

SUBCONTRACTING POLICY



Policy group: Curriculum

Effective: August 2025

Approved: Emma Barrett-Peel, Chief Operating Officer

Responsible Officer: Louise Organ, Head of
Subcontracting

Next renewal date: July 2026

Ref no.: 8.1



GUIDANCE

Vision

Transform lives through learning

Values



PASSIONATE - We are passionate about inspiring young people, adults and our Purple People to be their best and we take pride in creating a positive learning environment to fulfil their potential.



UNSTOPPABLE - We are unstoppable in our quest for the pursuit of excellence. We are dedicated and resilient to develop ourselves and our learners.



RIGHT - We treat each other with respect and strive to do the right thing through insight, inclusion, honesty, growth and trustworthiness.



PARTNERSHIPS - We support the people surrounding us in our everyday lives, building effective partnerships with businesses, learners and all stakeholders where we can pass on our knowledge and skills to help them meet their goals.



LEARNERS - Learners are at the centre of everything we do and we are driven to provide life-changing and life-long learning for them.



EMPOWERED - We encourage our Purple People to be independent and autonomous to maximise their goals surpassing their barriers and targets. Feel it, believe it, live it.

Tone of voice

Our tone of voice takes its direct influence from our core values. We are passionate about people and learners and are driven to get the best out of everyone by understanding them. We are caring and supportive, as well as being determined and striving for growth. We talk with purpose and enthusiasm in a way that connects and empowers people.

Innovation is at the heart of Learning Curve Group and we're always thinking about what's next!

SUMMARY OF CHANGES

Date	Page	Details of amendments
July 2022	All	Annual review ready for the new academic year
Jan 2023	5	Update of funding rules, including the addition of funding guidance for Skills Bootcamps
April 2023	1	Update of Policy owner and Responsible Officer
July 2023	All	Annual review
February 2024	All	Updated funding rule changes and changed the Responsible Officer
July 2024	All	Annual review ready for the new academic year
March	All	In-year review
July 2025	All	Update of funding rules

INTRODUCTION

Learning Curve Group (LCG) is one of the largest national education and training providers in the UK. All companies within the LCG family uphold the same company vision, mission and values and follow our group policies and procedures.

This Policy outlines the process for engaging in a subcontractor agreement for the delivery of Department for Education (DfE)-funded provisions through companies within LCG.

Applies to

LCG, under its own DfE and/or devolved area combined authority (DACA) contracts, retains ultimate responsibility for all aspects of the provision that it is contracted to deliver, including any elements that it chooses to subcontract.

Rationale

LCG will subcontract up to 25% of any particular DfE provision, and/or up to the maximum threshold of any DACA funding stream, to enhance the quality of our learner offer at a national level, providing better geographical access and/or facilities for learners; support an entry point for disadvantaged groups; and fill gaps in niche or expert provision.

Our reasons for subcontracting are always in line with DfE and/or the DACA guidelines and are never used to fill a short-term funding gap. The rationale is reviewed annually.

Where we are required, we will seek approval to subcontract from the DfE and/or any DACA.

Subcontracting fees

The Subcontracting Management Fees Policy is published on our website and detailed within subcontractor contracts: <https://www.learningcurvegroup.co.uk/key-policies>

Reason for Policy

It is a requirement that LCG has a legally binding agreement in place with each subcontract partner and supply-chain partner (SPC). It is a requirement that the agreement must allow access on demand to subcontract partners and SCP premises, as well as to all documents relating to learners funded by the DfE and/or any DACA. LCG remains responsible for the actions arising from the subcontractor's delivery.

Ref:

[Subcontracting funding rules for post-16 education and training 2025 to 2026 - GOV.UK](#) (www.gov.uk)

[2025-26-Subcontracting-Policy-Part-7.pdf](#) (www.teesvalley-ca.gov.uk)

[2025-26-Adult-Skills-Fund-funding-rules-Part-6.pdf](#) (www.teesvalley-ca.gov.uk)

[asf-funding-rules-2025-2026.pdf](#) (wmca.org.uk)

