

# **SUB-CONTRACTING PARTNERSHIP POLICY 2026-2027**

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Policy category:</b>  | Learners                          |
| <b>Approved by:</b>      | Policy Review Group, 03/07/2026   |
| <b>Policy owner:</b>     | Curriculum Quality Manager        |
| <b>Applicable to:</b>    | Staff and Subcontracting Partners |
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## Document Version Control – Revision History

| Section              | Summary of changes                                                                                                                                                  | Date updated |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 2.5                  | Summary updated to include all provision, rather than just apprenticeships                                                                                          | 03/07/2026   |
| 7.3 (bullet point 3) | Onsite visit requirements updated to reflect different provision types                                                                                              | 03/07/2026   |
| 14.1                 | Register of Training Organisation (RoTO) removed, no longer exists                                                                                                  | 03/07/2026   |
| Appendix 1           | Copy of most recent Ofsted report and Copy of most recent SAR requirements updated to align with new Ofsted grading                                                 | 03/07/2026   |
| Appendix 1           | Ofsted requirements updated to align with new Ofsted grading                                                                                                        | 03/07/2026   |
| Appendix 3           | Fees and charges “Please note that the subcontractor may incur the associated costs already paid by the lead provider for late cancellation of onsite visits” added | 03/07/2026   |

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## **Sub-Contracting Partnership Policy 2026 - 2027**

### **1 Introduction**

- 1.1 This policy statement, which undergoes annual review, outlines UCS College Group's rationale for engaging in sub-contracting partnerships for education, training, and assessment delivery. It explains the College Group's criteria for selecting suitable partners and outlines its strategies for managing and monitoring sub-contracted provision to uphold the delivery of high-quality education, training, and assessment. The College Group remains committed to avoiding subcontracting solely to meet short-term funding goals.

### **2 Policy Statement**

- 2.1 The implementation of this policy is mandatory and must be established prior to any engagement in sub-contracting activities commencing from August 1, 2026. Its content is developed in accordance with the Department for Education (DfE) funding rules, the College Group's financial regulations and the Subcontracting Standard as outlined in <https://www.gov.uk/government/publications/esfa-subcontracting-standard/esfa-subcontracting-standard#contract-development-andor-termination>.
- 2.2 The DfE defines a sub-contractor as an entity or individual engaged in a contractual and legally binding arrangement with a lead provider for the delivery of provision ultimately funded by the DfE. This policy primarily addresses 'provision sub-contracting,' where the College Group contracts out the delivery of provision funded by the DfE to another organisation (sub-contractor).
- 2.3 The College Group has collaborated with select sub-contractors and partners to deliver high-quality Teaching, Learning and Assessment (TLA). This collaboration has encompassed apprenticeship provision and responsive delivery to adults and 16-18 student's diverse settings, with the aim of engaging communities typically underrepresented in Further Education within the region and where we do not have the staff specialism or facilities etc.
- 2.4 In light of funding adjustments and an anticipated increase in directly delivered curriculum, the

College Group is committed to continually evaluating its sub-contracted provision with the goal of further reduction in 2026/27. Consequently, the College Group will prioritise engagement with sub-contractors initially approved by the Vice Principal TLA, Curriculum and Quality. After this initial approval, recommendations will be sought from the UCS College Group Executive Principal and then the Quality and Standards Committee before seeking final approval from the Board of Governors. These sub-contractors must:

- demonstrate consistent delivery of the highest quality TLA
- facilitate high levels of progression into employment or higher learning for students, with a particular emphasis on progression onto mainstream further and higher education courses provided by the College Group
- possess financial stability and can establish a sustainable relationship with the College Group
- have or are committed to adopting robust Quality Assurance (QA) processes that align with those implemented by the College Group
- have effective Safeguarding and Prevent practices in place
- work together with the College Group to uphold and create a safe learning environment and ensure effective implementation of Safeguarding and Prevent standards.

The College Group differentiates between sub-contractors and Managing Agents, although they share similar traits. Managing Agents, distinctively, are not directly funded by the College Group. Instead, they operate under service level agreements with the lead provider, assuming all risks regarding compliance and inspection. These partnerships are evaluated for strategic importance.

2.5 The College Group's delivery partnerships have recently primarily focused on enhancing opportunities for learners, particularly where there are gaps in niche or expert provision, supporting entry points for disadvantaged learners and better geographical access, whilst considering the impact on individuals who share protected characteristics. This has included the development of apprenticeship provision components where without support from external subcontracting partners delivery would not have been possible.

2.6 Oversight and approval of our sub-contracted provision is conducted by the Board of Governors through the Finance, Personnel and General-Purpose Committee via monthly management accounts and the Quality and Standards Committee who receive regular reports

on the quality and scale and of the sub-contracted provision. In 2026, the College Group commissioned RSM Risk Assurance LLP to review its management and governance of sub-contracted provision, incorporating the findings to enhance the effectiveness of management systems and controls.

