Subcontractor Rationale and Supply Chain Fees and Charges Policy 2026/27

1. Introduction and background

1.1 West Nottinghamshire College (the College) recognises the importance of meeting the diverse needs of employers and learners across the markets that we serve. The ability to engage and work in strategic partnership with high-quality training organisations enables the fulfilment of our aims and objectives and provides employers and all learners with high-quality training provision, enabling the college to meet these needs.

1.2 For each Subcontractor, the College will identify the rationale for contracting and how this fits with strategic objectives to meet skills needs in the EMCCA region and wider East Midlands and enhance individuals' employability or access to higher-paid employment.

1.3 To comply with Department for Education (the DfE) standards and requirements, the College is required to provide information to support accountability and transparency in the management and distribution of public funds, specifically in relation to subcontracted activity.

1.4 The College is committed to delivering outstanding standards of teaching and learning and to providing a broad offer of learning opportunities and choices to all employers and learners.

1.5 In support of this aim, we enter into both subcontracted arrangements and joint delivery arrangements with a number of organisations across 16-19, Adult Education Budget, and Apprenticeships.

1.6 West Nottinghamshire College sees its subcontractors as key partners and, therefore, seeks to establish long-term partnerships. Subject to continuing quality/compliance and provision meeting needs, the College will maintain provision.

1.7 Subcontracting is subject to consent from the Department for Education.

2. The rationale for subcontracting

2.1. West Nottinghamshire College seeks only to subcontract with partners that can support one or more of the priorities below. These priorities themselves support the achievement of the College's strategic objectives.

a. Enhance the opportunities available to young people
- Particularly focused on supporting those who are not ready for traditional college offers.

b. Fill gaps in niche or expert provision, or provide better access to training facilities
- Particularly in D2N2 or neighbouring areas of the East Midlands

c. Support better geographical access for learners

d. Offer an entry point for disadvantaged groups of learners
- Particularly addressing Functional Skills and Essential Digital Skills

e. Impact on individuals who share protected characteristics.

3. Provision of services to support our supply chain

3.1 When working with subcontracted organisations, all learners are College learners, and the College retains overall responsibility for this delivery. To meet its obligations, the College retains a proportion of the funding earnt from the DfE, passing on a share of the education funding to the Subcontractor. The College seeks to ensure that the support and funding provided consistently meets its commitments to training delivery of the highest standards.

3.2 Learners on subcontracted provision are the College's learners. Should a partner fail financially or withdraw from providing training, the College will use its best endeavour to enable learners to complete their programme, where this is practical. Appendix 1 is the contingency plan that will be applied if a partner fails.

3.3 The funds retained are applied collectively for the provision of the following:
- Development and investment in the College's educational offer via a targeted 10% EBITDA, as recommended by the Further Education Commissioner.
- Data delivery, compliance review and transmission.
- Provision of data capture and transmission technology to speed up data collection.
- Regular review of subcontractor capability and monitoring.
- Provision of and access to a common e-portfolio tracking software system.
- Provision of and access to initial assessment, diagnostic and learning resources to support learners to improve English and mathsskills.
- Quality assurance processes, including observation and self-assessment support.
- Contract provision and management.
- Regular subcontractor review.
- Monthly management information and payment schedules supported by defined payment dates.
- Subcontractor development and best practice sharing forums and conferences
- Celebrating achievement events.

4. Funds retained in 2026/27

4.1 For all activity rolled over from previous years, the rates previously agreed will be retained for each Subcontractor.

4.2 For all starts from 01/08/2026, the College, to reflect its role in supporting the provision of its subcontracted learners, will retain:
- 20% on adult programmes
- 20% on 16-18 programmes – the funding used for calculations will be based on the weighting on the programme, not the average cost weighting for the College.
    - This will exclude deprivation factors for learner support and maths and English.
    - Where a learner has support needs, the College will seek to meet these directly or agree a costed support package with the provider.
    - Where the College undertakes part of the programme, it will deduct

direct costs plus a 10% markup for overheads.

- The value used may vary from the national rate . The funding value will be based on the allocation divided by FTE learners. Where the College has over delivered its funding allocation this will result in values below the national rate.

4.3 The College will monitor the cost further on an ongoing basis to confirm if this estimate reflects the cost of supporting subcontract provision.

5. Additional charges

5.1 The College levies fees by reference to its own risk-based approach to the cost of managing and monitoring the subcontractor provision:

- For new providers, the College may charge for the initial due diligence check.
- For existing providers, where the College notifies the subcontractor of areas of significant concern, it will charge for:
  - any administrative work to recheck the accuracy of information supplied as part of enrolment and confirmation of learning or accreditation
  - any outside agency it employs it employs to review information provided
  - any additional visits that are made above normal expectations to monitor enrolment process, recording of attendance, quality of teaching, and award of qualifications or end-point assessments.

  All of the above will be at cost plus a 20% contribution to overheads and EBITDA.
- The risk assessment will be based upon an assessment of the financial health, capacity to deliver, capability and quality of provision.

