



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

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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

Procedure Effective From	August 2025
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New College Durham

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Effective from August 2025

1. Scope

The policy applies to all supply chain activities supported with funds supplied by the Department for Education, Mayoral Authorities and other funding bodies.

2. Context

The policy is a mandatory DFE requirement which has been in place since August 2015. All Providers participating in any subcontracting activity must have their policy displayed on their website. The content of this policy has been developed in line with AoC/AELP Common Accord, the DFE Funding rules and the LSIS Supply Chain Management document.

3. Overarching Principle

The College will use its supply chain to optimise the impact and effectiveness of service delivery to the end user. The College will therefore ensure that:

- Supply chain management activities comply with the principles of best practice in the skills sector. They will be guided by the principles given in the LSIS publication Supply Chain Management - a good practice guide for the post-16 skills sector.
- The College will always undertake fair procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels, and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on learner lives.
- The 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 to by all parties. The rates of such retained funding will be commercially viable for both the College and the sub- contractor and will be negotiated and agreed in a fair and transparent manner. They will be proportionate to the actual services being provided.

- Contract documents will require both parties to agree that the achievements of our supply chain 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 our supply chain will be conducted in good faith in accordance with the Overarching Principle.

4. Rationale for Subcontracting

The College engages with subcontractors to better meet customer needs. Reasons are varied and will include:

- To provide immediate provision whilst expanding direct capacity. This might include working with subcontractors to explore and learn about new or specific sectors prior to investing in resources.
- Providing access to or engagement with a new range of customers/employers.
- To ensure delivery of Externally Funded projects is met in line with monthly profiles.
- To provide niche delivery where the cost of developing direct delivery would not be practicable (eg due to initial/maintenance cost, short term or low volume demand, challenges of engaging skilled trainers etc).
- To efficiently meet emerging and urgent training needs of employers, because of the existing volatile economic environment.
- To support employers with a wide geographic requirement.
- To maintain continuity of business where the funding source has changed.

5. Quality Assurance

Subcontracted activity is a fundamental part of the College's provision as defined within its Subcontract Strategy. The quality of the provision will be monitored and managed through the existing College QA processes and procedures which fully encompass all subcontracted activity.

This policy positions sub-contracted provision as a core part of College activity to enable continuous improvements in the quality of teaching, learning and assessment for both the College and its subcontractors. This will be achieved through the sharing of effective practice across the supply chain, for example, through the Self-Assessment Report process.

6. Publication of Information Relating to Subcontracting

In compliance with DfE requirements (which have subsumed the responsibilities of the former ESFA) 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 ESFA manager in line with instructions outlined within the Funding and Performance Management Rules 2025/26.

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 2025/26

The standard College quality and compliance support fee is up to 30% of all funding drawn down against the provision to be delivered. This figure represents the total cost that the College incurs in effectively identifying, selecting, and managing all subcontracted provision. This includes all aspects of quality assurance to ensure subcontractors are supported in delivering high quality teaching, learning and assessment to maximise high achievement rates.

The focus of support will be determined for each subcontractor based on need and will be clearly communicated to subcontractors prior to commencement of delivery. The College will ensure that all costs are reasonable and proportionate to delivery and ensure that costs contribute to delivering high quality learning. Details of specific costs and how these are reasonable and proportionate will be outlined within each subcontractor's contract for delivery.

The support subcontractors will receive in return for the fees charged includes:

- Curriculum planning advice.
- Access to named support staff - contract performance, quality, compliance, data and finance.
- Regular site visits and meetings - performance and quality improvement.

- Training for all staff including safeguarding, data protection, funding, health & safety, Ofsted updates and TLA improvement sessions.
- Access to relevant learner support systems (e.g. BKSb, online platforms).
- Comprehensive, personalised support to ensure compliance with funding rules.
- Regular Teaching and Learning observations.
- Quality Improvement guidance and support with self-assessment process.

The rationale used to determine any different fee other than the standard College management fee will be based on a level of risk. These factors will be assessed using a range of measures detailed as part of the procurement and due diligence process prior to commencement of the contract. The contributory risk factors that would result in differences in fees charged for, or support provided to, different subcontractors will include:

- Previous track record
- Achievement levels
- Type of customers/employers to be engaged
- Type of provision to be undertaken
- Contract duration

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 devolved local 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 2025
Review Date	March 2026