This document sets out the subcontracting funding rules that apply to all providers of education and training who receive adult education budget (AEB), DACA, apprenticeship, Skills Bootcamps and 16–19 funding from the DfE and Growth and Skills Levy employers. There are still instances where a specific rule or subsection of a rule is only applicable to a specific funding stream. Where this is the case, there is a series of annexes applicable to each funding stream. The annexes should be referred to in the context of that specific individual funding stream. Common terminology has been adopted across all funding streams; a glossary of terms has been included at the end of this document. Although this document represents a comprehensive set of subcontracting funding rules across the AEB, DACA, apprenticeship, Skills Bootcamps and 16–19 funding streams, it should be viewed in the context of the wider funding rules for each funding stream and that of Growth and Skills Levy employers. These rules form part of a series of documents that are relevant to subcontracting and subcontractors. Continuing apprenticeship provision follows the appropriate year of funding rules and follows the same subcontracting management arrangements.

Providers should also familiarise themselves with the requirements regarding subcontracting in the DfE conditions of funding, contracts for services and subcontracting standard.

Ref:

<https://www.gov.uk/government/publications/providing-external-assurance-on-subcontracting-controls>

[DfE subcontracting standard - GOV.UK](#)

POLICY

LCG must ensure that it meets the terms and conditions of its funding agreement with the Chief Executive of the DfE for all provision, regardless of whether it is subcontracted. LCG will need to be satisfied that the subcontracting arrangements meet funding requirements and the subcontracting standards and, if necessary, engage a third party.

The key elements to be satisfied are, but not limited to:

- learners are enrolled on appropriate programmes
- the eligibility of all learners
- apprenticeship and work-placement employers are aware of their role and can support the apprentice or learner in line with funding rules and levy requirements
- funding is not used to inadvertently fund extremist organisations
- there is a written learning agreement and commitment statement entered at the time of enrolment, prepared for and agreed with each learner that reflects the outcome of the learner's initial guidance and assessment
- a learning programme and its means of delivery have been clearly outlined, agreed and recorded (independent learning plans)
- there are arrangements for assessing the progress of individual learners

- second-level subcontracting is not permissible, and any engagement with a third party will be direct
- learners are not funded by another organisation
- there is no conflict of interest
- procedures exist for LCG to regularly monitor the delivery of programmes provided in their name, and there is sufficient evidence to allow LCG to review subcontractors' performance against the education inspection framework (EIF) and funding guidance.

Selection process

It is the responsibility of LCG to satisfy itself that the SCP has been selected fairly and has sufficient capacity, capability, quality and business standing to deliver the provision that it is being subcontracted to deliver. To satisfy itself of this, LCG will consider several factors, which include whether the SCP:

- has been selected through a fair, open and transparent due diligence process and has been judged to be of a suitable risk and quality
- has satisfactory financial health and is registered as active with Compliance House – if a registered company, it must be low or very low risk
- has no unsatisfied county court judgements against it
- has disclosed all contracts it holds and has held with the DfE and, in the case of terminated agreements, the reasons for the termination of the agreement
- is registered as a training provider
- has disclosed the names of its directors, secretary and senior managers together with details of their previous appointments, particularly with organisations that hold or have held funding agreements with the range of funding bodies
- has sufficient capacity to deliver its commitments under the subcontract agreement without adversely affecting its liability to meet its other commitments
- has robust employer placements available for learners on traineeship programmes
- complies with health and safety legislation and has carried out health and safety risk assessments, covering the proposed subcontractor learners
- has declared to LCG all reportable injuries, diseases and dangerous occurrences covered by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 over the last three years, together with the actions it has implemented to prevent reoccurrences
- complies with legislation on employment (including the use of volunteers)
- complies with legislation on migration, safeguarding and equality and diversity
- complies with data protection legislation (including the notification of the information)
- has systems to ensure compliance with the DfE and/or DACA requirements for data collection, processing and retention of records, where applicable
- has appropriately qualified and trained staff and other resources to deliver the subcontracted provision effectively from the start of the contract
- has appropriate policies and procedures, including sustainability, where relevant
- has appropriate learner-support arrangements in place
- has an appropriate safeguarding policy and has designated a safeguarding and equality and diversity person to liaise with the LCG safeguarding team
- has appropriate information, advice and guidance arrangements in place for learners
- has appropriate quality-assurance arrangements in place, which include tracking progress and achievements

- does not have an inadequate Ofsted inspection outcome relating to any aspect of its overall performance or to the sector-subject area(s) of the proposed subcontracted provision (in relation to direct contract holders)
- has declared any allegations of fraud by learners
- has declared any conflicts of interest
- has provided references to support the process
- has an appropriate credit check and Company House review by the Head of Procurement.

