

## Subcontracting policy 2025/2026

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### 1 Introduction

1.1 This policy outlines the basis on which subcontracting arrangements will be managed by Step into Learning. The management of subcontractors will be in full accordance with the **Department for Education (DfE)** subcontracting rules for **post-16 funded provision**, including the **subcontracting standard** and all relevant guidance for the **2025–2026 academic year**.

This includes adherence to any **DfE subcontracting exemption processes**, including:

- Subcontracting over the **25% threshold** of ESFA-funded provision
- Subcontracting the **whole programme for 16–19 learners**
- **Distance subcontracting** arrangements (where delivery takes place outside the normal delivery region)

Step Into Learning will ensure all exemption applications are submitted in accordance with DfE deadlines and conditions, and that all subcontracted delivery complies with relevant funding rules, quality requirements, and risk assessments. We will also assess the subcontractor's capacity to meet **DfE priorities**, deliver high-quality provision, and maintain learner satisfaction while minimising risk to public funds.



1.2 We expect our subcontractors to meet one or more of the following:

1. enhance the opportunities available to young people.
2. fill gaps in niche or expert provision, or provide better access to training facilities
3. support better geographical access for learners
4. support an entry point for disadvantaged groups
5. support individuals who share protected characteristics, where there might otherwise be gaps

A handwritten signature in black ink.

Colin Wadsworth

A handwritten signature in black ink, with the name "Kelly Channon" written below it.

Kelly Channon

Chair of trustees

Executive Director

Responsible Chief Financial Officer.

## 2 Scope

2.1 This policy applies to all subcontractors of Step into Learning during the 2025–2026 academic year for DfE-funded provision

2.2 All subcontractors will be required to sign a declaration confirming they have read, understood, and agreed to comply with the contents of this policy before any delivery agreement is issued.

2.3 The most up-to-date version of this policy will always be available on our website: [www.stepintolearning.org.uk](http://www.stepintolearning.org.uk), and will be reviewed at least annually or when updates to DfE guidance are issued.

2.4 We subcontract our provision to third-party organisations only where there is clear educational or access benefit to learners. Our internal team possesses the knowledge, skills, and experience to manage subcontracted delivery in full accordance with the **DfE's 10 key subcontracting standards**, including:

1. pre award activities
2. Contract award and management.

3. People
4. Administration
5. Managing relationships
6. Managing performance
7. Payment and incentive
8. Risk management.
9. Contract development and or/termination.
10. Provider development

2.5 We select subcontractors fairly, transparently, and without discrimination. All prospective subcontractors must demonstrate sufficient capacity, capability, quality, financial health, and appropriate business standing to deliver the agreed provision. Due diligence checks are carried out before contracting to ensure compliance with DfE funding rules and assurance of learner benefit.

### **3 Definitions**

#### **3.1 Subcontracting Opportunities**

We will publish details of any potential subcontracting opportunities on our website, including a deadline for applications. Interested potential subcontractors are required to submit an initial expression of interest. We will conduct a thorough review to ensure there are no actual or perceived conflicts of interest before progressing with any potential subcontractors. If necessary, we will eliminate any subcontractors with conflicts from the process. This process is fully supported to assist new subcontractors in transitioning to mainstream funding. The submitted information will be assessed by senior management and brought to the next Trustee meeting for further discussion and decision. If applicable, permission will also be sought from the Department for Education (DfE) to expand our full programme delivery provision with a new subcontractor.

Notifications on outcomes will be sent to potential subcontractors, and this process may take up to 12 weeks. We will always provide constructive feedback to applicants and offer support to help develop the organisational capacity of any unsuccessful subcontractors, enhancing their potential for future subcontracting opportunities with us or other providers.



### **3.2 Due Diligence and Contractual Agreement**

Successful applicants will proceed to the second stage of the due diligence process.

Upon satisfactory completion of this process, a formal contract may be offered.

Subcontractors must provide all requested information to ensure they meet legal, financial, and educational standards before any contract is signed. Subcontractors whose total subcontracted value exceeds £100,000 across one or more contracts may undergo additional high-risk due diligence checks.

We ensure that contracts are managed by appropriately trained staff, and that no staff or trustees with a direct or indirect financial interest in the subcontractor are involved in managing or monitoring the subcontractor's performance. This includes activities such as signing timesheets or invoices, as well as organizing or carrying out monitoring visits.

