




Sub-contracting (Fees & Charges) Policy

2025/26
Academic Year

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Department Area	Finance & Corporate Resources
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	<p style="text-align: center;">CORPORATION</p> <p style="text-align: center;">Sub-contracting (Fees & Charges) Policy</p> <p style="text-align: center;">2025/2026 Academic Year</p>	Number	
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1 SCOPE

The policy applies to all third Party sub-contracted supply chain activity supported with funds supplied by the Department for Education, West Midlands Combined Authority or any successor organisations.

2 CONTEXT

The policy is a mandatory requirement that must be in place prior to participating in any sub-contracting activity. The policy has been written in accordance with the Subcontracting funding rules for post-16 education and training (1 August 2025 to 31 July 2026)

3 DISCLAIMER

Sandwell College reserves the right to amend its sub-contracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in its standard contract or sub-contracted provision.


4 OVERARCHING PRINCIPLE

The College will use its supply chains to optimise the impact and effectiveness of service delivery to learners.

The College will, therefore, ensure that

- At all times it undertakes fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors in the spirit of the Common Accord to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on the lives of learners.
- 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.
- Funding retained for each subcontractor will be determined through a risk assessment outlining the level of quality monitoring activities required, management time and any other specific support costs required to be taken into consideration to ensure a high-quality learning experience
- Each cost will be reviewed to ensure it is reasonable and proportionate to delivery of high-quality teaching and learning. The subcontractors track record, financial stability and financial staffing capability will also be considered when negotiating a management fee
- Contract documents will require both parties to agree that the achievements of the agreed outcomes are attained through adherence to both the letter and spirit of contracts or partnerships. Signatories therefore 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.

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5 RATIONALE FOR SUB-CONTRACTING

Sandwell College is committed to enhancing educational opportunities for all learners.

Subcontracting will be considered when it:

- Enhances opportunities available for learners.
- Fills gaps in niche or expert provision or provides better access to training facilities.
- Supports better geographical access for learners.
- Offers an entry point for disadvantaged groups.
- Considers the impact on individuals with shared protected characteristics, where there might otherwise be gaps.

All subcontracting arrangements align with the college's mission "Achieve Ambitions. Progress Further" and specifically the strategic objectives;

Always ambitious for our learners

- Increasing opportunities for learners to engage in enrichment activities that support career progression
- Provide opportunities for disengaged/NEET groups of learners to access specialist provision
- To offer flexibility by delivering provision at times and venues convenient to learners and employers
- To temporarily expand provision to meet a short-term need
- To support learners who share protected characteristics, where there might otherwise be gaps

Future focused careers and skills

- Enhancement of skills related to programmes of study that lead to rewarding careers
- To fill gaps in niche provision

Powerful partnerships

- Establishments of strategic partnerships that support learners to develop skills related to current and future skills needs
- To meet demand from referrals from key stakeholders such as local employers or Job Centre Plus


6 QUALITY ASSURANCE

Sub contracted activity is a fundamental part of the College's provision. The quality of the provision will be monitored and managed through the existing College Quality Assurance processes and procedures, as amended in order to fully encompass all sub- contracted activity.

This Policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching and learning for both the college and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain.

Sub-contracted provision will only be supported with organisations which can demonstrate the actual achievement of, or the potential to rapidly achieve, good quality teaching and learning and success rates which achieve national averages.

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Sandwell College ensures that its sub-contractors are included in the College's quality cycle and are audited and supported by the College to follow this process.

The College supports sub-contractors to complete the course review and self-assessment process, including quality improvement plans. It also offers support as required to share good practice through regular quality reviews, observation of teaching, learning and assessment and learner and employer feedback.

Sub-contractors will collect, retain and submit to the College on request all relevant documents and evidence of student activity.

7 PUBLICATION OF INFORMATION RELATING TO SUBCONTRACTING

In compliance with Department for Education funding rules, the College will publish its sub-contracting fees and charges policy and actual end-of-year subcontracting fees and charges before the start of each academic year.

This will only relate to 'provision subcontracting' i.e. subcontracted delivery of full programmes or frameworks. It will not include the delivery of a service as part of the delivery of a programme (for example, buying the delivery of part of an Apprenticeship framework or outreach support)


The College will ensure all actual and potential subcontractors have access to this policy and any other relevant documents.

