

Sub-Contracting Policy

For the attention of: All Staff
Produced by: Group Principal and CEO
Approved by: SLT
Date of publication: July 2025
Date of next review: July 2027





Vision, Purpose & Values

Our Vision

Our students will be recognised locally & nationally for their positive impact on the communities and industries in which they choose to work.

Our Purpose

To inspire our students to gain the skills, knowledge and behaviours they need to be resilient and thrive in an ever-changing world.

Our Values

Excellence: A culture of creativity, high expectations, ambition and aspiration

Respect: Showing fairness, courtesy and mutual respect to each other and our environment

Integrity: Honesty, openness and trust at the heart of College life

Diversity: Celebrating diversity and inclusivity as a key to our success

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1. Scope

- 1.1. This policy applies to all supply chain activity supported with funds supplied by the Education and Skills Funding Agency or any successor organisations.

2. Context

- 2.1. This policy is now a mandatory requirement that must be in place prior to participating in any sub-contracting activity from 1 August 2017. The content of this policy has been developed in line with AoC/AELP Common Accord, the DfE Funding rules and the LSIS Supply Chain Management Document.

3. Overarching Principle

The College does not routinely engage in subcontracting arrangements. Subcontracting will only occur in exceptional circumstances, where it is demonstrably in the best interests of learners and cannot be delivered directly by the College. All subcontracting arrangements require formal Board approval.

- 3.1. The College will use its supply chains to optimise the impact of effectiveness in service delivery to the end user. The College will therefore ensure that:
 - a) Supply chain management activities comply with the principles of best practice in the skills sector. In particular they will be guided by the principles given in the DfE Subcontracting Standard and relevant DfE Funding Rules.
 - b) The College will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
 - c) The funding that is retained by the College will be related to the costs of the services provided. These services, and the levels of funding being retained for them, will be clearly documented and agreed by all parties. The rates of such retained funding will be commercially viable for both sides and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.
 - d) Where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the College will submit to independent outside arbitration or mediation and abide by its findings. Contract documents will require both parties to agree that the achievements of supply

chains are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefor 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.

4. Rationale for Sub-Contracting

All subcontracting arrangements require formal approval by the College Board, following appropriate due diligence and assessment of educational need. No subcontracting will proceed without this approval.

4.1. The College engages with sub-contractors to better meet customer needs. Reasons are varied but could be:

- To temporarily expand provision to meet a short term need.
- To provide immediate provision whilst expanding direct capacity. This might include working with sub-contractors to explore and learn about new standards or sectors prior to investment in resources.
- Providing access to, or engagement with, a new range of customers.
- To ensure delivery intent is met where there is a recognised risk in direct provision (e.g. through JCP referrals not being realised).
- To support another provider to develop capacity/quality.
- To provide niche delivery where the cost of developing direct delivery would be inappropriate.
- To support employers with a wide geographic requirement.

5. Quality Assurance

5.1. The quality of the provision will be monitored and managed through the existing College QA processes and procedures, as amended in order to fully encompass all sub-contracted activity.

5.2. This policy positions sub-contracted provision as a core part of the College activity to enable continuous improvements in quality of teaching and learning for both the College and its sub-contractors. This will be achieved through the sharing of effective practice across the supply chain, for example, through the Self Assessment Report process.

6. Publication of Information Relating to Sub-Contracting

6.1. In compliance with the DFE and other department funding rules that apply, the College will publish its sub-contacting fees and charges policy and actual end-

of-year sub-contracting fees and charges on its website before the start of each academic year (and in the case of actual end of year data, as required by DFE)..

- 6.2. The College will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents, such as the Fees and Charges Risk Factor Table. The Fees and Charges Risk Factor Table Includes:
- The typical percentage range of fees retained to manage subcontractors, and how this range is calculated.
 - Payment terms between the College and subcontractors – timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received.
 - The support subcontractors will receive in return for the fees charged.

7. Communication

- 7.1. This policy will be reviewed in each summer term and updated as required. It will be published on the College website during the July prior to the start of the academic year in which it will be applied. This policy will be reviewed biennially, or earlier if changes to the Funding Rules necessitate an update
- 7.2. Potential sub-contractors will be directed to this policy as the starting point in any relationship.

8. The Fees and Charges Risk Factor Table

- 8.1. Standard College management fee is 15% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting and managing all sub-contracted provision. This includes the minimum amount of QA activity that the College would attach to the lowest possible risk sub- contractor.
- 8.2. Further charges to cover additional costs may be added to the base 15% fee to cover the cost to the College of any additional support that the College deems necessary to ensure the quality of teaching and learning and the success rates of any sub contracted provision. Additional cost is determined using a weighted table of risk factors. The table is available to all actual and potential subcontractors. It is designed to ensure that the cost of any additional support provided to a subcontractor is covered through the funding retained. Additional costs will be recalculated and negotiated each year at contract renewal, giving sub-contractors the opportunity to reduce their fees through continuous improvement. This approach will allow the College to focus support where and when it is needed.

Overall rating	Weighting	Score	Total
Previous track record			
Success Rates			
Type of customers to be engaged			
Type of provision to be undertaken			
Contract performance and duration			
New sub-contractor (first engagement)			

9. Additional Support for Sub-Contractors

- 9.1. The precise additional support given to each sub-contractor will be negotiated with that sub-contractor, but will be based on a 'risk band' approach and may include:
- Additional site visits
 - Additional lesson observation
 - Additional tutor support
 - More rigorous verification and performance management.
- 9.2. The risk band will be determined using the table above.

10. Additional Charges Per Learner

- 10.1. The College may also retain funding to cover the cost of any funded activity that it might undertake on behalf of the sub-contractor such as:
- Awarding Organisation fees and charges
 - Hiring of facilities/equipment within/from the College
 - Internal Verification