Subcontracting Delivery Policy 2026/2027

Summary of Policy:
This policy sets out how Gateshead College engages with subcontractors to deliver education and training provision and the associated fees and charges to be applied

Policy Owner	Director of Business Development & Innovation
Date of origin	To commence 1 August 2026
Approval Body	Gateshead College
Date of Approval	July 2026
Date of Review	July 2027

1.0 Introduction and Scope

1.1 Gateshead College engages with subcontractors in order to fulfil the College's strategy.

1.2 This Policy sets out the framework for the rationale, delivery and charges of subcontracted provision and has been written in accordance with:

- The Department for Education Subcontracting standard February 2026
- The North East Mayoral Strategic Authority (NEMSA) ASF Funding and Performance Management Rules 2026/27

1.3 All subcontractors sign up to the College's core values of respecting others, taking responsibility, have courage, be creative and working together and subcontracting is in line with the College's strategic aims.

1.4 This Policy will be reviewed on an annual basis and approved for adoption and publication by Gateshead College Board.

1.5 The DfE have confirmed the definition of a subcontractor as "A separate legal entity or an individual that has an agreement (called a subcontract) with you to deliver any element of the education and training we fund.

A separate legal entity includes companies in your group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed or employed by an agency unless those individuals are working under your direct management and control in the same way as your own employees".

2.0 Disclaimer

Gateshead College reserves the right to amend its subcontracting arrangements at any time in accordance with the requirements of the Funding Bodies and the terms and conditions contained in any contracts for sub-contracted provision.

3.0 Policy Details

3.1 Gateshead College will seek to subcontract with like-minded supply chain partners in niche sectors and to fulfil any gaps in geographical coverage to meet the needs of our learners, employers and funders. We will work with supply chain partners who can complement our existing provision and offer quality driven, industry-recognised qualifications and services to support learners, participants and employers, which aligns to our corporate and operational strategies.

3.2 Specifically Gateshead College enters into contracts to support education and training where one or more of the following principles apply:

- The qualification or programme is not available as part of the college direct curriculum offer
- To contract expert teaching and resources in a cost-effective manner

- To deliver provision which engages hard to reach learners e.g. not in employment, education or training (NEETs) with the ultimate aim of progression into employment or mainstream education
- To widen the range and scope of provision offered by the College in terms of engagement, retention and progression opportunities
- Where expertise is available in terms of niche delivery or facilities
- Where utilising subcontractors to complement College delivery of apprenticeships is requested by an employer
- To increase mutual referral opportunities between the College and its subcontractor
- To share best practice in teaching and learning
- To support employers with a wide geographic operation
- To provide employer choice and meet diverse needs of employers
- To support the North East Combined Authority areas of strategic importance within its growth plan
- Support an entry point for disadvantaged groups
- Support individuals who share protected characteristics, where there might otherwise be gaps

3.3 Each contract will clearly identify the College's reason for entering into a subcontracting arrangement.

3.4 Gateshead College primarily supports subcontracted provision within the North East region, exceptionally, extending nationally to support employers' operations and funding agencies' specific requirements.

3.5 The College undertakes consultation with employers, regional stakeholders, curriculum leaders and funding authorities, together with labour market intelligence and curriculum planning research, to determine whether subcontracted provision is required to meet identified skills needs, expand learner access, provide specialist expertise or support delivery in priority sectors.

The business and operational objectives of subcontracting are to enhance learner outcomes, increase participation in strategically important curriculum areas, respond to regional and national skills priorities and secure value for public funding.

In line with Department for Education (DfE) expectations, the College will continually review the necessity of all DfE subcontracted provision and will seek to reduce its reliance on subcontracting over a three year time period where delivery can be brought in-house without adversely affecting learner opportunity, quality, employer responsiveness or strategic objectives.

3.6 The College will ensure all subcontracting arrangements are procured through a transparent, fair and robust process that complies with relevant procurement legislation, DfE funding rules and the Subcontracting Standard.

The procurement process will normally include a formal Invitation to Tender (ITT), objective assessment of tender submissions against predetermined quality, capacity, capability, financial and value-for-money criteria, and documented approval of recommendations. Where permitted under procurement regulations and appropriate to the circumstances, the College

may utilise a Voluntary Ex Ante Transparency (VEAT) notice to support the procurement approach and ensure transparency of decision-making.