### **3.3 Accountability and Monitoring**

We take full responsibility for the actions of subcontractors in relation to the delivery of services. If a subcontractor fails to meet contractual obligations, we will make alternative arrangements for service delivery and/or reimburse DfE funding if necessary. We conduct comprehensive monitoring to ensure high-quality delivery, which includes both desktop spot checks and in-person quality assurance checks. These checks may include:

1. Verifying the eligibility of learners for DfE funding.
2. Direct observation of initial guidance, assessment, and learning programme delivery.
3. Safeguarding practices, which are continuously monitored through our internal safeguarding system (CPOMS).
4. Ensuring compliance with the Prevent Duty and safeguarding requirements.
5. Producing action plans where quality issues are identified, with additional support provided where necessary, including mentoring and training. Failure to engage in these support activities may result in penalties.

### **3.4 Contract Storage and Accessibility**

All signed subcontracting contracts are stored on our company SharePoint and can be accessed when required.

### 3.5 **Funding Submission Key Dates**

The following key submissions are integral for assessing contract growth and MCV (Maximum Contract Value) allocation:

- **R04 (December):** Includes all enrolments with start dates on or before 01/11/2025.
- **R06 (February):** Includes all enrolments with start dates on or before 01/01/2026. This is the first key point for DfE to assess growth and must have reached 100% of the DfE contract.
- **R10 (June):** Includes all enrolments with start dates on or before 01/05/2026. This marks the second assessment point for possible growth, contingent on 100% contract reach and documented enrolments on the MIS.

### 3.6 **Financial Payment Monitoring**

We have robust processes in place for monitoring financial payments to subcontractors. Our payment mechanisms are well-documented, transparent, and understood by all parties. Payments are processed monthly, with remittances and exact payment dates communicated to subcontractors.

### 3.7 **Payment Principles**

Payments to subcontractors will be based on the following principles:

- A 20% retention from the total monthly amount.
- Deductions for outstanding qualification enrolment fees.
- The right to delay or withhold payments if more than 20% of learners have exceeded their end dates by more than two months without the required documentation.
- Payments will not be made unless sufficient evidence of learning activity is provided.

### 3.8 **Eligibility and Payment Conditions**

No payments will be made for learners who:

- Have not been enrolled in the MIS.
- Are fully funded by sources other than the DfE.
- Fail to meet any required attendance or achievement documentation deadlines.

### 3.9 **Growth Payments and Performance**

Interim growth payments will be made by DfE in March 2026 based on full contract



allocation to learners. Further growth payments will be made following DfE's R06 and R10 returns, subject to learner data verification and performance.

### **3.10 Performance Monitoring and Contract Termination**

Subcontractors who fail to meet contract milestones or perform below the required standards will receive a Notice to Improve. Failure to address these concerns may result in contract termination.

### **3.11 Learning Support and Monitoring**

All subcontracted learning programmes must include diagnostic assessments to ensure learners are suited for their chosen courses, and appropriate learning support is in place. Subcontractors must also maintain records of learner progress and comply with our internal quality assurance policies.

### **3.12 Continuous Improvement and Development**

We are committed to supporting subcontractors in improving their performance through joint development activities, shared training, and risk-reduction initiatives. This collaboration ensures mutual benefit and alignment with wider government initiatives, including sustainability and diversity goals.

### **3.13 Relationship Management**

Our relationship with subcontractors is built on proactive communication, clear expectations, and regular reviews. This ensures all parties are aligned in terms of responsibilities and performance standards. We also have well-defined processes in place to resolve any issues or disputes, promoting a collaborative, non-blame culture.

### **3.14 Contract Management and Compliance**

We maintain a structured approach to contract management, with clear performance metrics linked to DfE funding rules. Subcontractors are regularly monitored and provided with feedback on their performance, with improvement plans implemented where necessary.

### **3.15 Health and Safety Compliance**

Subcontractors must ensure that all facilities used for learning meet current health and safety regulations, and provide any necessary reports, audits, or risk assessments upon request.



### 3.16 Self-Assessment and Safeguarding

Subcontractors are required to undertake a self-assessment process against the Common Inspection Framework, submitting a Self-Assessment Report (SAR) along with a corresponding action plan. They must also have up-to-date safeguarding policies and a designated Safeguarding Officer at each learning venue.

### 3.17 Safeguarding and Welfare

All subcontractors must adhere to safeguarding standards consistent with our internal policies. This includes having an annually updated safeguarding policy, a qualified Safeguarding Officer, and compliance with Prevent Duty requirements.