Due diligence and selection process for potential subcontractors

The process is as follows:

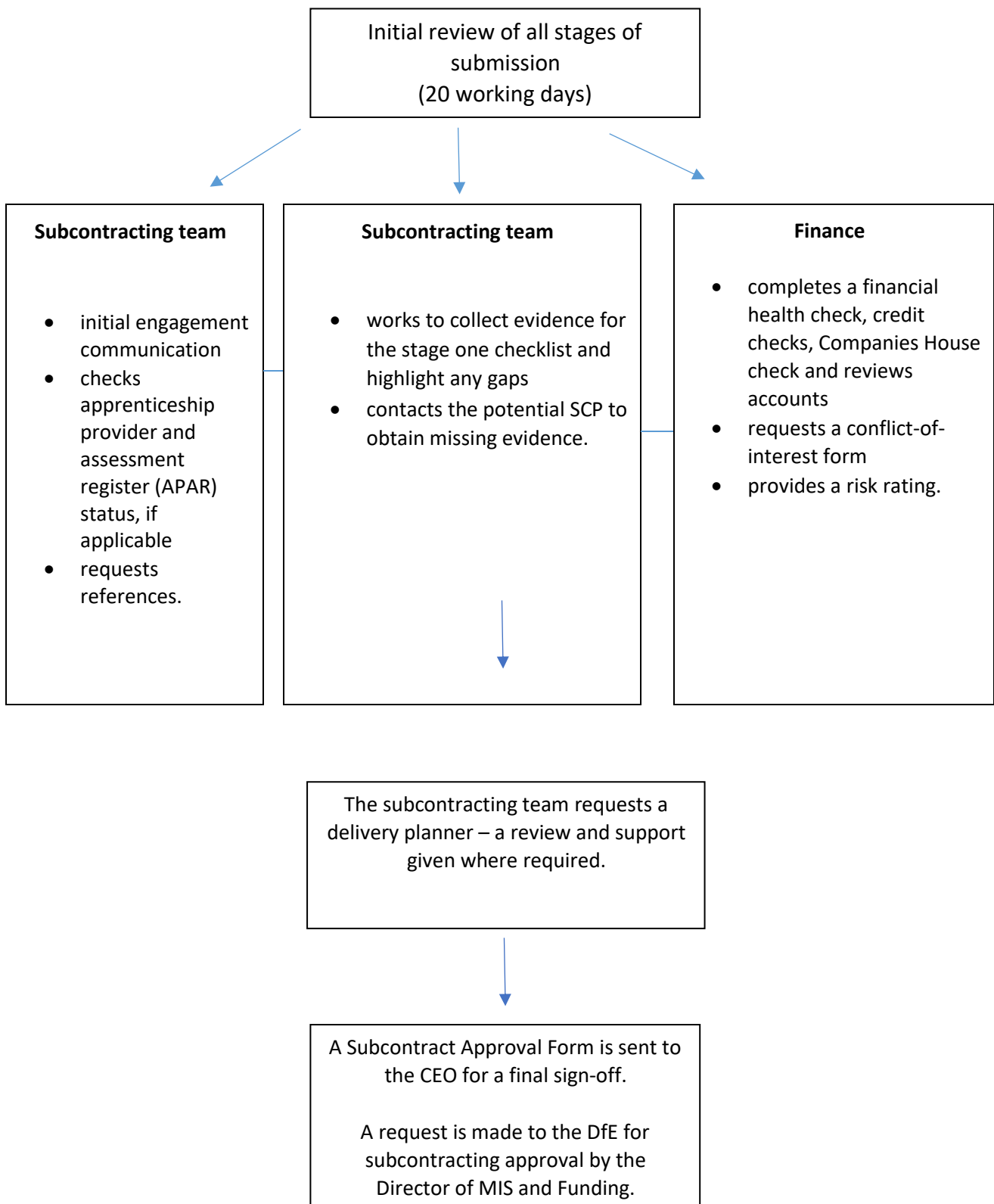
- A potential new SCP expresses an interest through the LCG website or direct enquiry.
- The potential new SCP fills out an expression-of-interest form and returns it to the subcontracting team.
- The subcontracting team reviews this and communicates the outcome.
- Successful SCPs are invited to complete a stage one due diligence questionnaire (via the link that will be sent through an email), submit all requested documentation and complete the financial assessment.
- The subcontracting team will review all aspects of the submitted DD, and the SCP will be informed of the outcome of stage one.
- Successful SCPs will be invited to complete a stage two questionnaire (via the link that will be sent through an email).
- The subcontracting team will review the submitted information and inform the SCP of the outcome.
- The subcontracting team will present information to the Accounting Officer and internal stakeholders for engage, hold or decline; SCPs can expect to receive a decision.
- Successful SCPs will be requested to complete a delivery planner for the Head of Subcontracting.
- On successful applications, the subcontracting team will notify the SCP in writing and trigger the 'onboarding process'.
- The subcontracting team will trigger the contract preparation, and the successful applicants will expect to receive a contract to deliver learning on behalf of LCG from Bids and Contracts prior to delivery. Where traineeships are being delivered, appropriate checks will be undertaken on placement providers and/or policy and procedures relating to placements and/or work experience.
- Approved stage one applicants will be invited to proceed to stage two by the subcontracting team, which includes the submission of all the required due diligence evidence, a site visit and collection of references. Those not approved will receive feedback within five working days of the decision.
- All the stage one and two evidence is reviewed by internal stakeholders and undergoes a risk assessment. A recommendation is made to the Accounting Officer to engage, hold or decline. Applicants can expect to receive a decision within ten working days.
- On successful applications, the Contract Manager will notify the SCP in writing and trigger the 'onboarding process'. The appropriate Director will trigger the contract preparation, and the successful applicants will expect to receive a contract to deliver learning on behalf of LCG from the Bids and Contracts prior to delivery. On receipt of agreed and signed contracts, the Subcontractor Declaration will be sent to the DfE.
- The risk assessment process will determine the management fee charged, where applicable, and will be in line with the quality assurance and visit structure that will be in place for each SCP (agreed before continuing).

- Information held in SCP partner files is updated and refreshed over the year, with a full refresh carried out at the start of the next academic year. This includes the submission of a new due diligence questionnaire, the profile for the year ahead (if applicable), a new credit check, an account update, as well as risk rating and management fee analysis. Policy updates and staffing will also be included in the refresh, as well as items required throughout the partner file for both non-levy and levy SCP.

Onboarding process

The 'onboarding process' includes an introduction of the key stakeholders within LCG and the distribution of the Subcontracting Partner Handbook – DfE and/or DACA (All Provisions). This allows all parties to be aware of their counterpart and communication processes. The onboarding process will involve the trigger of observation planning with Quality and an MIS support session.

Subcontractor due diligence process



Alterations within the contract period

- An initial risk rating will be allocated during the selection period, which may change during the contracting period at times.
- The Quality and Contract monitoring activities cover all aspects of the learning journey and funding rules requirements. If it is deemed that a subcontractor has fallen short of these rules and expectations, it may be appropriate to raise the risk rating and implement closer scrutiny measures.
- Contract variations may be triggered by either the Head of Subcontracting or the Contract Manager for several reasons, including (but not limited to) changes in profiled spend, over- or underperformance and addition or removal of services.
- When contract variations exist for profiled spend, then an updated Subcontractor Declaration will be submitted to the DfE by the Reporting and Systems Manager or the MIS Manager.
- On occasions where improvements are not made and the provision is a risk, the appropriate Director will make a decision to implement the contingency plan and terminate the contract.