- 2.7 The College Group endeavours to ensure that sub-contractors and delivery partners fully engage with its TLA Quality Assurance processes. In 2026/27, sub-contracted provision will continue to be subject to lesson observations in line with directly delivered programmes of study. The College Group will also work to ensure that, where appropriate, sub-contractors and delivery partners adopt its approach to self-assessment and quality improvement.

### **3 Scope**

- 3.1 This policy is applicable to all supply chain activities supported by funds provided by the DfE or any successor organisations.

### **4 Overarching Principle**

- 4.1 The College Group will utilise its supply chains to maximise the impact and efficiency of service delivery to the end user. Accordingly, the College Group will ensure that:
- a) supply chain management activities adhere to best practice principles in the sector and follow the DfE Sub-contracting rules
  - b) the College Group will consistently engage in fair and transparent procurement processes, conducting rigorous due diligence procedures on potential sub-contractors to ensure compliance with the Common Accord at all levels and to guarantee the provision of high-quality learning delivery that demonstrates value for money and a positive impact on student lives
  - c) the funding retained by the College Group will correspond to the costs of the services rendered. These services and the levels of funding retained for them will be clearly documented and agreed upon by all parties. The rates of retained funding will be commercially viable for both parties and will be negotiated and agreed upon in a fair and transparent manner.

In instances where disputes between supply chain partners cannot be resolved through mutually agreed internal resolution procedures, the College Group will resort to independent outside arbitration or mediation and will abide by its findings. Contract documents will require both parties to agree that the achievements of supply chains are realised through adherence to both the letter and spirit of contracts or partnerships. Signatories commit to conducting all discussions, communications, negotiations and actions undertaken to establish, maintain and develop supply chains in good faith in accordance with the Overarching Principle.

## **5 Definition of Sub-Contracting**

### **5.1 What is a Lead Provider?**

A lead provider is a college, college group, training organisation or employer that has a direct contractual relationship with the DfE. In the case of this document, UCS College Group is the lead provider.

### **5.2 What is a Sub-Contractor?**

A sub-contractor is a separate legal entity that has an agreement with the College Group to deliver any element of the education, assessment and training funded by the DfE or through Advanced Learning Loans. Sub-contractors may be informally called partners in the sector. However, for DfE purposes, they are classified as sub-contractors.

## **6 Rationale for Sub-Contracting**

6.1 The College Group strategically aims to minimise its engagement in sub-contracting activities. It prioritises utilising its funding allocations to directly support local students, employers and communities. This approach not only aligns with our core mission but also reduces the exposure to risks associated with poor performance by external organisations.

6.2 While the College Group gives precedence to direct delivery, it acknowledges the potential benefits that effective sub-contracting arrangements can offer in broadening the scope and accessibility of provision for students and employers. Sub-contracting may be considered in the following circumstances:

- when additional provision is required by existing employers or students beyond our

current scope or capacity

- when sub-contracting enables the fulfilment of short-term needs of students or employers without subjecting the College Group to the risks and costs associated with establishing new provisions
- when sub-contracting facilitates capacity-building in new sectors or territories, enabling the transition to direct delivery or the expansion of income streams such as Apprenticeship funding
- to supplement niche or specialised provision or provide improved access to training facilities that the College Group may not be able to adequately resource
- when the due diligence process identifies the selected provider as high-quality and low risk for the College Group
- to enhance opportunities for both young people and adults
- to improve geographical access for students
- to create entry points for disadvantaged groups
- to support individuals with protected characteristics and address potential gaps in provision.

## **7 Quality Assurance**

- 7.1 Sub-contracted activity constitutes an integral aspect of the College Group's provision. The quality of this provision will be diligently monitored and managed through the existing College Group Quality Assurance processes and procedures, which will be adapted to comprehensively encompass all sub-contracted activity.
- 7.2 This policy positions sub-contracted provision as a central component of the College Group operations, fostering continual enhancements in the quality of TLA for both the College Group and its sub-contractors. Achieving this objective will involve the dissemination of effective practices throughout the supply chain, facilitated, for instance, by the Self-Assessment Report (SAR) process.
- 7.3 As a minimum, the College Group will enact the following Quality Assurance measures with sub-contractors, adhering to the College Group's quality cycle and the 7-Ways process:

- conduct desktop checks and due diligence visits for new providers
- conduct annual due diligence reviews for existing providers
- conduct at least three Quality Assurance activities per year, comprising of at least one onsite visit for distance learning; at least three onsite visits for whole programme in person provision including face-to-face interviews with students and staff; and at least one onsite visit with face-to-face interviews with students and staff for provision of course or apprenticeship components. These visits will be both announced and unannounced or short notice
- perform three sample file checks, with at least one being a short notice sample
- conduct checks to ensure student eligibility and existence
- carry out observations of Information, Advice & Guidance (IAG), and TLA practices
- ensure that funding is used for its intended purpose and complies with guidelines for [Funding higher risk organisations and subcontractors](#) as outlined by GOV.UK.