### 3.18 Contract Changes and Termination

We regularly review subcontractor performance and data to ensure alignment with evolving business needs. Any changes to the contract or its termination will be handled in accordance with governance procedures, with a focus on value for money and fairness.

### 3.19 Policies and Compliance

All relevant policies must be up to date, compliant with legislation, and reviewed annually, including but not limited to: Anti-Bullying, Complaints, Equality, Diversity & Inclusion, GDPR, Health & Safety, Safeguarding, and Sustainability. These policies are integral to ensuring subcontracting arrangements align with DfE standards for 2025–2026.

## 4 Policy Statement

### Subcontracting fees and charges.

Our purpose for subcontracting educational provision is to provide young people in Devon and Cornwall with the opportunity to develop as individuals by delivering high-quality, person-centred education and enhancing the quality of our learner offer.

**We do not use subcontracting to meet short-term funding objectives.** We expect our subcontractors to meet one or more of the following objectives:

1. Enhance the opportunities available to young people.
2. Fill gaps in niche or expert provision or provide better access to training facilities.

3. Support better geographical access for learners.
4. Support an entry point for disadvantaged groups.
5. Support individuals who share protected characteristics, where there might otherwise be gaps.

The assigned contract manager, **Kelly Channon**, has detailed knowledge of the contract and other relevant issues, such as requirements in line with DfE contract and funding rules and current subcontractor performance. **Kelly Channon** has the appropriate skills (both specific contract management skills and more general commercial awareness and expertise), with access to relevant training and development. Our experienced staff are utilised on key contracts.

Contractual procedural obligations to the subcontractors are itemised in the table below. These specific costs are all reasonable and proportionate to the delivery of the subcontracted teaching and learning. The charges below provide details as to how the costs all contribute to delivering high-quality training. The subcontracting policy is published on our website: [www.stepintolearning.org.uk](http://www.stepintolearning.org.uk).

Our management charge is a standard rate of **20%** individually on young people element 1 contracts, and **up to 5%** individually on young people element 2, depending on support required.

The costing below does not specifically individualise which member of staff carries out the function, but it does identify the lead employee. However, we have considered the cost of contract management activities, and care has been taken to create costings that identify all the procedures and risk management we carry out in managing these contracts to the DfE subcontracting standards.

<b>Contract Value Element 1</b>			
<b>Management Charge at 20%</b>			
<b>Function</b>		<b>%</b>	<b>Amount £</b>
1.	We manage and administrate the MIS functions for the subcontractor learners, including submitting error-free	39%	£

	monthly returns to the DfE. We will manage the external DfE audits and do our utmost to ensure the subcontractors are compliant to gain a satisfactory verdict.		
<p>This service is led by Kelly Channon who has overall responsibility for MIS staff. This is a highly technical procedure that requires an extensive knowledge of both MIS systems and funding methodology. It is an auditable function, which therefore requires minimal errors. The cost of this to the subcontractor represents 39% of the management budget, it is self-evidently of the highest priority.</p>			
2.	We re-create and simplify ILR paperwork to allow all subcontractor learners to be able to understand and complete the forms without error. We will create and issue guidance each year on how to complete the forms along with any highlighted changes.	5%	£
<p>This service is led by Kelly Channon who has overall responsibility for MIS staff. This will assist in paperwork with minimal errors. All paperwork is verified before entering onto the MIS, and feedback, as well as extra training if applicable, will be offered to subcontractors on paperwork procedures.</p>			
3.	We administer and manage the subcontractors' achievements, learner voice, distance travelled, and destinations. This produces a performance report which is supplied to the subcontractors to help with the completion of their SAR. The report is also used to analyse the effectiveness of delivery and to monitor the performance of individual tutors.	2%	£
<p>This service is led by Kelly Channon who has overall responsibility for MIS staff. The time required to process the subcontractor's data for achievements, learner voice, and destinations for the academic year. This data has multiple uses and is incredibly effective.</p>			

