monitoring

Please describe your contract performance management system and how and when you check the effectiveness of your performance.

Does the organisation have systems and processes in place for regularly monitoring and reporting learner engagement and progress data in line with DFE funding requirements; including (not exhaustive) learning start and end dates, attendance at teaching sessions, on-line learning activity, exam attendance and outcomes, completions and certificates claimed?

What process will be put in place to collect and upload data to CIRO?

Describe the processes in place that allow learners to raise concerns regarding any aspect of delivery, including appeals procedure.

How do you monitor the effectiveness of the courses you deliver? Please include an explanation of your Learner Survey Process if you have one.

Please describe how your organisation will keep CIRO informed of any changes in circumstances which may impact your ability to meet the due diligence, financial health/standards required by funders and regulators.

Section I – Additional Information

Please provide supporting evidence to substantiate your application e.g. experience delivering programmes in the workplace/other projects/values/engagement/delivery/tracking/links with JCP/employers/partners. (Please attach separate sheets if more space is required -no more than 2 pages of A4 please).

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Section J – References

TO BE COMPLETED BY NEW SUBCONTRACTORS ONLY - Please provide the names and contact details for 2 independent referees that can support the claims made in this tender. The referees should ideally be a client/employer that you have delivered training for and/or a Prime Contractor/College you have a partnership agreement with. If you are successful and are a new subcontractor, we will use this information to set you up as a new supplier on our finance system.

Reference 1		Reference 2	
Organisation Name		Organisation Name	
Contact Name		Contact Name	
Position		Position	
Email Address		Email Address	
			
Address		Address	

TO BE COMPLETED BY NEW SUBCONTRACTORS ONLY Please provide the names and contact details of 2 independent referees that will provide a Trade/Financial reference to support your tender. Ideally this should be a supplier who you currently trade with and have been doing so regularly for a minimum of 12 months.

Reference 1		Reference 2	
Organisation Name		Organisation Name	
Contact Name		Contact Name	
Position		Position	
Email Address		Email Address	
			

Address		Address	
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Section K - Declaration

I/we hereby certify that I/we have not canvassed any member, Director, employee, representative or adviser of the Chartered Institution of Railway Operators in connection with the Subcontractor Due Diligence Questionnaire and that no person employed by me/us or acting on my/our behalf, or advising me/us has done any such act.

I/we further hereby undertake that I/we will not canvass any member, Director, employee, representative or adviser of the Chartered Institution of Railway Operators in connection with the Subcontractor Due Diligence Questionnaire and that no person employed by me/us or acting on my/our behalf or advising me/us has done any such act.

I/We also understand that it is a criminal offence, to give or offer any gift or consideration whatsoever as an inducement or reward to any servant of a public body and that any such action will result in my/our exclusion from this tendering exercise.

I/We certify that we have robust procedures in place to ensure that we do not inadvertently fund extremist organisations.

I/We certify that the information supplied within this questionnaire is accurate to the best of my/our knowledge and that I/We accept the conditions and undertakings requested in this questionnaire. I/We understand that false information could result in my/our exclusion from this and future exercises and result in civil or criminal proceedings.

I certify that I am authorised by my organisation to sign these declarations on their behalf.

Signed:

Print Name:

Position:

Organisation:

Date:

Please submit electronic copies of the following documents with your completed questionnaire		
		Copy Provided
1	Organisational Structure	
2	Most recent Audited Financial Accounts	
3	Valid Public Liability Insurance (Minimum £5m cover)	
4	Valid Employer Liability Insurance (Minimum £5m cover)	
5	Professional Indemnity Insurance	
6	Health & Safety Policy	
7	Safeguarding Policy	
8	Prevent Policy	
9	Sustainability/Environmental Policy	
10	Equality & Diversity Policy	
11	Data Protection Policy	
12	Quality Assurance Policy	
13	Complaints Procedure	
14	Most recent EQA Reports for all programmes	
14	Inspection Report (most recent) if appropriate	
16	Latest Self-Assessment Report	
17	Latest Quality Improvement Plan	
18	Proof of Centre Approval/Direct Claim Status (Most recent certificate/letter of approval per proposed qualification)	
19	E-Safety policy/handbook	

Please note - Should any of the information that you have provided or submitted change or is updated you **MUST** inform the Chartered Institution of Railway Operators and resubmit the relevant document(s).

To see the CIRO's Privacy notice please go to the CIRO website www.ciro.org

Annex Two

Subcontracting – Contingency Plan

To ensure that:	In the event that CIRO needs to withdraw from subcontract arrangements, a subcontractor withdraws from the contract, serves a break clause or goes into liquidation or administration, CIRO will take steps to ensure that provision is made to preserve the continuity of the provision and that learners involved are able to complete their qualifications.
Applied to:	Provision where all of the programme is delivered by an external organisation but where all overall responsibility is retained by CIRO.

Stage		Action	Responsibility
1.	The relevant funding agency would be notified	CIRO will notify the relevant funding agency of any withdrawal from subcontracting arrangement by either the subcontractor or CIRO.	CIRO Head of Apprenticeships
2.	Review of the current learners	A full review of the learners' enrolment and an assessment of the level of progress to date on each qualification.	CIRO Head of Apprenticeships
3.	Establishment of next steps	Following a review of the learners a decision will be made to identify the best delivery plan to ensure continuity of learners and minimise disruption to learners. One of the four possible routes will be identified (points 4-7)	CIRO Head of Apprenticeships and CIRO Chief Operating Officer
4.	Delivery of the Provision through CIRO	CIRO will deliver the provisions directly.	CIRO Head of Apprenticeships
5.	Delivery of the provision through an existing subcontractor	CIRO will identify an existing subcontractor who has a record of delivery of the relevant provision with successful outcomes. How has capacity and is able to accept an increase in their contract to take on additional learners.	CIRO Head of Apprenticeships and CIRO Chief Operating Officer
6.	Delivery of the provision through a new subcontracting arrangement	CIRO may engage with a new subcontractor (subject to formal due diligence process) for the provision that CIRO or any existing subcontractor does not have the skills or capacity to deliver.	CIRO Head of Apprenticeships and CIRO Chief Operating Officer
7.	Transfer the learners to another provider	If CIRO is unable to meet the needs of the learners, through points 5-6, CIRO will work with the DFE to identify an alternative provider to transfer learners to.	CIRO Head of Apprenticeships and CIRO Chief Operating Officer

Annex Three

Subcontract Payment Information and Schedule

2024-2025	
Name of Subcontractor	
UKPRN	
Contract Start Date	
Contract End Date	Annual
Type of Provision	Functional Skills Level 2 Maths and English
Funding paid by DFE	£724 per person for each Functional Skill
Funding paid to subcontractor	£724
Funding retained for administrative purposes such as data returns	£0
Funding retained for quality assurance and oversight	£0
Funding retained for mandatory training delivered to subcontractor staff by the directly funded provider.	£0
Claw-back for under delivery or other reasons	£0
Payment by Subcontractor to CIRO for services	£0

Payment Schedule

Date Subcontractor Invoice Due	Amount	CIRO Payment Schedule

Office Use Only

Expiry Public Liability		Expiry Employers Liability		Expiry Professional Liability	
Ref received Provision			Ref received Trade		

Signed by CIRO Team hereby authorising the commencement of the contracting process.

Date