7.4 The College Group will outline a programme for each visit, including:

- standard visit agenda
- short notice visit agenda
- quarterly contract management meetings with the relevant member of the Senior Leadership Team (SLT) or their representative, which may coincide with Quality Assurance visits
- annual surveys of students and, if applicable, employers
- annual audit of Management Information System (MIS) data, encompassing enrolment forms and attendance records
- annual review of student documents, including tracking records, reviews and Individual Learning Plans (ILPs)
- quarterly review of sub-contractor success rates, self-assessment processes and Quality Improvement Plans.

7.5 The College Group reserves the right to request the sub-contractor to undergo additional quality improvement measures, which may incur costs to the sub-contractor in accordance with the College Group's published fees. These measures may include:



- additional standard or short-notice visits
- additional surveys of student or employer perspectives
- lesson or assessor observations
- staff Continuing Professional Development (CPD)
- consultancy services from the College Group or external consultants.

## **8 Payments to Sub-Contractors**

- 8.1 Before the 19th of each month, the College Group will provide the sub-contractor with the DfE Funding Report for the previous month's activity, along with a purchase order. Subsequently, the sub-contractor will submit an invoice for the agreed percentage of the funding value as specified in the purchase order. Payments to sub-contractors will be made within 30 days of receipt of a valid claim for payment, submitted in accordance with the terms outlined in the individual sub-contractor agreement.

## **9 Publication of Information Relating to Sub-Contracting**

- 9.1 In accordance with the guidelines set forth by the DfE and other relevant agencies, the College Group will publish its sub-contracting fees and charges policy, as well as actual end-of-year sub-contracting fees and charges, on its website by October 31<sup>st</sup>. This disclosure will specifically pertain to 'provision sub-contracting,' referring to the sub-contracted delivery of full programmes or Standards.

- 9.2 The College Group will ensure that all current and potential sub-contractors have access to this policy and any pertinent documents, including the Fees and Charges Risk Factor Table. This table will encompass:

- the typical range of fees retained for sub-contractor management and the methodology behind this range calculation
- the rationale used to determine the level of fee retention, employing a risk-based approach
- contributory risk factors influencing variations in fees charged or support

provided to different sub-contractors, such as previous track record, success levels, customer demographics, type of provision and contract duration

- utilisation of risk bands to allocate College Group charges, with risk factors assigned scores to clarify sub-contractor classification. This process is designed to incentivise sub-contractors to improve and potentially reduce their risk band, leading to adjustments in funding allocation and support levels
- payment terms governing transactions between the College Group and sub-contractors, including payment timelines concerning provision delivery and invoice settlement
- the support mechanisms available to sub-contractors in exchange for the fees charged.

## **10 Communication**

- 10.1 This policy will undergo review each summer term and will be updated as necessary. It will be publicly available on the College Group website from the end of October for the academic year to which it applies ([www.ucscollegegroup.ac.uk](http://www.ucscollegegroup.ac.uk)). Potential sub-contractors will be directed to this policy as the initial point of reference in any prospective relationship.

## **11 The Fees and Charges Risk Factor Table 2026/27**

- 11.1 The standard management fee charged by the College Group is set at 20% of all funding drawn against the provision to be delivered. This percentage represents the comprehensive cost incurred by the College Group in effectively identifying, selecting and managing all sub-contracted provision. It includes the minimum level of Quality Assurance activity attached to partners posing the lowest possible risk in sub-contracted relationships.
- 11.2 Additional charges to cover supplementary costs may be added to the base 20% fee to address the College Group's expenses related to any additional support deemed necessary to ensure the quality of TLA, the overall student experience and the success rates of sub-contracted provision. These additional costs are determined

using a weighted table of risk factors, accessible to all actual and potential sub-contractors. The intention is to ensure that the expense of any extra support provided to a sub-contractor is covered through the retained funding. These costs will be reassessed and negotiated annually at contract renewal, allowing sub-contractors the opportunity to reduce fees through continuous improvement. This approach enables the College Group to focus support where and when it is most needed. Please refer to Appendix 2 for further details.

- 11.3 The management fee encompasses a range of services, including due diligence checks, regular Contract and Compliance Meetings throughout the year and Quality Assurance activities for activities such as IAG, TLA observations, both unannounced and announced visits, desktop audits, existence and eligibility checks, file audits, processing of data into the Individual Learner Record (ILR), standard CPD and training opportunities for sub-contractor staff (including Safeguarding and Prevent training) and access to the College Group Quality Assurance paperwork, policies and procedures.