4.0 Exemptions to the Policy

4.1 Gateshead College will also be subcontracting the end-point assessment to Apprentice Assessment Organisations. Responsibility for selecting Apprentice Assessment Organisations and the fee negotiation lies with the employer.

4.2 Whilst Gateshead College shall be responsible for the payment of the fees, subcontracting to Apprentice Assessment Organisations shall, therefore, be exempt from this policy.

4.3 Should the employer ask Gateshead College to help with the selection of an Apprentice Assessment Organisation, Gateshead College will comply with the College's Financial Regulations to procure the Apprentice Assessment Organisation for the employer and negotiate the fee.

5.0 Services provided

5.1 The College invests resources in supporting subcontracted partners to improve the quality of teaching and learning and ensures that the expectations set for the quality of provision are met at all times.

5.2 Management and administrative resources and support are dedicated to ensuring Gateshead College and subcontractors meet all compliance and regulatory funding and performance rules from Funding Bodies.

5.3 All awarded contracts are managed by staff who have clearly defined roles, including a senior responsible owner (SRO) and contract manager. Professional contract management guidance will be developed with the College's procurement officer, or identified from external sources, and made available to contract managers.

5.4 The contractual agreement outlines the roles and responsibilities for both parties. The College undertakes a regular performance review with each subcontractor to measure performance against contractual KPIs and agrees support requirements which can include the following:

- **Subcontracting Management**
  Gateshead College staff are responsible for the procurement, contract compliance and supporting the operation and monitoring of all subcontracted provision

- **Quality Assurance**
  To ensure that all subcontracted provision is of the highest quality, all subcontractors will be included in Gateshead College's Quality Assurance Cycle and will be guided and supported by the College to follow this process

- **Management Information and learner data**

Timely monitoring, checking and processing of ILR data including regular communication and/or meetings with the Funding & Data Manager and Director of Business Development to ensure completeness and accuracy of ILR data and payments

- **Supporting improvements in quality of Teaching, Learning & Assessment**
  A dedicated Quality Reviewer to support and mentor subcontractor staff to improve teaching and learning practice. In line with internal department practice, all subcontractors are subject to annual Teaching, Learning & Assessment Reviews against the Ofsted grading framework and ESIF programme requirements. Observation feedback is recorded and used to inform staff development

- **Subcontractor CPD Programme**
  A programme of events and information is in place to support the CPD of subcontractors' staff. The primary focus is improving teaching, learning and assessment, as well as discussion of key issues facing the sector, for example, Ofsted requirements, funding changes, the sharing of good practice amongst partners and key policy drivers such as the Prevent Agenda, Bribery & Corruption and Designated Safeguarding Lead Training

- **Support with English & mathematics**

  The College will support subcontractors in providing opportunities for learners to gain relevant GCSE qualifications where appropriate. Specialist support is also available to assist with English and maths development, including joint delivery.

- **Funding and Audit Guidance**
  Assistance with interpretation of funding rules for all types of provision and liaison with regard to audit evidence and other Funding Body compliance requirements

- **Learner Services Provision**
  Comprehensive support for Initial Advice & Guidance and progression links to and from subcontracted provision. The College can administer bursary payments and other appropriate welfare resources on behalf of subcontractors

- **Internal Audit**
  Regular review by the College's Internal Audit team to ensure that operation of subcontracted provision is in line with College procedures.

- **College Campus Facilities**
  Subcontractors may be offered use of the College campus facilities for College funded learners.

5.5 Subcontractors are given key contacts at the College for any issues relating to the contractual or curriculum aspects of the delivery.

5.6 Should either party need to withdraw from the contract, the subcontractor must agree to co-operate fully with Gateshead College to ensure there is

continuity of learning for the learners. All learner details, files, paperwork and/or electronic records will be passed to Gateshead College immediately.

6.0 Selection, Due Diligence and Appointment Process for Subcontractors

6.1 The College's selection and appointment process for subcontracted provision complies with NEMSA/DfE Funding Rules and meets Public Procurement Regulations.

6.2 The College undertook an external procurement process to ensure sub-contractors were selected fairly and have sufficient capacity, capability, quality and financial standing to deliver the contracted services.

6.2 A comprehensive due diligence process is completed, covering the potential subcontractors' organisational policy and practice in key areas such as health and safety, quality assurance, data management, capability of staff, financial standing, equality and diversity and assurance that extremist organisations are not funded through subcontracting on an annual basis.

