



# Sub-Contracting Policy:

including retained fees and charges

## 2025/26

Document History			
<b>Author</b>	Mary Beaumont	<b>Ref and Document Version</b>	Subcontracting Policy 2024/25 V2_MB100924
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## Introduction

This policy statement, which is renewed annually, details the Colleges strategic rationale for subcontracting and sets out the rules, expectations and responsibilities applying to the College and its subcontracted providers, enabling the effective and efficient management of the subcontract with a focus on quality.

The Chief Executive Officer will be responsible for the overall implementation of the Subcontracting Policy and will inform all subcontractors of the policy.

Once reviewed, the updated policy will be published on the College's web site by 31 October each year.

The College's strategic ambitions are to:

1:	Be recognised as an outstanding and ambitious College with a high reputation in the delivery of provision for all students, with particular expertise for students with special educational needs and disabilities
2:	Develop confident students who leave the College with the knowledge, skills, qualifications, behaviours and values that enable them to gain employment and become fully active citizens
3:	Be a financially strong and sustainable organisation that is an essential and influential partner in achieving the priorities of the Liverpool City Region
4:	Be recognised as a positive employer that values and rewards its staff
5:	Be recognised as an outstanding national, regional and local provider of physical education, sport and leisure with a key focus on providing choice and opportunity for people who have a disability

## Rationale for subcontracting

Greenbank's main purpose for subcontracting will be to diversify and extend its offer and capacity to learners. In line with the Greenbank's unique character the College will work with providers who can enhance the opportunities available through:

- Meeting gaps in provision for learners with high needs and/or Education Health and Care Plans to become more independent and employable
- Providing enhanced opportunities to engage young people who are not in education, employment or training (NEET), through wider geographical access
- Offering wider choice in sports provision for people who have a disability
- Meeting the education and training priorities and gaps identified by the Liverpool City Region

In approving any sub-contracted provision, the Board will consider:

- Whether the proposed delivery is in the best interests of learners and employers
- If the proposed delivery has a clear strategic fit with the organisations mission, objectives and values
- The capacity within Greenbank to quality assure the provision
- The sufficiency of staff resource in support areas to administer the process
- The risk involved in working with subcontractors
- The reputation of the proposed subcontractors
- The result of due diligence as it applied to each potential subcontractor
- The recruitment area of the learners
- Whether the subcontractor has agreed to work within the terms of our contract.
- Whether there is sufficient funding available and the overall financial volume of subcontracting as a proportion of the College's public funds
- Any matters of conflicting interests (for example common directorships)

The College's rationale for subcontracting, the list of subcontracting partners and the management fee structure is updated on the College's web site by 31 October each year. The College's annual subcontract plan will be submitted to DFE by December 31 each year for their information and approval. Following guidance on subcontracting issued by DFE in June 2020, Greenbank ensures that the nature and volume of its subcontracted provision meets the required thresholds.

From the 2022-23 funding year onwards Greenbank's subcontracting in any given funding stream will only be up to 25% of that funding stream (in line with DFE rules) unless the express permission of DFE has been sought and granted via an exemption case.

## **Due diligence and procurement**

The overall purpose of due diligence is to ensure that subcontractors are of high quality and present a low risk to public funds.

Greenbank will comply with current and relevant procurement regulations. Greenbank will ensure that subcontractor(s) are selected fairly, transparently and without discrimination and have sufficient capacity, quality and business standing to deliver the provision that is being subcontracted.

The process of due diligence will be undertaken annually and is refreshed/updated on an annual basis for each continuing, new or potential subcontractor.

Information requested complies with DFE and other appropriate funding requirements including the DFE 'Assurance review of subcontracting standard' (August 2022).

[https://assets.publishing.service.gov.uk/media/62fcb71fe90e0703e5f020e7/Assurance\\_reviews\\_of\\_the\\_subcontracting\\_standard\\_for\\_post-16\\_providers.pdf](https://assets.publishing.service.gov.uk/media/62fcb71fe90e0703e5f020e7/Assurance_reviews_of_the_subcontracting_standard_for_post-16_providers.pdf)

This mitigates the risk of:

- inadequate (contract) management of subcontractors
- non-compliance with DFE funding rules by subcontractors; and
- fraudulent and incorrect funding claims

Financial due diligence is overseen by the finance team and quality and policies related to due diligence is overseen by the Board of Trustees. Each subcontractor will be expected to be on the UKPRN list and recorded as active on the Companies House Register.

When appointing subcontractors Greenbank will take steps to avoid conflicts of interest, and will notify the Chief Executive of the DFE, in writing, about any circumstances (for example, common directorships) which might give rise to an actual or perceived conflict of interest.