## **12 Additional Support for Sub-Contractors**

- 12.1 The specific additional support provided to each sub-contractor will be negotiated individually, based on a 'risk band' approach. It may include additional site visits, lesson observations, tutor support and more rigorous verification processes. The risk band will be determined using the table provided in Appendix 2.

## **13 Additional Charges per Student**

- 13.1 The College Group may also retain funding to cover the cost of any funded activity undertaken on behalf of the sub-contractor, such as Awarding Organisation (AO) fees and charges, hiring of facilities/equipment within/from the College Group and Internal Quality Assurance (IQA), sometimes known as Internal Verification (IV).

## **14 How We Select and Appoint our Sub-Contractors**

- 14.1 The selection and appointment of our partner providers involves a thorough and

rigorous due diligence process. In choosing our partner providers, we consider the following criteria:

- reputation: partners may be recommended by employers or other Further Education (FE) Colleges/College Groups
- specialism: partners may offer specialised provision where alternatives are limited
- geographic location: preference is given to supporting local partners whenever possible
- sub-contractor business model quality measures: assessment based on various factors including Ofsted ratings, External Quality Assurance (EQA) reports, success rates and track record
- responsiveness: evaluation of the provider's ability to promptly meet the needs of our students and employers
- Safeguarding and Prevent Duty agendas: compliance with these requirements and assurance of student safety
- Modern Slavery: adherence to the College Group's commitment to combatting Modern Slavery within its own operations and supply chain. Sub-contractors are expected to comply with the College Group's Modern Slavery Statement and Policy
- potential conflicts of interest
- Disclosure and Barring Service (DBS) checks on all sub-contracting staff relevant to the contract
- listing on the Apprenticeship Providers and Assessment Register (APAR) where appropriate and the total value of sub-contracts they hold. Additionally for a sub-contractor who is not on APAR, this sub-contractor must not exceed £100,000 of apprenticeship training and on-programme assessment under and DfE contract across all main providers and employer-providers between 1 August and 31 July each year. They must also hold a current UKPRN and cannot deliver any full apprenticeship standards
- lack of a track record: new organisations or those offering new or developing

provision are not automatically disqualified from sub-contracting opportunities. However, Quality Assurance measures and associated costs will reflect the additional risks associated with new provision

- following initial selection, the College Group conducts a desktop due diligence check of potential partners, followed by a due diligence visit to the delivery premises prior to contract issuance
- annual due diligence review for existing sub-contractor partners
- financial health checks aligned with the Funding higher-risk organisations and sub-contractors policy outlined on <https://www.gov.uk/government/publications/esfa-policy-on-funding-higher-risk-organisations-and-subcontractors/funding-higher-risk-organisations-and-subcontractors-policy>.

These criteria ensure that our sub-contractors meet the necessary standards and requirements, safeguarding the quality and integrity of the provision delivered.

## **15 Clarity of Roles and Responsibilities**

15.1 The College Group and sub-contractor are responsible for:

15.1.1 Quality Assurance (QA):

College Group:

- develop and implement robust QA policies, procedures and processes to ensure compliance with DfE requirements
- conduct regular internal audits, inspections and reviews of subcontracted provision to maintain and enhance quality standards
- provide guidance and support to the sub-contractor in addressing any identified quality issues or areas for improvement.

Sub-contractor:

- adhere to the College Group's QA policies and procedures and actively participate

in quality monitoring activities

- uphold high standards of TLA to ensure the quality of provision
- collaborate with the College Group to address any identified areas for quality enhancement or improvement and implement necessary actions.

#### 15.1.2 Contract Management:

College Group:

- manage the contractual agreement with the sub-contractor, including monitoring performance against agreed targets and milestones
- ensure compliance with contractual obligations, funding rules and regulatory requirements
- evaluate and approve sub-contracting arrangements, ensuring transparency and fairness.

Sub-contractor:

- fulfil contractual obligations as outlined in the agreement with the College Group, including meeting performance targets and reporting requirements
- comply with funding rules and regulations, providing accurate and timely data to the College Group for reporting purposes
- inform the College Group of any significant changes or challenges that may impact the sub-contracted provision.

#### 15.1.3 Teaching, Learning and Assessment (TLA):

College Group:

- provide guidance and support to the sub-contractor in delivering high-quality TLA
- monitor and evaluate the effectiveness of TLA practices within the subcontracted provision. This can include checking staff CVs and certificates to ensure suitability for TLA
- collaborate with the sub-contractor to implement continuous improvement strategies in TLA.

Sub-contractor:

- deliver TLA in accordance with the agreed curriculum and assessment plans
- ensure the quality and consistency of TLA practices, adhering to regulatory standards and requirements
- engage in professional development activities to enhance TLA skills.