4.	We will produce valid MIS spreadsheet reports to the subcontractors monthly. This will allow the subcontractors to monitor their contractual spending with us.	2%	£
<p>This service is led by Kelly Channon who has overall responsibility for MIS staff.</p> <p>Providing essential data to the subcontractors. This report enables the subcontractors to check the data and payments, to ensure they agree that correct monthly payments are being made and their contractual "spend" is on target.</p>			
5.	We will ensure that data entries optimise the subcontractors' potential drawdown.	1%	£
<p>This service is led by Kelly Channon who has overall responsibility for MIS staff.</p> <p>Proportionate time required to provide advice and guidance to subcontractors.</p>			
6.	We will contact the subcontractors monthly to discuss their contract targets against their actual spending and renegotiate, if necessary, to prevent any undue pressures. Clawbacks for under delivery or other reasons will be actioned.	1%	£
<p>This service is led by Kelly Channon who has overall responsibility for contracts.</p> <p>Assisting the subcontractors in planning delivery and ensuring they meet contractual requirements. The service cost is based on the time factor for the full academic year.</p>			
7.	We will carry out face-to-face and desktop spot-checks through the academic year on the subcontractor's delivery and processes. We will investigate if there is any evidence of subcontractor irregular financial or delivery activity. We will report the outcome of the investigation, in writing, to the DfE within 10 days of the end of the investigation.	3%	

This service is a statutory contractual requirement, which will be carried out at various times throughout the academic year by Kelly Channon and Malcolm Wake.

8.	<p>We will carry out a regular and substantial program of quality assurance checks on the education and training provided by subcontractors. The program will cover whether the learners exist and are eligible and involve direct observation of initial guidance, assessment, and delivery of learning programs. We will provide the subcontractors with a report highlighting strengths and identify areas for improvement, which will be actioned and followed up. We will manage the OFSTED audits and do our utmost to ensure the minimum standard of "good" is achieved.</p>	39%	£
<p>This service is led by Malcolm Wake who has overall responsibility for ensuring that subcontractors' quality of teaching, learning, and processes are at the highest level, conforming to DfE and Ofsted requirements. This service can only be achieved by ensuring the quality staff have sufficient time and resources available to the subcontractors. The cost of this service is 39% of the management budget and is critical to maintaining quality.</p>			
9.	<p>We will use reasonable endeavors to assist or draw the attention of the subcontractors, opportunities for restructuring the curriculum and other relevant modifications to facilitate and maximise the benefits to the learner (wherever practicably and statutorily possible) and deem to be offering good value for money for the DFE. This is to ensure DFE maximum benefit from public funding.</p>	5%	£
<p>This service is led by Malcolm Wake who has overall responsibility for ensuring that the subcontractors meet the local needs of their communities and businesses within</p>			

<p>their geographical area. Providing guidance and training if applicable on curriculum and quality. The service cost ensures maximisation of funding representing the best opportunities for learners.</p>			
10.	We will provide quality assurance support to subcontractors requiring improvement and support external quality assurance.	1%	£
<p>This service is led by Malcolm Wake who has overall responsibility for providing support to subcontractors requiring improvement and supporting external quality assurance visits to ensure that a minimum of "good" is maintained across the subcontractors</p>			
11.	We will provide online and classroom-based CPD for the subcontractors.	2%	£
<p>This service is led by Malcolm Wake who has overall responsibility for the continual development of subcontractors. We provide new online CPD and classroom-based CPD. The service cost is the time required to develop, install, and monitor resources.</p>			
<p>Total:</p>		100%	£

<b>Contract Value Element 2</b>			
<b>Management Charge at 5%</b>			
<b>Function</b>		<b>%</b>	<b>Amount</b> £
1.	We provide comprehensive administrative support for the management of Education, Health and Care Plan (EHCP) processes for learners with Special Educational Needs and Disabilities (SEND). This includes:	100%	£

	<ul style="list-style-type: none"> <li>• Liaison with Local Authorities to ensure accurate and timely block payments</li> <li>• Conducting and reporting attendance checks in line with LA requirements</li> <li>• Supporting subcontractors in chasing payments and paperwork</li> <li>• Maximising funding opportunities through diligent record-keeping and data management</li> </ul> <p>Delivery of SEND-related CPD to support administrative quality and compliance</p>		
<p>This service is led by Kelly Channon, who has overall responsibility for MIS staff. She is supported by our administration team to ensure all processes are completed efficiently and in accordance with Local Authority requirements.</p> <p><b>Note:</b></p> <p>The Element 2 management charge is applied as a variable percentage of the subcontract value, capped at 5%, and reflects the actual cost of SEND-related administrative support and CPD provision. Charges are pre-agreed, distinct from Element 1, and fully evidenced for audit. All rates are reviewed annually in line with Department for Education (DfE) requirements.</p>			

## 5 Declaration

5.1 Please ensure the person signing this statement is the person responsible for the subcontracting contract. I confirm I have read and fully understood the subcontracting policy before engaging in a 2025-2026 contract with us and would like to continue to the next stage.

Name:

Job Title:



Organisation:

Signature:

Date: