



Subcontracting Fees & Charges Policy

Key Information	
Policy Reference Number	CCSW - SFC
ELT Post Responsible for Update and Monitoring	Deputy Principal / Deputy CEO
Published on Website	Yes
Date Approved by ELT	03 June 2025
Date Approved by Governor's Committee (if applicable)	17 June 2025
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1. Aim/Scope

- 1.1 This policy applies to all sub-contracting activity supported with funds supplied by the Department for Education (DfE)
- 1.2 This policy is a mandatory requirement which must be in place prior to the College participating in any sub-contracting activity which is funded by the DfE-
- 1.3 The policy is effective from 1 August 2025.
- 1.4 This policy will not discriminate either directly or indirectly against any individual on the grounds of gender, race, ethnicity or nationality, sexual orientation, marital status, religion or belief, age, disability, socio-economic status or any other personal characteristic.

2. General Policy Statement

- 2.1 The College is committed to applying a consistent standard for all Sub-contracting activity in accordance with the funding rules and policy intent. The College has taken the strategic decision to work with high quality sub-contractors who add value to and enhance the quality of the learner offer by complementing the provision offered by the College. The College shall retain clear and transparent accountability for the quality of training provision.
- 2.2 The College will ensure that:
 - 2.2.1 Sub-contracting activities comply with the principles of best practice in the skills sector. It will be guided by the principles set out in the DfE Funding guidance, DfE Sub-contracting control regulations, the Sub-contracting Standard and any subsequent changes. The College reserves the right to amend its Sub-contracting arrangements at any time to reflect the amendments and requirements of the funding body;
 - 2.2.2 its procurement strategy/process is a robust assessment process for selecting subcontractors and provides fair and transparent procurement activities;
 - 2.2.3 it will conduct robust due diligence procedures on potential subcontractors to ensure compliance with the ESFA funding guidance; and
 - 2.2.4 all levels and provision are of the highest quality of learning delivery, demonstrating value for money and a positive impact on learners and employers.
- 2.3 The funding which is retained by the College will correlate to the costs of the services provided. These services, and the levels of funding being retained by the College, will be clearly documented, and agreed with the subcontractors as being justifiable and reasonable in the circumstances and agreed by all parties.
- 2.4 The rates of such retained funding will be commercially viable for both the College and the subcontractors and will be negotiated and agreed in a fair and transparent manner, proportionate to the actual services being provided.

3. Selection and Appointment of Subcontractors

- 3.1 Subcontractors will only be used to complement the College delivery in line with DfE funding rules, specific to the type of provision and the relevant funding and will all be required to satisfy due diligence processes and sign a legally binding contract prior to any training delivery taking place.
- 3.2 In selecting partner providers, the College will consider the following:
 - 3.2.1 Reputation - including referral from other providers or employers.
 - 3.2.2 Specialism - particularly in niche provision areas.
 - 3.2.3 Geographic Location – with specific support to local partners and employers.
 - 3.2.4 Quality Measures – including previous recruitment, retention and success rates, Ofsted rating etc.
 - 3.2.5 Finance - with reference to Credit Checks and provision of accounts for review. Where

appropriate, the College will undertake value for money testing of existing services through benchmarking or other processes.

- 3.3 All apprenticeship subcontractors must be listed on the Apprenticeship Providers and Assessment Register (APAR) as either a main provider, employer provider or supporting provider. The College will only contract with apprenticeship subcontractors who are confirmed as being on the Register unless the subcontractor meets the £100,000 de-minimis rule. A subcontractor may be used if they are not on the published APAR but will deliver less than £100,000 of apprenticeship training and on-programme assessment under contract across all main providers and employer-providers between 1 April and 31 March each year.
- 3.4 All Providers of post-16 programmes who subcontract £100,000 or more of their delivery, across all DfE funding streams are required to meet the DfE Sub-contracting Standard.

4. Rationale for Sub-Contracting

- 4.1 The College engages with subcontractors to better meet the needs of learners, employers and the wider community.
- 4.2 Reasons are varied but would include:
 - 4.2.1 enhancing the opportunities available for learners;
 - 4.2.2 filling gaps in niche or expert provision, or provide better access to training facilities;
 - 4.2.3 support better geographical access for learners;
 - 4.2.4 offer an entry point for disadvantaged groups; and
 - 4.2.5 give consideration of the impact on individuals with shared protected characteristics;
- 4.3 Additional reasons to those listed above may be:
 - 4.3.1 the temporary expansion of the provision to meet a short-term need;
 - 4.3.2 providing immediate provision whilst expanding direct capacity. This may include working with sub-contractors to explore and learn about new standards or sectors prior to investment in resources;
 - 4.3.3 providing access to, or engagement with, a new range of customers;
 - 4.3.4 ensuring delivery intention is met where there is a recognised risk in direct provision;
 - 4.3.5 supporting employers with a wide geographic requirement; and
 - 4.3.6 to widen participation in programmes, particularly those learners, employers or communities who may not usually engage in learning opportunities.
- 4.4 For apprenticeship provision, the College may use delivery subcontractors to complement its existing provision and where an employer has requested and agreed the use of a subcontractor at the start of an apprenticeship. The College will directly deliver some of the apprenticeship training and/or on-programme assessment associated with each employer's apprenticeship.