#### 15.1.4 Safeguarding and Prevent:

College Group:

- must establish clear Safeguarding and Prevent policies and procedures, and conduct staff training on identifying and reporting concerns
- oversee sub-contractors to ensure adherence to Safeguarding and Prevent policies, regularly checking for compliance. Where relevant this can include DBS checks for staff working with students
- must monitor sub-contractor practices, promptly report any issues and take necessary action
- collaborate with sub-contractors to foster a safe learning environment, ensuring effectiveness of Safeguarding and Prevent standards.

Sub-contractor:

- must follow the College Group's Safeguarding and Prevent policies and actively engage in monitoring activities
- ensure staff receive annual training on Safeguarding and Prevent responsibilities
- are responsible for risk assessment, reporting concerns to the College Group and maintaining incident records
- collaborate with the College Group to uphold a safe learning environment and ensure effective implementation of Safeguarding and Prevent standards.

## 16 Sub-contracting for Higher Education (HE)

Sub-contracting for HE courses must comply with this policy, however, there are

further considerations that must be undertaken, see Appendix 4 sub-contractual arrangements checklist. Please also refer to the Office for Students sub-contractual arrangements in higher education, which can be found on <https://www.officeforstudents.org.uk/publications/subcontractual-arrangements-in-higher-education/>

## **17 Review of Policy**

17.1 This policy will be reviewed annually and be updated as required.



## Appendix 1 – Due Diligence Checks

### Sub-contracting Requirements

| Due Diligence documents required for desktop assessment                        | Notes/College Group Actions                                                                                                                                                      |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Copy of latest set of audited accounts – minimum of 3 years                    | To be reviewed by the College Group's Finance team                                                                                                                               |
| Copy of evidence of registration on APAR where relevant                        | To be reviewed by due diligence panel                                                                                                                                            |
| Full names of all Principals/Heads/Trustees/Senior Managers                    | Complete company house check                                                                                                                                                     |
| Copy of Management Structure                                                   | To be reviewed by due diligence panel                                                                                                                                            |
| Copy of most recent Ofsted report                                              | Require grade 1 -2 , or Expected Standard, Strong Standard or Exceptional across all report card areas in the current Ofsted further education and inspection toolkit            |
| Copy of most recent SAR – where applicable                                     | Require grade 1 -2 , or Expected Standard , Strong Standard or Exceptional across all report card areas in line with the current Ofsted further education and inspection toolkit |
| DBS evidence, CVs and relevant certificates for staff delivering TLA           | To be reviewed by due diligence panel                                                                                                                                            |
| Copy of Health & Safety Policy                                                 | To be reviewed by due diligence panel                                                                                                                                            |
| Copies of risk assessments                                                     | To be reviewed by due diligence panel                                                                                                                                            |
| Copy of disaster recovery policy                                               | To be reviewed by due diligence panel                                                                                                                                            |
| Copy of Employers/Public/Professional liability insurance certificate          | Minimum £10 million for Employer's Liability Insurance and £5 million for Public Liability Insurance. Certificate to be in date.                                                 |
| Evidence of IAG                                                                | To be reviewed in line with UCS College Group policy                                                                                                                             |
| IAG Policy where appropriate                                                   | To be reviewed in line with UCS College Group policy                                                                                                                             |
| Copy of policies for compliance with legislation on employment and immigration | To be reviewed in line with UCS College Group policy                                                                                                                             |
| Copy of Complaints procedure                                                   | To be reviewed in line with UCS College Group policy                                                                                                                             |
| Copy of Equality and Diversity policy                                          | To be reviewed in line with UCS College Group policy                                                                                                                             |
| Copy of Numeracy and Literacy/English and maths Policy                         | To be reviewed by due diligence panel                                                                                                                                            |
| Copy of Safeguarding policy                                                    | To be reviewed in line with UCS College Group policy                                                                                                                             |
| Copy of PREVENT policy                                                         | To be reviewed in line with UCS College                                                                                                                                          |

|                                                   |                                                      |
|---------------------------------------------------|------------------------------------------------------|
|                                                   | Group policy                                         |
| Copy of Sustainability policy                     | To be reviewed in line with UCS College Group policy |
| Copy of British Values policy                     | To be reviewed in line with UCS College Group policy |
| Copy of Mission Statement                         | To be reviewed in line with UCS College Group policy |
| Copy of Data Protection policy                    | To be reviewed in line with UCS College Group policy |
| Evidence of how they comply with the Prevent Duty | To be reviewed in line with UCS College Group policy |

| <b>Due diligence documents required for desktop assessment</b>                                             | <b>Notes/College Group Actions</b>      |
|------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Copy of Awarding Organisation Centre Approval and annual quality monitoring document– where appropriate    | To match qualifications being delivered |
| Copy of most recent External Quality Assurance (EQA)/External Verification (EV) reports where appropriate– | To be reviewed for serious issues       |