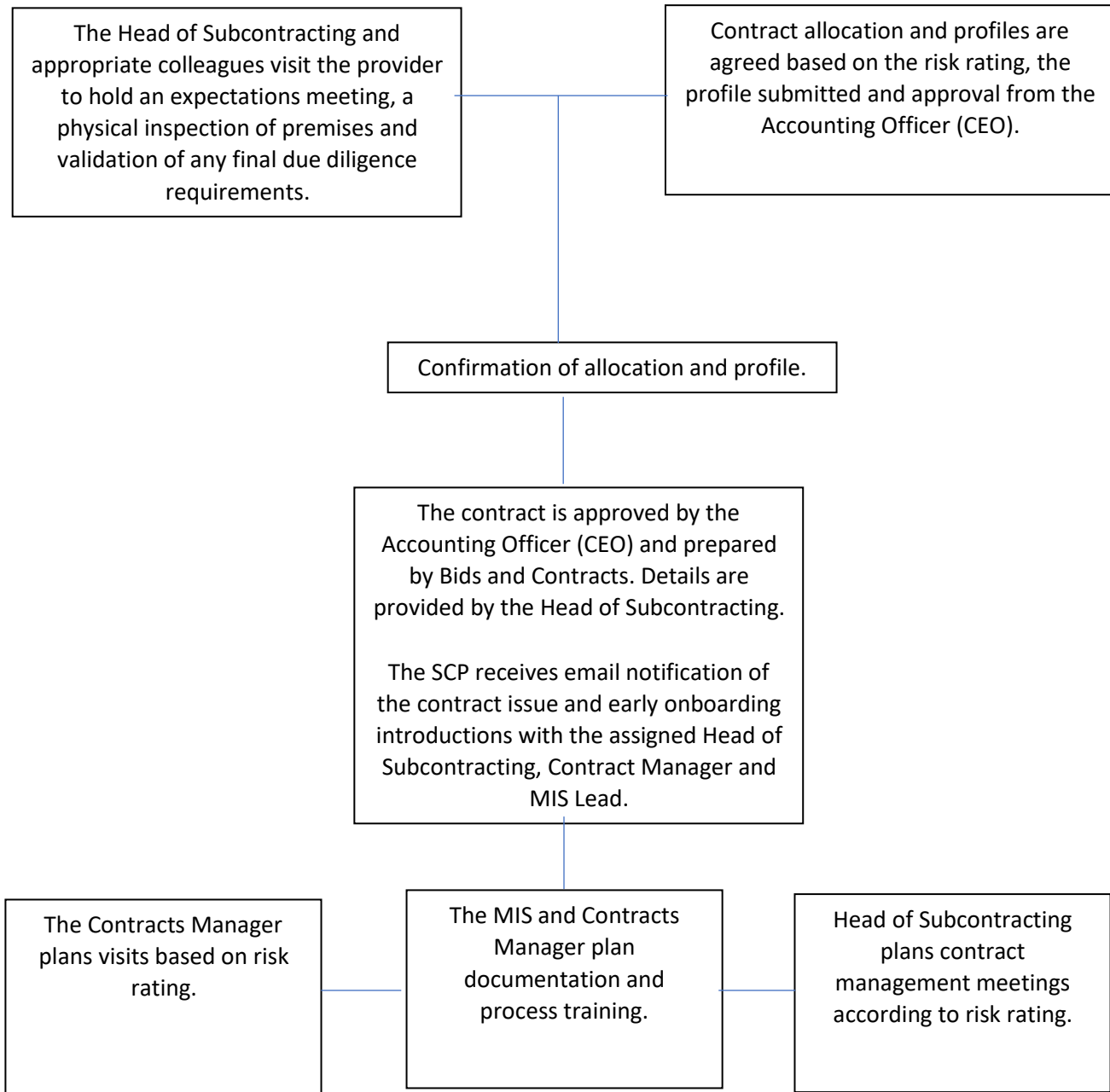
Occasions that will impact the risk rating may include (but are not limited to):

- poor performance against the contract key performance indicators (KPIs) for enrolments, retention and success
- consistently poor performance on profiles – actuals versus target
- a drop in the quality of teaching, learning and assessment
- data submissions that fail to meet compliance expectations
- unsatisfactory learner and employer feedback
- unsatisfactory achievement of agreed actions
- breach of any contract conditions.

This will result in a greater frequency of visits and internal audit sampling. Partners will be informed of any risk rating changes. It may also be deemed necessary to increase the management fee to support implementation of the increased intervention, and such occasions will be reported to the Executive Group. The SCP will then be issued and work towards an intervention plan, which will be reviewed regularly.

Where improvements are made following intervention, the risk rating may be reduced in the year, and partners will be informed of this.

