



SUBCONTRACTING POLICY

2026-2027

Audience:	X-College
Requirement:	Essential
Policy Owner:	Executive Director Business & Civic Partnerships
Review Delegation:	Corporation
Review Cycle:	Annual
Last Review:	October 2026
Due for Review:	October 2027

Scope

This policy applies to all subcontracted activity funded through South Hampshire College Group's Department for Education (DfE) 16 to 19 Study Programme, Adult Skills Fund allocations, and the completion of any apprenticeship subcontracted provision.

The Subcontracting Policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity. The content of this policy has been developed in line with the DfE funding rules and Financial Memorandum recommendations. SHCG has also sought external legal support and guidance to ensure compliance with current legislation and incoming legislative requirements.

The Policy

SHCG will only use subcontractors when this optimises the quality, impact and effectiveness of service delivery to students, learners, employers and communities, and where there is a clear rationale aligned to SHCG's strategy.

All subcontracted delivery must comply with the DfE published subcontracting rules and be consistent with the DfE subcontracting standard, performance management requirements and quality assurance expectations.

SHCG will undertake fair and transparent procurement activity, including robust due diligence, to ensure compliance with subcontracting assurance arrangements for post-16 providers and the principles of the Procurement Act 2023.

Subcontractors must demonstrate the ability to deliver high-quality training and education, strong financial standing, effective safeguarding arrangements, and alignment with SHCG strategy, local skills priorities and national skills needs.

Rationale for sub-contracting

SHCG's ambitions set out the Group's priority specialisms, mission, vision and values. The Group will only subcontract provision that is wholly aligned to its curriculum specialisms, local and national skills needs and its responsibilities as a major provider in Hampshire and the Isle of Wight.

For 16 to 19 provision, SHCG will only subcontract where the provision is niche, meets an identified local skills need, or supports NEET provision. Subcontracted 16 to 19 activity must not duplicate SHCG's own offer and must add clear value for young people, employers and communities.

For Adult Skills Fund provision, subcontracting will only take place where there is a demonstrable local skills need in Hampshire. Any adult skills subcontracted provision must complement, and not compete with or undermine, SHCG's own curriculum offer, either by type of provision or geographical area.

SHCG will only subcontracted provision delivered in Hampshire and the Isle of Wight. Where provision is online, blended, specialist or subject to local access considerations, SHCG will ensure there is a clear strategic rationale and that the activity does not conflict with internal delivery plans.

SHCG will continue to reduce reliance on subcontracting and will contract on a limited basis only where there is a strong strategic, quality, access or skills rationale. Any subcontracted activity must be consistent with national, regional and local skills needs and must be subject to robust oversight.

Intended Benefits of Subcontracting

Through effective management of subcontractors, SHCG will ensure subcontracted provision aims to enhance opportunities available for students and learners.

Subcontracting may be used to fill gaps in niche or expert provision, improve access to specialist training facilities, or support better geographical access where SHCG cannot reasonably deliver provision directly.

Subcontracting may offer an entry point into college, further training, apprenticeships or employment for disadvantaged groups, including where there might otherwise be gaps in access or progression.

Due Diligence and Tendering

Applicants who successfully complete the procurement process must pass thorough due diligence checks that emphasize strong quality, compliance, safeguarding and financial performance in line with the DFE subcontracting standards. This process is reviewed by the Executive and Senior Leadership Teams and Governors prior to contract award, and applicants may be rejected at any stage.

Tendering and due diligence will include a review of the subcontractor's contribution to equality, diversity and inclusion, sustainability objectives, skills outcomes, economic growth, value for money.

SHCG approves an organisation to work as a subcontractor for a period of one year. Providers must submit a new tender annually through the College procurement process for new enrolments. Exceptions may include highly niche provision that can be disaggregated from the procurement process under procurement law. Any exception will still require full due diligence and approval.

No contract will be issued until the subcontractor has satisfactorily met due diligence requirements and has been approved by the Executive and Senior Leadership Teams and Governors prior to contract award.

New enrolment activity may only begin once prior-year delivery has been completed, outcomes confirmed, and the subcontractor has confirmed that all required payments and obligations under previous contract(s) have been met by SHCG.

Where prior-year outcomes are below contractual KPIs, or the quality of provision is rated as requires improvement through SHCG's quality assurance process, the contract for new enrolment activity may be withdrawn and repurchased.

Quality assurance

All subcontracted activity is part of the Group's overall provision and is quality assured in the same manner as delivery that takes place at the College or is delivered by SHCG employees in the workplace.

Provision will be monitored and managed through existing SHCG quality processes and procedures. Subcontractors will be required, at year end, to present an end of year self-assessment report followed by a quality improvement plan for review by the appropriate quality and curriculum leads, including the Director of Adults, HE, Online and Commercial where relevant. All quality processes and activity are aligned with the current Ofsted inspection framework.

This policy supports continuous improvement in teaching, learning and assessment across SHCG and its subcontractors, benefitting students, learners and employer partners. This will be achieved through audit, observation of teaching and learning, monthly performance management meetings, safeguarding meetings and annual Quality Review Meetings.