#### **Due diligence checks:**

<b>Financial/legal checks</b>	
UKPRN listing	Essential
Active status on the Companies House Register (for registered companies)	Essential
The subcontractor can demonstrate the financial ability to deliver the requirements of the subcontract through a financial health assessment as set out by the DFE in "Financial health guidance for organisations contracting with or applying to DFE"	Essential
The potential subcontractor is not designated as high risk under the criteria set out by the DFE's "Funding higher risk organisations policy"	Essential
The absence of any subcontracts with other organisations (if found the College will take the actions listed in Subcontracting Funding Rules published June 2025).	Essential
Absence of brokers to secure learners and funding	Essential
Geographical location of learners	Essential
The absence of any intention to pass down public funding to any other party including the inadvertent funding of extremist organisations.	Essential
Absence of any appointment of Administrators or any order or resolution to wind up or liquidate the company	Essential
Financial credit rating must not exceed average risk	Essential
The submission of at least 3 years of annual accounts	Desirable
Information Commissioner registration	Essential
Professional indemnity, employers' liability and public liability insurance (each of minimum £1 million and provided by an authorised insurer listed on the Financial Conduct Authority Register)	Essential
References (where Greenbank has not previously worked with a provider)	New providers

<b>Health and Safety</b>	
Compliance with health and safety requirements as detailed by the annual health and safety compliance check to include at least all insurances and policies as applicable	Essential
<b>Policies</b>	
Statement of intent - the rationale behind the subcontract	Essential
Safeguarding (children & young people/ vulnerable adults, as applicable)	Essential
Prevent	Essential
Information Governance/ data protection	Essential
Financial policy and procedures (anti-fraud)	Essential
Whistleblowing	Essential
Equality & Diversity	Essential
Sustainable development / Environmental Policy	Essential
Complaints	Essential
<b>Quality</b>	
Quality standards held; <i>including previous Ofsted grades/reports (where applicable)</i>	Essential (where applicable)
Delivery staff skills, experience and qualifications	Essential
Awarding body registration(s)	Essential (where applicable)
Awarding body approval documentation (where relevant)	Desirable (where applicable)
External Verifier (EV) reports (where relevant)	Desirable (where applicable)
Self-Assessment and QIP	Essential for continuing contracts

Subsequent checks may also be conducted if appropriate including the acquisition of references, additional documentation and could include a due diligence visit to the subcontractor site.

Greenbank College will not award a subcontract if a legal entity:

- fails to meet the minimum criteria set out in the DFE's financial risk assessment
- falls under the DFE criteria for a high risk organisation
- has not submitted their first statutory accounts
- has overdue statutory accounts
- has an above average risk warning from a credit agency (credit rating of less than 3)
- has passed a resolution (or a court has made an order) to wind up or liquidate the company; or of administrators have been appointed
- has been prosecuted in regard to an accident, incident or related health and safety failing
- uses brokers to source learners and funding

- intends to pass down public funding to another party
- has an inadequate Ofsted Inspection Report (a grade 3 will lead to further checks that reasonable or good progress is being made against improvement plans)

Greenbank College will risk assess a subcontract if a legal entity:

- has not submitted at least three years annual accounts

If an existing subcontractor cannot meet or cannot continue to meet the minimum due diligence and financial health checks set out above, the College will suspend the right to recruit any new learners and may terminate an existing contract.

## **Contract**

Greenbank College will agree a legally binding contract with each subcontractor, signed by Greenbank's Chief Executive Officer and approved by the Board of Trustees. The contract is aligned to DFE Contracting and Funding Rules, including relevant provisions for the European Social Fund (ESF) and contains all the necessary terms as set out in the DFE Subcontracting Funding Rules 2025/26.

For mainstream DFE provision, a new contract will be issued each academic year, where the sub-contracting relationship continues following an annual check.

The College will share in writing the College's sub-contracting policy, discuss fees, details of the paperwork processes and partnership procedures for the academic year with all new and continuing partners at the start of 2025/26. The final decision to enter or continue a subcontract is made by the Chief Executive Officer with Board approval.

Greenbank College remains ultimately responsible for all provision that is sub-contracted and will make sure that learners and employers supported through subcontracting arrangements know about the College and the subcontractor's roles and responsibilities in providing the learning.

## **Management fees and charges**

Appropriate Greenbank College managers are accountable for the quality of subcontracted provision including quality, finance, data, health and safety, and safeguarding.

The College will retain up to a maximum 20% of the contract value for oversight and quality assurance. Other functions provided by the College covered by fees and charges include administrative functions such as data returns, activities that ensure all provision is delivered in line with DFE rules and mandatory training delivered to subcontractor staff. The College can also provide support and advice on matters such as awarding body certification, data quality, quality management, teaching, learning and assessment, performance monitoring, safeguarding, British values, Prevent and equality and diversity.

Payments will be made to sub-contractors, in arrears, by BACS transfer, within 30 days of receipt of a valid invoice for the agreed value. The only exceptions to this 30 day period would be a delayed payment by the DFE to Greenbank. Should there be a delay in DFE payment that is likely to delay payment to sub-contractors, Greenbank will contact sub-contractors at the earliest opportunity to inform them of the delay and advise on anticipated revised payment timescales.