5. Quality Assurance

- 5.1 The Assistant Principal Quality, and the Assistant Principal Apprenticeships and Employer Engagement are responsible for ensuring that high quality provision is delivered by all subcontractors and have ultimate responsibility for monitoring the quality of this provision.
- 5.2 The College's quality assurance procedures and processes apply to all Sub-contracting activities. In line with the College quality calendar, continuous improvement process and Teaching, Learning and Assessment Policy

6. Management Fees

- 6.1 The College's management fee will typically vary between 10% and 20% of all funding allocated for the provision to be delivered. However, in exceptional circumstances the fee could be as high as 30%. The agreed

management fee will be dependent upon the activities being undertaken and the level of support required to maintain provision of the highest quality. Target learner numbers, previous experience, success rates and the level of risk determined by the due diligence process will also be taken into consideration when determining the management fee.

- 6.2 The management fee represents the cost which the College incurs in effectively identifying, selecting, and managing all its subcontracted provision.
- 6.3 The College may also retain, in addition to the management fee, an appropriate amount of funding to cover the cost of any funded activity which it undertakes which is related to the provision, such as:
 - 6.3.1 awarding organisation fees and charges;
 - 6.3.2 hiring of facilities/equipment within/from the College; and
 - 6.3.3 internal quality assurance (IQA).

7. Costs and Charges (Apprenticeship Sub-contracting Only)

- 7.1 In line with the DfE Funding Rules, the College will ensure that all delivery is detailed in the Written Agreement with the employer at the start of the programme, specifying who will be responsible for each element of the programme including mandatory qualifications, non-mandatory qualifications, and any subcontracted delivery.
- 7.2 Charges, per learner, will be reasonable and proportionate and individually itemised to describe how they contribute to high quality training and will factor into the costings the expense of funded activity that the College and the subcontractor undertake on behalf of the employer including, but not limited to:
 - 7.2.1 direct delivery and/or assessment by the College or subcontractor on each apprentices' programme in line with the Funding Rules requirements;
 - 7.2.2 Awarding Organisation registration and certification charges for mandatory qualifications;
 - 7.2.3 end point assessment organisation fees;
 - 7.2.4 e-portfolio costs; and
 - 7.2.5 contract management and quality assurance costs.
- 7.3 The Assistant Principal Apprenticeships and Employer Engagement Programme will calculate the costs with the subcontractor before being checked and approved by the Chief Financial Officer.
- 7.4 Overall contract values will be calculated by the Assistant Principal Apprenticeships and Employer Engagement and approved by the Executive Leadership Team then reported to Governors throughout the contract year.
- 7.5 Payments to subcontractors will be made in accordance with the agreed payments schedule in the subcontract. These payments will be reconciled against actual funding amounts calculated from the Provider Funding Report which is directly created from the Individual Learning Record (ILR).

8. Support for Sub-Contractors

- 8.1 Each subcontractor will have a written legally binding agreement in place that sets out the criteria and requirements of the contract.
- 8.2 The precise support given to each subcontractor will be negotiated with that subcontractor and may include, but is not limited to:
 - 8.2.1 advice and guidance at the pre-contract stage;
 - 8.2.2 site visits;
 - 8.2.3 observations of teaching, learning and assessment;
 - 8.2.4 tutor support;
 - 8.2.5 observation of Information, Advice and Guidance (IAG), enrolment and examination sessions;

- 8.2.6 participation in IAG and enrolment sessions;
- 8.2.7 more rigorous quality assurance;
- 8.2.8 support with funding rules compliance;
- 8.2.9 regular financial reports to support invoicing;
- 8.2.10 ongoing support to address any areas for improvement;
- 8.2.11 in-depth check of evidence submitted and regular feedback on issues identified;
- 8.2.12 input of enrolment documentation;
- 8.2.13 regular review meetings;
- 8.2.14 providing regular progress and success rate reports; and
- 8.2.15 ensuring compliance with College Safeguarding, Prevent and Health and Safety policies and procedures.
- 8.2.16 opportunities for the College to undertake joint working or shared activities with the subcontractor. Such as: process improvement, shared training, task forces or joint project teams.
- 8.2.17 additional improvement activities relating to wider government initiatives, for example, on sustainability, disability employment issues, use of SME and BME suppliers.
- 8.2.18 shared management activities and/or shared risk reduction programmes or activities.

- 8.3 The payment terms between the College and subcontractors for timing of payments in relation to delivering provision and timescale for paying invoices and claims for funding received are included in the subcontract.

9. Funding Data

- 9.1 Data regarding the actual level of funding paid and retained for each sub-contractor will be made available according to the Department for Education requirements.

10. Publication of Information Relating to Sub-contracting

- 10.1 In compliance with the funding rules the College will publish a list of its subcontractors and its Sub-contracting Fees and Charges Policy on its website and submit actual end-of-year Sub-contracting fees and charges to the DfE on request.
- 10.2 This will include subcontractors who deliver full or part-apprenticeship standards, 16-19 (inc. up to 24 with high needs) and Adult Skills Funded training providers.
- 10.3 The details will include the name and UKPRN of the subcontractor, the contract start and end dates, the type of provision, the funding received from the agency to the College, the funding paid to the subcontractor, the funding retained by the College and any funding paid by the subcontractor to the College for support or services.
- 10.4 The College will issue all actual and potential subcontractors with a copy of this policy and a subcontract each year.

11. Policy Review

- 11.1 This policy will be reviewed on an annual basis and updated as required.

12. Communication

- 12.1 This policy is available on the College's [website](#).
- 12.2 Potential subcontractors will be directed to it as the starting point in any relationship. It will also be discussed with current subcontractors during review meetings.