The sub-contractor will also provide the following:

| <b>Required during Academic Year</b>                                                                                      | <b>Frequency/Due by</b>                                   |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| Return signed contract and appendices                                                                                     | Before 1 <sup>st</sup> August/start of delivery programme |
| Deliver the programme(s) in accordance with the College Group's QA Arrangements                                           | In line with the College Group timetable                  |
| DBS evidence, CVs and relevant certificates for staff delivering TLA where appropriate                                    | In line with the College Group timetable                  |
| SARs in line with the College Group's requirements                                                                        | In line with the College Group timetable                  |
| Run Assessment Boards                                                                                                     | In line with the College Group timetable                  |
| Signed and fully completed enrolment form for each student and copy of recent benefits evidence if claiming fee remission | Within 2 weeks of the course commencing                   |
| Full registers or contact records                                                                                         | Every half term (or as soon as a short course ends)       |

|                                                                          |                                                  |
|--------------------------------------------------------------------------|--------------------------------------------------|
| Withdraw any students who have missed more than 4 consecutive weeks      | Within 1 month after missing 4 consecutive weeks |
| Timetable of delivery including session times, venues and teaching staff | Before course(s) commence                        |
| Copies of achievement certificates as soon as received from the AO       | As soon as received                              |
| Copies of all EQA reports                                                | As soon as received                              |
| Feedback questionnaires from students                                    | In line with the College Group timetable         |
| Raise invoices per agreed payment amounts and schedule                   | Per agreed schedule                              |

## Appendix 2 – Quality Assurance (QA) Measures

The College Group will score each performance indicator as follows:

| Performance Indicator                                              | Risk Rating Score                                                 |                                                                                 |                                                                                   |                                    |
|--------------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------|
|                                                                    | Low                                                               | Medium                                                                          | High                                                                              | Not Measurable                     |
|                                                                    | 1                                                                 | 2                                                                               | 3                                                                                 | 3                                  |
| Delivery experience of the sub-contractor                          | More than 5 full years                                            | 2 to 5 full years                                                               | Less than 2 full years                                                            |                                    |
| Previous years success rate                                        | 3% or more above benchmark                                        | Within + or = 2% of benchmark                                                   | More than 2% below benchmark                                                      | No previous delivery record        |
| Previous Ofsted or SAR grading                                     | Grade 1 or 2                                                      | Grade 3                                                                         | Grade 4                                                                           | No Ofsted grading                  |
| New Ofsted further education and inspection toolkit or SAR grading | Exceptional or Strong Standard                                    | Expected Standard                                                               | Needs Attention                                                                   | Urgent Improvement                 |
| Type of provision                                                  | Provision deemed to be low risk e.g. UCS College Group experience | Medium risk e.g. UCS College Group experience in managing this type of delivery | Provision deemed to be high risk e.g. distance learning or difficult client group | No self-assessment process         |
| UCS College Group audit and QA measures                            | Compliant and no actions or recommendations                       | Mainly compliant but recommendations to improve                                 | Not compliant and actions required to improve                                     | No previous audit as new provision |

| Overall Score | Risk Rating |
|---------------|-------------|
| 5 – 7         | Low         |
| 8 – 12        | Medium      |
| 13 – 15       | High        |

| Funding Element Retained for Sub-Contractor Management |          |             |                    |
|--------------------------------------------------------|----------|-------------|--------------------|
| Volume                                                 | Low Risk | Medium Risk | High Risk          |
| Under £50,000                                          | 20%      | 20%         | We do not contract |
| £50,000 -£100,000                                      | 20%      | 20%         | We do not contract |
| Over £100,000                                          | 20%      | 20%         | We do not contract |

### Appendix 3 – Fees and Charges Structure

The following activities are included in the standard contract management and covered by the retained funding element. To ensure that it is reasonable and proportionate to the delivery of TLA and how each cost contributes to delivering high quality learning.

| Activity                                                                                                                          | Number/Frequency included in standard retained funding element |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <b>Pre-Contract Processes – Sub-Contractor Management- 1.5%</b>                                                                   |                                                                |
| Due diligence desk top checks                                                                                                     | 1 at set-up                                                    |
| Due diligence visit                                                                                                               | 1 per site, up to 3 sites                                      |
| Annual due diligence                                                                                                              | 1 per year                                                     |
| Issuing standard sub-contract agreement                                                                                           | 1 per year                                                     |
| <b>MIS and Finance Processes – Support Costs – 5.5%</b>                                                                           |                                                                |
| Issuing UCS College Group document templates and forms to be used by the sub-contractor                                           | As and when amended                                            |
| Agreeing use of sub-contractor templates and forms (if at least as good as UCS College Group documents)                           | 1 per year                                                     |
| Entering student data and amendments onto ILR                                                                                     | All                                                            |
| Entering attendance data and reconciling with ILR                                                                                 | All                                                            |
| Calculating fees due and processing payments received                                                                             | All                                                            |
| Data-match checks with other main contractors with whom the sub-contractor works                                                  | All                                                            |
| <b>Quality Assurance (QA) Monitoring - 13%</b>                                                                                    |                                                                |
| QA activities and lesson/assessor observations                                                                                    | 3 per year                                                     |
| Self-Assessment Monitoring (SAM) meetings - 3 per year                                                                            | 3 per year                                                     |
| Annual survey of students                                                                                                         | 1 per year                                                     |
| Annual survey of employers (if applicable)                                                                                        | 1 per year                                                     |
| Annual audit of Management Information Services (MIS) data including enrolment forms and attendance records                       | 1 per year                                                     |
| Review of student documents including tracking records, reviews and ILPs                                                          | 3 per year                                                     |
| Annual review of the sub-contractor provision within the College Group self-assessment process and Quality Improvement Plan (QIP) | 1 per year                                                     |
| Establish effective working relationships for the sub-contractor provision                                                        | Regular contact                                                |
| Sub-contractor staff to attend group CPD activity provided by the College Group where applicable                                  | 1 per year minimum                                             |