Payment of sub-contractor's final financial claim/ invoice for each individual learning programme/ project may take longer than the above timescales, in line with DFE's contract closure and reconciliation processes.

## **Expectations and obligations**

The College will carry out its activities in line with the 16-19 Education: Funding Guidance published by the DFE <https://www.gov.uk/guidance/16-to-19-education-funding-guidance> and Subcontracting Funding Rules for post-16 education and training - June 2024 [https://assets.publishing.service.gov.uk/media/66697afc9d27ae501186db36/24-25\\_Subcontracting\\_funding\\_rules\\_for\\_post-16\\_education\\_and\\_training\\_excluding\\_apprenticeships\\_.pdf](https://assets.publishing.service.gov.uk/media/66697afc9d27ae501186db36/24-25_Subcontracting_funding_rules_for_post-16_education_and_training_excluding_apprenticeships_.pdf)

The College and its subcontractors will adhere to General Data Protection Regulations. All subcontractors are expected to adhere to current guidance as appropriate.

In addition, all subcontractors will carry out their activities in line with College policies for:

- Careers information advice and guidance (Matrix)
- Study programme design
- Safeguarding and Prevent
- Teaching, learning and assessment, including the use of ECHPs and /or ILPs to underpin learning
- Tracking of achievement rates
- Data protection
- Self-assessment and improvement planning

Appropriate policies and detailed documentation will be shared with subcontractors and performance against each expectation will be checked at the regular monitoring meetings. In addition to the subcontractors own procedures, the College will undertake audits, spot checks, observations, discussions and other activities to ensure learner existence and eligibility, the quality of teaching learning and assessment and that learning environments are safe and that learners are being kept safe within them.

## **Contract monitoring**

The College will contact and/or meet regularly with each subcontractor. Resulting actions are agreed for review at the subsequent contact or meeting. The College will ensure that staff with any direct or indirect financial interest with the subcontractor will play no part in monitoring activities.

Providers will have a monitoring meeting at least quarterly. Matters of concern may lead to more frequent monitoring and support, such as additional visits to the subcontractors premises, increased session observation, additional tutor training and increased compliance monitoring. Continuing significant concern may lead to contract variation or contract termination.

#### **Provider monitoring agenda (as appropriate to risk and the provision)**

<b>Progress against previous actions</b>
Progress against actions agreed at previous monitoring
<b>Targets, data, and finance</b>
Progress against target/ pipeline activity/ any action plans needed
DFE Progress/Pipeline Report
Learner existence and eligibility –outcomes of compliance/spot checks/audits on learner paperwork, e.g. registers, ILR, ILP and face to face interviews with learners and staff
Learner data analysis (e.g. enrolments, retention, achievement, progression). Data accuracy. Ensuring that learners meet eligibility criteria
<b>Safeguarding and Prevent</b>
Central record, incidents, outcomes, training
Health and safety, on-line safety
Prevent duty arrangements
<b>Curriculum</b>
Study Programme design and implementation (where applicable)
Guided learning hours, English and Maths
Use of EHCP plans, ILPs (where applicable)
Learning support/Careers information advice and guidance
<b>Quality/Teaching, Learning and Assessment</b>
Teaching learning and assessment; outcomes of observations/discussions. Learner feedback. Staff training. Progress against action plans.
Complaints
Progress against any improvement plans/self-assessment
<b>Value for money</b>
The College will also use its monitoring arrangements to check that costs claimed by a subcontractor are reasonable and proportionate to the delivery of their teaching and learning

## **Strategic Review**

In addition to provider monitoring activity, the College will also conduct a quarterly strategic review focusing on the overall performance of each of its subcontracts. The outcomes of each strategic review will be reported to the Board.



## Contingency for Termination of Contract

The College will enable the completion of learners where a subcontractor's contract has been terminated. The college will assess the best option, from those listed below, for completing the learners:

- Deliver the remaining programme as a prime provider using college employees or self-employed consultants.
- Seek a suitable alternative partner to deliver the remaining programme as a new or extended subcontracting arrangement.

The College will assess the best method based on variables such as employer location, learner location and the proportion of the programme left to complete.

## Subcontracting reporting and external audit requirements

The College will record subcontracted provision in line with the published guidance for the individualised learner record (ILR) data returns.

The College will submit a fully completed subcontractor declaration by the dates provided by DFE.

The College will update its subcontractor declaration if subcontracting arrangements change during the year.

The College will obtain an annual report from an external auditor if the aggregate total of all subcontractors delivering DFE funded provision exceeds or is anticipated to exceed £100,000 in any single funding year including delivery of any apprenticeships.

The College will supply DFE with a report and certificate signed by an external auditor that provides assurance on the arrangements to manage and control the Colleges subcontractors. The College will send DFE a copy of the external auditor's final report including the action plan of agreed recommendations and certificate  
All audits and resulting action plans will be reported to the Board.

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Agreed by Greenbank Board of Trustees

A handwritten signature in dark ink, appearing to read "Alan Irving", followed by a vertical line.

Dr Alan Irving, Chairman