Contracting negotiations and onboarding



Contract governance

Contract changes, which include reviews of contracts to ensure they continue to meet evolving business and educational needs, renewals and variations are governed by a designated responsible person, depending on the nature of the contract change, and supported by the Approval of Contracts Procedure. For the avoidance of doubt, the following types of contract governance and associated responsibilities are listed below:

Governance type	Responsible officer
The review and update of legal and legislative contract requirements	Head of Bids and Contracts
The review and update of contracts in relation to the funded contracts rules and regulations	Subcontracting team and Legal Manager
Regular review of the subcontract to ensure it meets evolving business and educational needs	Head of Subcontracting and Contract Manager
Performance management variations, which include increases or decreases to the contract and KPIs	Head of Subcontracting and Contract Manager

All proposed changes will be approved and issued under the Approval of Contracts Procedure.

Responsibilities, contract compliance and quality monitoring

The activities for monitoring will include appropriate quality visits, contract reviews, financial checks and MIS meetings as standard, unannounced visits and observations. Themed reviews may also take place at greater frequency. Through these activities, the Head of Subcontracting and the Contract Manager, supported by MIS, Audit and Quality, will evaluate, monitor and, where necessary, set target improvements and/or information plans for the following applicable measures:

- qualification achievement rates (QARs)
- quality of placements for traineeships or study programmes
- progression and destination results for all types of delivery
- equality, diversity and inclusion measures (EDIMS)
- learner progress and target achievements for all programmes
- learner satisfaction
- quality of teaching, learning and assessment
- all KPIs from within the contract
- approach to learners' development in staying safe, equality and diversity, British values, Prevent duty and wider employability skills.
- performance against the delivery profile and employer requirements
- satisfactory leadership and management
- audit compliance meets the requirements of the DfE and/or DACA.

The Company Director will conduct checks as part of due diligence at six-month intervals. At the six-month point, an accounts update will be requested.

LCG will ensure that its SCPs submit the data required by the DfE and/or DACA on a timely basis, which is detailed in the Subcontracting Partner Handbook.

The contract will detail the targets and compliance expectations. LCG will retain 5% of funding, which will be reconciled at period 14 and paid on achievement of these.

MIS

The LCG MIS department will work with the relevant Head of Subcontracting and Contract Manager to feed back information to use at performance review meetings with each SCP that includes the following:

- past planned end date (PPED) learners
- contact evidence submitted in a timely manner
- health and safety vetting and insurance for the delivery partners' employers
- enrolment queries (extended to all paperwork submitted if need be)
- employer financial contributions
- audit and compliance findings
- data reports
- progression and destination specifically for the European Social Fund (ESF), study programmes and traineeships
- payment data and rationale.

The MIS department will do regular funding report model (FRM) checks for duplicate-funded learners. LCG will notify the DfE immediately when we become aware of instances of suspected fraud or financial irregularities.

The Subcontracting Declaration guidance will be followed, and updates provided to the DfE and/or DACA as requested, at times of change and at set points published by the DfE.

Ref:

[How to declare subcontracting arrangements for post-16 education and training - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/614442/How_to_declare_subcontracting_arrangements_for_post-16_education_and_training_-_GOV.UK.pdf) (www.gov.uk)

[asf-funding-rules-2025-2026.pdf](#)

[2025-26-Subcontracting-Policy-Part-7.pdf](#) (www.teesvalley-ca.gov.uk)

[Schedule 1 - North East CA ASF Funding Rules 2025-2026.pdf](#)

Contracting

The performance of the contract is managed by both the Head of Subcontracting and the Contract Manager as part of the Contract Management Framework. This includes, but is not limited to, the contract spend and the obligations noted within the signed contract. Ongoing profile updates are carried out, and variations are issued where necessary if the profile cannot be met or there is underperformance. This is determined through the quality and performance reviews that take place with each delivery partner.

The Head of Subcontracting, Contract Manager and appropriate colleagues will support the SCP to continue to develop its provision. This will include:

- matrix-accredited advice and guidance, where applicable
- compliance against DfE and/or DACA regulations
- funding, MIS, audit and submission of data return guidance and training

- adherence to delivery schedules and timetables, with any changes and amendments communicated before delivery commences
- learner voice strategies and improvement planning
- preparation for external inspection and review
- apprenticeship provider and assessment register (APAR) reminders and application guidance, if required
- generic and themed quality support
- training and support in safeguarding, British values, equality and diversity, Prevent duty, environmental sustainability and local skills improvement plans (LSIPs), as outlined in the Skills and Post-16 Education Act 2022
- access to LCG's staff development activities
- self-assessment and quality improvement support
- teaching and learning observations (including paired observations)
- group sharing practice and development sessions.

Payment process

MIS checks

- The subcontractor will receive remittance once an individualised learning record (ILR) is submitted by MIS within 48 hours.
- The subcontractor will review the initial remittance for accuracy, and MIS will request the in-learning evidence for all learners.
- Once evidence is sent, MIS check on in-learning attendance; anything below 50% would be removed from the remittance for that month.
- An amended remittance (if needed) is sent to the subcontractor.
- The payment spreadsheet is completed and sent to Finance for payment.
- Finance then makes the payments to the subcontractor, usually by the first working day of every month.

Approval of subcontractor payments

- Invoices from subcontractors follow our Delegated Levels of Authority process and may require multiple approvals within our purchase-to-pay (P2P) system, Proactis.
- Where possible and appropriate, a purchase order (PO) is raised and sent to the subcontractor. The PO requires approval from the appropriate persons within the approval chain, determined by value and cost centre.
- Once the services have been received, the PO is 'receipted' by the appropriate manager. If an invoice submitted by the subcontractor matches the PO and receipt, it will be scheduled for payment automatically on the invoice due date.
- Invoices are logged by the Accounts Payable team onto Proactis and are coded to a cost centre and nominal code. If there is no PO on the invoice, this may be rejected, and the subcontractor will be required to add the relevant PO number to the invoice and resubmit.
- If there is no matching PO number, the invoice may then be sent for standalone approval, which follows the same approval process as the PO. In some cases, a retrospective PO may be raised.

RELATED POLICIES AND DOCUMENTS

Group 8: Curriculum

8.2 Subcontracting Partner Handbook

8.3 Subcontract Management Fee Policy

APPENDIX 1

Subcontract contingency plan

We have a contingency plan in place for learners, should either party withdraw from a subcontracting arrangement or the subcontractor cease to trade. The following outlines a series of actions that will be taken should this situation arise:

Activities	Advance preparations to prepare for the risk	Actions on notification	Expected results	Responsibilities
Terminate contract		Write to Partner to terminate the contract. Cease all payments to Partner until a payment reconciliation can be agreed upon.	The contract is terminated immediately.	Directorship
Funding bodies		Communicate with the funding body and inform them of the contract ceasing. Communicate as requested on an ongoing basis. Return funding to the DfE and/or DACA as requested and when identified as necessary. Inform the funding body of any suspected malpractice.	Compliance in relation to expectations of the DfE and/or DACA.	Directorship
Learner and employer communications	Prepare template notification letters. Templates should inform of the transfer to lead or others. All contact details are up to date, with a process in place to ensure this is the case.	Letters are distributed within 24 hours. Trigger telephone calls where practical.	100% of learners and employers receive accurate and timely notification.	Quality
Continued training and progression	Map the sectors and subjects delivered by subcontractors to	Trigger the transfer to either: a) LCG	Smooth transfer of learners without	Head of Subcontracting

Activities	Advance preparations to prepare for the risk	Actions on notification	Expected results	Responsibilities
	our own capabilities. Identify alternative providers where necessary.	b) an alternative provider. Communicate with employers and learners of the new assessor or provider.	affecting progress.	Contract Manager Quality Operations
MIS and documentation		Transfer provider on all MIS systems to reflect changes. Retrieve all LCG documentation from the subcontractor. Retrieve all learners' work portfolios and certificates.	Timely transfers on the MIS system and ILR.	MIS
Awarding organisation		Inform the awarding organisation of learner registration transfers to: a) LCG b) another provider. Monitor and track these changes.	Smooth transfer of all learners.	Quality
Status of each learner		Establish planned end dates for all learners. Examine learner tracking reports. Examine the last progress reviews. Prepare the current status for each learner regarding being behind, on track or ahead of target. Communicate with the new delivery team, learners and employers on the status and action plan to completion.	Timely information to inform planning to completion.	Operations
Transfer effectiveness		On successful transfer of learners:	Successful transfer with no negative impact	Operations

Activities	Advance preparations to prepare for the risk	Actions on notification	Expected results	Responsibilities
		a) monitor progress every four weeks by completing progress reviews to the point of completion b) obtain and action learner and employer feedback.	on the learners' journey, experience or success.	