



Subcontracting (Fees and Charges) Policy

New College Durham is committed to safeguarding and promoting the welfare of vulnerable groups and expects all staff and volunteers to share this commitment.

New College Durham

Subcontracting (Fees and Charges) Policy

We will consider any request for this policy to be made available in an alternative format.

We review our policies regularly to update them and to ensure that they are accessible and fair to all. All policies are subject to equality impact assessments. Equality Impact Assessments are carried out to see whether the Policy has, or is likely to have, a different impact on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation, or human rights.

We are always keen to hear from anyone who wants to contribute to these impact assessments, and we welcome suggestions for improving the accessibility or fairness of the procedure.

To make suggestions or to seek further information please contact:

Vice Principal Business Development Productivity and Apprenticeships

Telephone: 0191 375 4000

Procedure Title	Subcontracting (Fees and Charges) Policy
Document Owner	Vice Principal Business Development, Productivity & Apprenticeships
Owning Directorate	Curriculum
Owning Department	Curriculum

Directorates and Departments affected by this Procedure	Business Development Unit
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Effective from August 2026

1. Scope

This paper seeks Corporation approval for the updated Subcontracting (Fees and Charges) Policy for the 2026–27 academic year.

The policy has been reviewed to ensure compliance with current funding rules and to reflect changes in the external funding landscape, alongside alignment to the College’s Subcontracting Strategy (2026–2031).

2. Context

Subcontracting forms part of the College’s wider approach to delivering high-quality, inclusive and employer-responsive provision that supports regional economic growth and workforce development.

The updated policy reflects a significant shift in approach. Subcontracting is no longer used at scale, but as a targeted, strategic intervention used only where it demonstrably adds value.

Subcontracted provision is now expected to:

- Align fully with Local Skills Improvement Plan (LSIP) priorities and devolved authority requirements
- Focus on priority sectors, including engineering, construction, health, digital and green industries
- Deliver measurable progression into employment or higher-level learning
- Support access for disadvantaged and underserved groups

This ensures subcontracting contributes directly to the College’s Accountability Agreement, Adult Skills Strategy and regional skills priorities.

3. Overarching Principle

The College will use its supply chain to optimise the impact and effectiveness of delivery. To achieve this the College will therefore ensure that:

- Supply chain management complies with sector best practice, including LSIS guidance
- Procurement processes are fair, with robust due diligence undertaken on all

subcontractors

- Funding retained by the College reflects the costs of services provided and is transparent and proportionate.

4. Rationale for Subcontracting

The College engages with subcontractors to better meet learner and employer needs. This may include:

- Providing immediate provision whilst expanding internal capacity. This may include working with subcontractors to explore and learn about new or specific sectors prior to investing in resources.
- Engaging access to new customers or employer groups.
- Delivering externally funded projects in line with required profiles.
- Providing niche or specialist delivery where direct provision is not viable
- Responding quickly to emerging employer needs
- Supporting employers with geographically dispersed requirements
- Maintaining continuity where funding arrangements change

5. Quality Assurance

Subcontracted provision is a fundamental part of the College's overall delivery and is fully integrated within established quality assurance processes. The College is responsible for ensuring that all subcontracted activity meets the same high standards expected of directly delivered provision.

The quality of subcontracted provision is monitored through robust and consistent processes, including ongoing performance management and regular review. Subcontractors are fully incorporated into the College's Self-Assessment Report (SAR) cycle, ensuring that their performance contributes to the College's overall evaluation of quality and continuous improvement.

The College adopts a collaborative approach to quality enhancement, working closely with subcontractors to share effective practice and support improvements in teaching, learning and assessment. This ensures that all provision, regardless of delivery model, contributes to high-quality learner experiences and strong outcomes.

6. Publication of Information Relating to Subcontracting

In compliance with the DFE the College will publish its subcontracting fees and charges policy on its website before the start of each academic year. The actual level of funding paid and retained for each delivery subcontractor will be communicated to the DFE manager in line with instructions outlined within the Funding and Performance Management Rules.

7. 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 subcontractors will be directed to it as the starting point in any relationship. Current subcontractors will be signposted to the policy prior to commencement of any contract, and it will be routinely discussed as part of the contract review process. Details of policy location can be found within the standard College contract. Reasons for subcontracting will be clearly outlined to the subcontractor and can be evidenced within the procurement process.

8. Fees and Charges 2026/27

The College applies a transparent and proportionate approach to fees and charges, ensuring that retained funding reflects the actual cost of managing and supporting subcontracted provision. The standard fee of up to 30% represents the comprehensive range of services required to ensure quality, compliance and strong learner outcomes across the supply chain.

The level of support provided to each subcontractor will be determined based on need and risk, and will be clearly agreed prior to the commencement of delivery. All fees will be reasonable, justifiable and aligned to the delivery of high-quality provision.

The fee retained by the College covers a range of support activities, including:

- Curriculum planning and development support
- Access to named College staff for contract performance, quality, compliance, data and finance
- Regular performance review meetings and quality improvement visits
- Staff development and training, including safeguarding, data protection, funding rules, health and safety, Ofsted updates and teaching and learning improvement
- Access to College systems and learner support platforms
- Monitoring of teaching, learning and assessment, including formal observations
- Support with self-assessment and quality improvement processes

While the standard fee is up to 30%, the actual fee applied may vary depending on the level

of risk associated with the subcontractor. This will be determined through due diligence and ongoing performance monitoring.

Factors influencing variation in fees may include:

- Previous performance and track record
- Achievement and success rates
- Type and complexity of provision
- Employer and learner profile
- Contract duration and scale of delivery

All fee arrangements will be clearly documented within contracts and agreed in a fair and transparent manner, ensuring value for money and alignment with College and funding body expectations.

9. Payment Terms

These will be set out within the contract for delivery and are specific to provision type, and funding source including, DFE and combined authorities.

Prior to start of delivery, subcontractors will be issued with a payment schedule detailing the College payment dates in relation to paperwork evidence and ILR submission dates.

10. Policy Review

The effectiveness of this document will be monitored annually and reviewed every year in response to funding rules and sector best practice.

Implementation Date	August 2026
Review Date	March 2027