The College will charge a management fee between 15% to 20% unless agreed otherwise, of funding drawn down from the DfE dependent on the level of support and services given to the respective sub-contractor which includes:

- Advice and guidance at pre-contract stage and due diligence assessment
- Enrolment processing & support (e.g. provision of paperwork, advice and guidance on student eligibility)
- Data and financial management – timely and accurate processing and submission of data to enable drawdown of funds from the Funding Bodies and analysis to ascertain funding earned by sub-contractor and calculation of success rates
- Provision of regular class lists
- Mandatory training and CPD
- Regular review meetings and performance reports
- Compliance and quality assurance visits and on-going support to address any areas for improvement including announced and unannounced site visits, lesson observations, tutor support and quality assurance and administration support

All invoices submitted by a sub-contractor must be supported by documentation as required in the contract. Where there are no issues relating to a sub-contractor's submitted invoice, the College will endeavour to ensure that the payment of the invoice is made within 30 days of receipt. The College may undertake a clawback of funding for under delivery or other reasons.

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8 MONITORING, REVIEW AND RISK MANAGEMENT

Any prospective sub-contractor will be required to complete the College's ***Due Diligence Questionnaire*** to assess the level of risk should the College decide to enter a contractual agreement with that organisation.

Provision funded by the Education & Skills Funding Agency and GLA must comply respectively Subcontracting funding rules for post-16 education and training and any updates published by the DFE during the year. Sub-contractor performance will be monitored on an ongoing basis. Feedback on performance will be provided in writing, at face-to-face meetings, by telephone or e-mail.

The methods used will be dependent upon the circumstances at any point in time. Feedback will also be provided at periodic contract performance review meetings.

- Contributory risk factors that are used to identify the initial level of risk associated with a prospective sub-contractor will include:
- Previous track record/performance
- Staff qualifications and experience relevant to delivery of agreed programmes
- Results of EQA reports
- Financial standing of the sub-contractor
- Length of sub-contractor's experience
- Contract size with regard to both funding and learner numbers
- Standards of internal quality assurance by sub-contractor
- Any previous OFSTED judgement/s
- Profile of learners
- Delivery content and associations with extremist doctrine
- Geographic location, particularly for DFE funded provision, to ensure provision is not outside of the College's normal recruitment areas


During the period of contractual agreement, the College will, on an on-going basis, also monitor the level of risk through: -

- Observations of teaching, learning and assessment
- Success levels
- Actual income against contract target funding income.
- Standards of internal quality assurance (both curriculum and administration)
- Learner feedback (at site by telephone or online learner surveys)
- Employer feedback (where appropriate)
- Learner progression

The Risk Factors associated with each sub-contractor will be discussed and recorded at review meetings and, where necessary, actions identified for the sub-contractor to undertake in order to reduce the level of risk.

Where a subcontractor is found to be providing a supply of services that does meet agreed targets and expectations of quality, the College can terminate any agreements.

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The College reserves the right to terminate any agreement and may seek recovery of funds particularly where the funding agencies' conditions of funding have not been met or there is any other irregularity or concern.

9 SUB-CONTRACTORS ARE REQUIRED TO ENSURE THAT:

The College is provided with Individual Learner Record (ILR) data to accurately reflect the agreed sub-contracted delivery

The College and funding agencies (or other bodies nominated by the College or agencies) have access to the sub-contractor's premises and all documents relevant to tracking learner's progress, funding claims and any other purpose relating to the agreed sub-contracted delivery

The College has access to the sub-contractor's premises to monitor and quality assure the delivery of learning, including interviewing staff and students and directly observing the initial guidance and assessment (IAG) process

All learners sign a learning agreement at the time of enrolment reflecting the Outcome of initial guidance and assessment (IAG) in setting out their learning programme taking any prior learning into account

The agreed sub-contracted delivery is not further sub-contracted

Funding for the agreed sub-contracted delivery is not "double-funded", i.e. learners are not funded by the DFE at any other institution

10 ADDITIONAL SUPPORT FOR SUB-CONTRACTORS

The additional support given to each subcontractor will be negotiated with that subcontractor, but will be based on a risk approach and may include:


- Additional site visits
- Additional lesson observation
- Additional tutor support
- More rigorous verification
- Additional training

11 ADDITIONAL CHARGES PER LEARNER

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

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12 COMMUNICATION

This policy will be reviewed in each summer term and updated as required. It will be published on the College web site during the July prior to the start of the academic year in which it will be applied. Potential sub-contractors will be directed to it as the starting point in any relationship.

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