The following measures will be implemented effective from August 1st, 2025. These delineated costs represent the individual components of the management fee aimed at facilitating quality monitoring and support activities. These efforts are integral to fostering the delivery of high-quality learning experiences.

| Activity                                                                                                      | Cost to sub-contractor                                                                  |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Pre-Contract Processes – Subcontractor Management- 1.5%</b>                                                |                                                                                         |
| Additional due diligence investigation, e.g. to investigate financial records or take additional references   | £40 per hour                                                                            |
| Produce action plan as a result of unsatisfactory due diligence checks or visits                              | £40 per hour                                                                            |
| Additional due diligence visit to monitor improvements                                                        | £40 per hour                                                                            |
| Additional due diligence visit to additional delivery locations                                               | £40 per hour plus transport costs                                                       |
| <b>MIS and Finance Processes – Support Costs – 5.5%</b>                                                       |                                                                                         |
| Returning enrolment forms or other documents due to incorrect completion                                      | Normally no charge but continued non-compliance will incur non-compliance letter charge |
| Non-compliance letter from the College Group Vice Principal TLA, Curriculum and Quality requiring improvement | £40                                                                                     |
| <b>Quality Assurance Monitoring - 13%</b>                                                                     |                                                                                         |
| SAR (if not produced to satisfactory standard by sub-contractor)                                              | £40 per hour                                                                            |
| Quality Improvement Plan (if not produced to a satisfactory standard by sub-contractor)                       | £40 per hour                                                                            |
| QA – site visits                                                                                              | £40 per hour plus transport costs                                                       |
| QA – remote (desk top review)                                                                                 | £40 per hour                                                                            |
| Contract Management review meetings                                                                           | £40 per hour                                                                            |
| Additional survey of students                                                                                 | £200 + external survey costs                                                            |
| Additional survey of employers (if applicable)                                                                | £200 + external survey costs                                                            |
| Providing consultancy support (Assistant Principal level)                                                     | £60 per hour                                                                            |

The subsequent rates will be applicable to supplementary services that the College Group may furnish for the sub-contractor:

| Service                                                                         | Cost                                |
|---------------------------------------------------------------------------------|-------------------------------------|
| Registration of students on the College Group centre with Awarding Organisation | Cost + 10%                          |
| Certification of students from Awarding Organisation                            | Cost + 10%                          |
| Certification of apprentices with End Point Assessment Organisation (EPAO)      | Cost + 10%                          |
| IQA                                                                             | To be agreed depending on provision |
| Providing consultancy support                                                   | £60 per hour                        |

Please note that the subcontractor may incur the associated costs already paid by the lead provider for late cancellation of onsite visits.

## **Data Protection**

Sub-contractors must ensure compliance with the UK General Data Protection Regulation 2018 and all corresponding United Kingdom legislations. They shall refrain from actions that would result in their own or the College Group's violation of these provisions in relation to sub-contracting. Additionally, sub-contractors are obligated to indemnify the College Group against any liabilities, costs, expenses, damages, losses and professional costs incurred as a result of any breach.

## Appendix 4

### Higher Education

#### Oversight of sub-contractual arrangements checklist

We have included a checklist to assist lead providers' governance and oversight of sub-contractual arrangements. This list is not exhaustive but offers some important questions for lead providers before entering, and during their management of, a sub-contractual partnership.

| <b>Skills and capabilities of senior management</b>                                                                                                                                                    |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Does the lead provider have the expertise at a senior level to manage the increased risk associated with this business model, including the challenges of commercial dealings with a delivery partner? |  |
| Are there clear and recorded delegations in place relating to the instigation of new sub-contractual partnerships?                                                                                     |  |
| Are there clear and recorded arrangements to identify and manage conflicts of interest relating to partnership arrangements?                                                                           |  |

The priorities of delivery partners, especially commercial organisations, may well differ from those of the lead provider. The latter should ensure that its senior team and board have access to skills in the areas of commercial practice, risk, internal control and audit.

