



Subcontracting (Supply Chain) Fees and Charges Policy 2026-27

West Herts College

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1. Purpose

This policy sets out the College's approach to subcontracting the delivery of education and training provision funded by the Department for Education (DfE). It ensures compliance with:

- The DfE Subcontracting Standard
- The Subcontracting Funding Rules (2026–27)
- The College's conditions of funding and contractual obligations

This policy applies to all subcontracted provision funded through Adult Skills Fund (ASF), 16–19 funding, and any other relevant DfE funding streams.

2. Principles of Subcontracting

The College's primary intention is to deliver high-quality provision directly. Subcontracting will only be used where it delivers clear educational and strategic value and improves learner outcomes.

Subcontracting arrangements will only be established where one or more of the following apply:

- There is an identified gap in provision which the College cannot meet internally;
- The subcontract enhances or complements the College's strategic objectives;
- It provides access to specialist or niche provision;
- It improves geographical access for learners;
- It increases participation from disadvantaged or underrepresented groups;
- It demonstrably improves the quality of teaching, learning and outcomes.

Subcontracting must not be used to:

- Avoid responsibility for provision or accountability;
- Circumvent Ofsted inspection or oversight;
- Deliver provision that the College has the capacity to deliver effectively itself without a clear rationale.

3. Limits and Controls on Subcontracting

The College will ensure that subcontracting activity remains proportionate and compliant with funding rules:

- Total subcontracted delivery will be risk-managed and proportionate to the College's overall provision;
- The College will not routinely subcontract large proportions of provision unless justified and approved;
- Any subcontract exceeding internal thresholds (e.g. £600,000) will require Corporation approval;
- The value subcontracted within any DfE funding stream will be monitored and controlled;
- All subcontracting arrangements must receive formal approval from the Principal/Accounting Officer.

4. Prohibition of Second-Level Subcontracting

Subcontractors must not further subcontract any element of provision without:

- Prior written approval from the College; and
- Explicit compliance with DfE funding rules.

Where permitted, the College will retain full accountability for all delivery.

5. Due Diligence and Subcontractor Selection

The College will undertake robust and documented due diligence before entering into any subcontracting arrangement. This will include, but not be limited to:

- Financial health and sustainability checks
- Review of Ofsted judgements (where applicable)
- Quality performance and achievement rates
- Experience and capacity to deliver provision
- Safeguarding, Prevent, and equality policies
- Governance and management arrangements
- References and track record

Only subcontractors that demonstrate the capacity to deliver high-quality, compliant provision consistent with the College's values will be approved.

6. Contracting Arrangements

A formal written contract must be in place before any delivery commences. Each contract will include:

- Clear description of provision to be delivered
- Contract value and duration
- Funding arrangements and payment terms
- Requirements for data submission (including ILR)
- Compliance with DfE funding rules
- Requirements to comply with College policies (including safeguarding and sexual harassment)
- Access for audit, monitoring and inspection
- Termination provisions for non-performance or non-compliance

7. Oversight, Quality Assurance and Support

The College retains full accountability for all subcontracted provision.

The Corporation provides strategic oversight of subcontracting activities and will:

- Approve the subcontracting policy and any material amendments;
- Corporation oversight of subcontracting activities through the Quality & Curriculum committee;
- Scrutinise the extent of subcontracting to ensure it remains appropriate, proportionate, and aligned to the College's strategic objectives.

The College will implement a comprehensive programme of operational oversight, including:

- Regular quality assurance visits;
- Observation of teaching, learning and assessment;
- Verification of learner eligibility and existence;
- Learner and staff interviews;
- Monitoring of performance against KPIs;
- Review of documentation and compliance records.

The College will ensure all provision meets DfE funding rules and required standards.

Support provided to subcontractors includes:

- Contract management by the Director of Finance
- Quality assurance and improvement support from the Vice Principle of Quality
- Administrative support for ILR data submission
- Guidance on safeguarding, equality and compliance
- Access to training and development where required.

8. Data Management and Funding Claims

The College will:

- Submit Individualised Learner Record (ILR) returns to the DfE;
- Ensure all funding claims are supported by valid, auditable evidence;
- Only claim funding for eligible, compliant provision;
- Retain responsibility for accuracy and completeness of data.
- Ensure all collection, processing, storage, and sharing of learner data complies with UK GDPR, the Data Protection Act 2018, and College data protection policies.

9. Fees, Charges and Retained Funding

The College will retain a portion of funding to cover the costs of managing subcontracting arrangements.

Fee structure

Retained funding typically covers:

- Contract management
- Quality assurance and monitoring
- Administration and data management
- Training and support activities

Retention levels

The College will typically retain 15% to 20% of funding;

Actual retention will vary depending on:

- Level of support required

- Risk profile of the subcontractor
- Type and complexity of provision

All fees will be:

- Transparent
- Proportionate
- Justified in relation to services provided
- Agreed within the contract

The College reserves the right to claw back funding where there is under-delivery or non-compliance.

10. Payment Terms

The College will pay subcontractors in accordance with contract terms, subject to:

- Delivery of eligible, approved provision;
- Submission of valid invoices;
- Availability of supporting audit evidence.

Payments will:

- Be capped at the contract value;
- Be made within 28 days of receipt of a compliant invoice;
- Reflect actual delivery and funding earned.

11. Transparency and Publication

In line with DfE requirements, the College will publish annually on its website:

- Total value of subcontracted provision;
- Amount of funding retained;
- Rationale for subcontracting;
- Summary of services provided to subcontractors.

This policy will also be shared with all subcontractors prior to contract agreement.

12. Subcontracting Standard Compliance and Audit

Where required (e.g. subcontracting $\geq$ £100,000), the College will:

- Complete the DfE Subcontracting Standard self-assessment;
- Obtain an independent external assurance report;
- Submit required documentation to the DfE within prescribed deadlines.

The College will maintain robust systems and controls to meet the Subcontracting Standard requirements and ensure effective oversight of subcontracted provision.

13. Communication with Subcontractors

Prior to entering into a subcontract, the College will ensure subcontractors are informed of:

- The rationale for subcontracting;
- Services provided and associated costs;
- Fee retention and how it is calculated;
- Payment arrangements and timelines;
- Compliance requirements and expectations.

Any changes to this policy will be communicated at least 30 days in advance.

14. Review of Policy

This policy will be reviewed annually by Corporation.

Where there are changes to DfE funding rules or subcontracting requirements, these will take precedence over this policy.

This Policy was approved by the Corporation of West Herts College on 8 July 2026