6. Payment of funding to partners

6.1 The importance of ensuring the timely transfer of funding to support delivery to the College's subcontracting provision is recognised in this policy. This is an important part of ensuring a quality experience for the College's learners.

6.2 The basis of payments will be the monthly funding report submitted to the DfE.

6.3 The College has an obligation to ensure the funding claimed represents value for money and is inline with the expectations within the funding guidance. Where a provision is being delivered in less than 50% of the guided learning hours used to set the funding value, an adjustment will be made to reflect reducing teaching / prior knowledge . Consideration of blended learning involving online material and one to one turor support as a suitable alternative delivery method.

6.4 For programmes of three weeks or less, data will be entered onto the ILR when all required information to confirm the funding of the programme is received. This includes initial guidance, enrolment documentation and registers confirming attendance (covering the full period of the programme).

6.5 For long programmes, over three weeks' data will be entered onto the ILR when all required information to confirm the funding of the programme is received. This includes initial guidance, enrolment documentation and registers confirming attendance (covering the first three-week period of the programme).

6.6 For long programmes, it is important to ensure the continued participation of learners on the programme, identifying withdrawals on a timely basis to reduce the risk of incorrect claims for funding. The College will request this information on a monthly basis, including any revision to the expected end date.

6.7 Where this is not provided, the transfer of funding on these individual learners will be suspended.

6.8 Funding is not finalised until confirmation is received annually from the DfE following the submission of R14 funding return and any in-year funding audits. To represent this risk, 10% of the payment to subcontractors will be retained until the annual funding position is confirmed. If the College receives any percentage adjustment to its whole funding claim, this percentage adjustment will be applied across partner delivery funding.

6.9 Where any specific learners are identified as ineligible or incorrectly claimed, this funding will be removed from the partner funding.

6.10 The College will make a payment to subcontractors with 30 days of the submission of each ILR to the DfE. The 10% holdback will be paid within 30 days of receipt of confirmation from the DfE.

7. Advantages of working as a subcontracted partner with West Nottinghamshire College

7.1 Our subcontracted partners will benefit from the College's wealth of knowledge and support to meet the needs of employers and communities. Typically, a delivery subcontractor with the College will receive the following:

- Monthly (for all new subcontractors) quality meeting, moving to bi-monthly or quarterly review based on the needs and requirements of the Subcontractor.
- Experienced staff as a point of call and support to enable the Subcontractor to contact the College for any questions and queries relating to their provision, funding arrangements and quality improvement.
- Access to the College's provider portal, which provides a single point of entry for learning materials, compliance documentation, quality assurance documentation, and other resources.
- Invitations to the College's support programmes such as safeguarding, Prevent and E&D training, best practice sharing conferences, and other sector-specific events.

7.2 In addition to the direct support, the College provides a broad range of management information and performance reports to support the effective and timely delivery to learners and employers and to monitor performance against agreed targets.

7.3 Learners will be informed through communication by the Subcontractor and documentation used that their taining is being delivered on behalf of West Nottinghamshire College.

8. Financial health assessment of the provider

8.1 The College undertakes a financial health assessment of all its delivery subcontractors. This is to mitigate the risk to learners, their employers, and the College in the event of subcontractor failure.

8.2 All delivery subcontractors are required to register on the DfE's Register of Training Organisations (RoTO or RoATP) prior to a contract being set in place.

8.3 In making an assessment of the financial risk of the proposed delivery subcontractor, it may be necessary to request additional information which is not available in the public domain. Any information provided to the College will be treated in confidence.

8.4 The College will only contract with a delivery subcontractor who, in its opinion, has sufficient financial resources to carry out the contract proposed at the standard acceptable and for the duration required.

8.5 The College will use a credit agency to provide a minimum six-monthly check of the financial strength of the Subcontractor.

9. Delivery subcontractor accountability

9.1 In some circumstances, further investigations of the delivery subcontractor would be undertaken if the following events occur:

- Ofsted has awarded the delivery subcontractor 'inadequate' for leadership and management.
- Any irregular financial or delivery activity arises.
- Sanctions are placed on the Subcontractor by an awarding organisation.
- Non-delivery of training.
- Negative or adverse feedback received from learners.
- Ongoing non-compliance with data exchange and information requirements.

10. Reporting subcontracting arrangements

10.1 The College will regularly declare to the DfE the value and volume of subcontracted provision committed, including a declaration of the individual providers under contract via the subcontractor declaration.

10.2 Annual payments to subcontractors will be recorded on the College website, following completion·of the R14 funding return and confirmation of the annual funding from the DfE.

10.3 Annual payments will be provided to the DfE.

11. Review of this policy

11.1 This policy will be published on the West Nottinghamshire College website, as required by the DfE. The policy will be reviewed annually to ensure compliance with the DfE's funding requirements.

Approved for and on behalf of West Nottinghamshire College by:



Principal and Chief Executive

Kate Tracey

Chair