6.3 Formal approval of subcontracting arrangements or variations to existing contracts is undertaken by the Principal.

6.4 The College ensures that there is in place a legally binding contract with each subcontractor before delivery commences, that includes terms specified in the Funding Rules.

6.5 The College will ensure there are well defined policies and processes and a clear contract management plan which will determine how the contract will work once it has been awarded, with a focus on outputs and a "whole life" approach to performance.

6.6 The College will ensure there are appropriate processes and procedures in place to ensure that contracts are closed and/or terminated efficiently.

6.7 The College will have clear processes in place to handle operational problem resolution and resolve issues as quickly as possible

7.0 Management Fee and Charges 2026-27

7.1 Before a subcontractor relationship is agreed, the College agrees a detailed list of costs for managing the subcontractor, outlining specific costs for quality monitoring activities and other support activities listed above, as well as ensuring that the costs claimed by the subcontractor are reasonable and proportionate to the delivery of teaching or learning and how each cost contributes to delivering high quality learning.

7.2 The management fee retained by Gateshead College is either calculated as a percentage of the total contract value or fixed fee and agreed with the subcontractor, which is reviewed and published on an annual basis on the College website.

7.3 This will include a list of specific costs, which are reviewed by the Deputy Principal to ensure they are reasonable and proportionate, for managing the

subcontractor to ensure contribution to delivering high quality teaching, learning and assessment including:

- For quality assurance and oversight
- For administrative functions such as data returns
- For mandatory training delivered to subcontractor staff
- For under delivery or other reasons

7.4 The management fee for subcontracted work has been set at 20%, where a percentage of the contract value is used.

7.5 Any variations to this management fee are agreed on a contract and case by case basis and will be undertaken by negotiation and agreement of both parties. Any variation will be dealt with following the College's financial regulations.

8.0 Payment Terms

8.1 Payments to subcontractors are calculated as a percentage of the funding generated by actual activity recorded in Gateshead College's Individual Learner Record (ILR) up to the maximum contract value or a fixed value.

8.2 Payments are calculated on a monthly basis and based on actual funding generated, the management fee, any audit hold-back (see 8.4) payments to date and the delivery of agreed services in accordance with the contract.

8.3 For any funding to be generated for a given month, subcontractors are required to submit enrolment and achievement evidence to ensure that data is processed by Gateshead College in time for the monthly ILR return and subsequent funding calculation.

8.4 Where there is evidence of non-compliance with the conditions of the Contract, or this policy, or related issues or concerns, Gateshead College reserves the right to withhold payment until conditions are fully met.

8.5 If there are any concerns about impact on the outcomes of external or internal audit, Gateshead College reserves the right to withhold 5% of payments due to the subcontractor as audit hold back or clawback where there is under delivery or for other reasons. This audit hold back will be paid to the subcontractor at the end of the financial year, subject to submission of all evidence and successful audit outcome.

9.0 Monitoring Arrangements and Annual Cycle

9.1 Subcontractors are reviewed against a range of performance criteria and to ensure high-quality delivery is taking place that meets the Funding Rules.

9.2 Regular monitoring visits are undertaken at subcontractor premises and within College. Visits to review provision may include unannounced and short notice visits and will involve observation and assessment of teaching and learning practice, discussion with staff and learners and review of documentation.

9.3 The College sets high expectations for the quality of provision and minimum levels of success are prescribed in the contract. Notices to improve may be issued where the quality of provision does not meet requirements and where there are serious concerns recruitment will be suspended.

9.4 Each subcontractor, where appropriate, is required to prepare and submit an annual Self-Assessment Report and Quality Improvement Plan meeting College requirements and reflecting the Ofsted Framework.

10.0 Policy Dissemination and Review

10.1 This Subcontracting Delivery Policy will be made available to all Gateshead College staff through the Staff Intranet and for existing and potential subcontractors, and all external stakeholders, on our website *https://www.gateshead.ac.uk/about-us/publications-and-foi*

10.2 All potential subcontractors will be made aware of this policy as part of any subcontracting tendering process.

10.3 This policy will be reviewed annually by Gateshead College Leadership Team to ensure it reflects any changes in Funding Rules and Requirements.

10.4 This Policy will be presented to Gateshead College Board on an annual basis for their review and approval.

10.5 Gateshead College will publish the actual level of funding paid and retained for each subcontractor annually on Gateshead College website.

10.6 Subcontracting arrangements will be outlined in the College's Subcontractor Declaration Form which is submitted to the DfE at least twice in an academic year.