| <b>Due diligence and contractual arrangements</b>                                                                                                                                                                                   |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Has due diligence been done on the potential sub-contractual partnership, including in relation to those operating the partner organisation?                                                                                        |  |
| Does this include a review of how the tuition fees passed to the delivery partner will be used to support the student experience, and how much is to be paid in dividends or payments to senior staff at the delivery partner?      |  |
| Does it include a review of the delivery partner's financial sustainability? Would the lead provider be able to take on course delivery for sub-contracted students in the event of financial difficulties at the delivery partner? |  |
| Are there clear, comprehensive, written contractual arrangements between the lead provider and delivery partner?                                                                                                                    |  |
| Do these arrangements set out clear review points, and do they cover how either party can exit the arrangement?                                                                                                                     |  |

A lead provider's due diligence should include examining a potential partner's business model, its recruitment practices and its motivations for providing these higher education courses.

The lead provider should also explore any potential conflicts of interest that might prevent it from ethically entering into the partnership; for example, whether staff involved in the oversight of partnership arrangements also have a personal or financial interest in the arrangements of a delivery partner.



Written contractual arrangements should include clearly explained delegation of activities between the partners, and a strategy to protect students' interests in case of course change or closure. In this event the lead provider is responsible for fully supporting students, and ensuring that they can continue their education, teaching them directly if necessary. There should be mechanisms to ensure that a new partnership can expand at an appropriate pace, for example a staggered increase in student numbers over time.

| <b>Student recruitment and course delivery</b>                                                                                                                                       |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Are students being recruited in a fair, honest and transparent way?                                                                                                                  |  |
| How will the lead provider know whether students are being recruited to the admissions standards it sets, including in relation to English language skills and prior qualifications? |  |
| Do course promotion and student recruitment, including activities undertaken by agents, comply with consumer protection law?                                                         |  |
| Are there adequate checks to ensure that all students are genuinely engaged in educational studies?                                                                                  |  |
| Does the lead provider understand whether or not recruitment agents will be involved in the recruitment of students?                                                                 |  |
| If so, it is clear to undergraduate students that they may instead apply directly via UCAS, without having to pay any additional recruitment fees to an agent?                       |  |
| Are prospective students given clear information about the proportion of their tuition fee that the lead provider will retain?                                                       |  |

Information about courses should be clear and accurate, in line with consumer protection law. Prospective students should be given clear information stating that this is a sub-contracted course and identifying the lead provider and delivery partner. They should also be given clear information about the proportion of tuition fees that the lead provider retains. Only those potential students who meet academic, language, and other entry requirements should be targeted in promotion and recruitment activities.

Any allegations of fraud (for example, that tuition fees have been inappropriately paid for students) should be thoroughly investigated and if appropriate reported to the OfS and the SLC.

| <b>Oversight arrangements</b>                                                                                                                                                  |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Does course delivery meet the OfS's requirements for high quality courses?                                                                                                     |  |
| Does course delivery comply with consumer protection law?                                                                                                                      |  |
| Are students assessed in a rigorous and credible way?                                                                                                                          |  |
| Does oversight of delivery include audits of sub-contractual courses?                                                                                                          |  |
| Are there arrangements in place to ensure that the lead provider has sight of any complaints made by students or staff in relation to the delivery of sub-contractual courses? |  |

Course delivery within sub-contractual arrangements must meet the conditions set out in our regulatory framework and be in accordance with relevant consumer protection legislation. We expect the lead provider to ensure that the courses delivered on its behalf are of high quality. We expect it to ensure that there are arrangements in place to oversee this.

We know many lead providers establish 'link tutor' relationships with their delivery partners (i.e. staff members from the lead provider who are the main point of communication with the delivery partner about course delivery). However, this does not prevent the need for independent external scrutiny of the arrangements, for example through regular independent audit of the course. We would expect the lead provider to ensure that there are arrangements to allow students to complain directly to it about any concerns, so these are visible and can be investigated appropriately.

Lead providers should use data about student outcomes for their sub-contractual partners to inform their own view of the adequacy of the partnership and the quality of the courses.

| <b>Data quality</b>                                                                             |  |
|-------------------------------------------------------------------------------------------------|--|
| Are there clear protocols in place to ensure accurate data returns to both the OfS and the SLC? |  |

There should be clear, comprehensive, written agreements in place about how the delivery partner collects data on students' attendance and outcomes and communicates it to the lead provider. The delivery partner must tell the lead provider promptly about any changes to students' study, including withdrawal. The lead provider should carry out sample testing and auditing of the data received from the delivery partner as appropriate. In May 2024, the SLC published its expectations in relation to attendance policies for the purposes of student finance.

<https://www.officeforstudents.org.uk/publications/subcontractual-arrangements-in-higher-education/>