Overview of typical College quality assurance activity:

- Undertakes observations across teaching, learning, assessment, information, advice and guidance, progress reviews and learner support.
- Provides timely and meaningful feedback to subcontractors and delivery staff; observations are incorporated into moderation and standardisation processes.
- Carries out student, learner and employer voice activity, including attendance at subcontractor-led learner voice meetings where appropriate.
- Supports subcontractors to implement effective policies and procedures relating to teaching, learning, assessment and verification.
- Ensures subcontractors have appropriate policies and procedures in place to fulfil SHCG obligations for safeguarding, equality and diversity, and Prevent.
- Undertakes regular learner journey assurance audits and agrees subsequent improvement actions.
- Supports subcontractors to develop an effective Annual Report and Development Plan in preparation for validation panels in the autumn term.

Publication of information relating to sub-contracting

SHCG will publish its Sub-contracting Policy and actual end-of-year 'Sub-contracting fees and charges' on its website in line with subcontracting requirements.

The Fees 2026/2027

The standard fees and charges set by SHCG for new funded delivery in 2026/2027 will be confirmed through contract negotiation and approval. The fee represents the total cost incurred by the College in identifying, selecting and managing subcontracted provision and includes the minimum level of quality management attached to the lowest-risk subcontractor.

Fees and charges applied by SHCG shall be agreed in the contract between the parties and include a standard fee in support of the agreed minimum level of service provided by SHCG. SHCG retains the option to increase the standard management fee in proportion to the nature, content, risk and distribution of the subcontracted delivery.

Contracts may include a clause permitting SHCG to increase the level of funding retained where costs increase due to subcontractor underperformance. A formal notice to improve may trigger intervention by SHCG and increase the expected costs of managing the contract.

All contracting for new starts is undertaken annually, with agreements negotiated annually. Contracts for carried-in learners will be recalculated annually based on the projected funded value of each learner for whom the subcontractor is providing training.

Annex A - Actual DfE Funding Paid and Retained

Annex A should be updated with the actual DfE funding paid and retained for each SHCG subcontractor in the relevant published funding years once final 2025/2026 data is available. The 2024/2025 position from the previous published policy is included below for continuity and should be checked against final published returns before external publication.

Subcontractor	Provision	Funding	Fees & Charges	Subcontractor Payment	Funding Retained by SHCG
Learning Curve Group Limited	ESFA AEB - Adult Skills	£23,633	20%	£18,906	£4,727
The Skills Network Limited	ESFA AEB - Adult Skills	£859,316	20%	£687,453	£171,863
Strive Training (London) Limited	ESFA AEB - Adult Skills	£399,887	20%	£319,910	£79,977
Runway Apprenticeships Limited	ESFA AEB - Adult Skills	£216,807	20%	£173,439	£43,368
Momentum Recruitment Limited	ESFA AEB - Adult Skills	£144,351	20%	£115,482	£28,869
Military Mentors Limited	16 to 19 Funded Programme	£266,876	28%	£193,238	£73,638
University College of Estate Management	Apprenticeship	£9,720	15%	£8,262	£1,458
Cordie Ltd	Apprenticeship	£1,800	20%	£1,440	£360

Annex B - Costs Associated with Fees and Charges

Statement of Expectations

Subcontractor Name here

As the Main Provider, South Hampshire College Group retains clear and transparent accountability for the quality of training provision and will ensure high-quality provision by maintaining appropriate controls to manage the learner experience and secure value for public funding.

Funding retained by the Main Provider is used directly to provide a comprehensive programme of support and compliance measures to ensure that public funds are protected and used effectively, and partners are supported to develop and improve their provision.

Area	Total Weighting	% of overall service delivery	% as £
Managing the Subcontractor / Contract Arrangements	16	27%	£2,711.86
Quality Monitoring / Cycle Activities	21	36%	£3,559.32
MIS / MIS Systems	13	22%	£2,203.39
Other Support Activities	9	15%	£1,525.42
Totals	59	100%	£10,000.00

Example basis: Total 2026/2027 Contract Value £50,000.00; Fees and Charges 20%; Funds Retained by SHCG £10,000.00.

Breakdown of service delivery by area	Weighting
Managing the Subcontractor / Contract Arrangements	
Contract arrangements, including contract design, content, confirmation, drafting and issue	4
Designated contract / partnership manager, including monthly meeting preparation and attendance	6
Curriculum development and support	2
Regular contract and data review, support activity and performance monitoring	4
Quality Monitoring / Cycle Activities	
Self-assessment and quality improvement support	2
Quality cycle activities including audits, surveys, reviews, observations and interviews	6
Teaching and learning observations by College quality staff	7
Unannounced and announced quality activities	3
Sharing effective practice with delivery partners	2
Preparation for external inspection	1
MIS / MIS Systems	
Funding, MIS, audit and submission of data returns	6
Existence and eligibility checks, including funding and learner journey evidence	6
Preparation for external inspection	1
Other Support Activities	
Safeguarding training and lead provider support	4
Access to SHCG staff development activities	1
College Finance Team support	2
Termly review and performance meetings supported by quality leads	2

Document note: This 2026/2027 draft has been updated to clarify the subcontracting position for 16 to 19 niche/ local skills/NEET provision and the Adult Skills Fund local skills test within Hampshire, including the requirement that subcontracted adult skills delivery must not compete with SHCG's own offer by type or area.