

SUBCONTRACTING PROCEDURE

1. INTRODUCTION

East Kent Colleges Group ("the Group") may engage subcontracting partners where there is a clearly identified educational, employer, community, or skills need that cannot be effectively met through direct delivery. All subcontracting arrangements must deliver demonstrable value for learners, employers, and stakeholders and comply with all applicable funding, regulatory, contractual, and quality requirements.

The Group will ensure that all subcontracting activity is undertaken in accordance with:

- Education and Skills Funding Agency (ESFA) funding rules and subcontracting requirements.
- Any successor funding body regulations.
- Ofsted requirements.
- UK GDPR and Data Protection legislation.
- The Group's Financial Regulations.
- The Group's Safeguarding, Prevent, Equality, Diversity and Inclusion, and Quality Assurance policies.

The **Chief Employer Engagement Officer (CEEO)** is the Senior Responsible Officer for all subcontracting activity undertaken by the Group. The CEEO is responsible for:

- Identifying the need for subcontracted provision.
- Identifying and sourcing potential subcontracting partners.
- Ensuring there is a clear curriculum, employer, and business rationale for any subcontracting activity.
- Ensuring compliance with ESFA funding rules, contractual obligations, regulatory requirements, and Group policies.
- Overseeing subcontractor due diligence and risk assessment activities.
- Approving progression through due diligence stages.
- Recommending subcontractors for contract award.
- Determining the appropriate level of contract management, monitoring, and support.
- Ensuring appropriate staff are trained and competent in the management of subcontractors.
- Overseeing subcontractor performance, quality assurance, compliance, and improvement activities.
- Investigating and resolving contractual disputes.

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- Escalating significant risks, quality concerns, compliance issues, or contractual matters through the Group's governance arrangements.

College Services and Operations teams are responsible for the day-to-day administration of subcontracting arrangements, including due diligence coordination, contract administration, document management, monitoring support, and maintenance of subcontractor records.

This procedure will be reviewed annually, or earlier where changes to funding rules, legislation, or business requirements necessitate revision.

This Procedure will be reviewed on an annual basis according to business need and any changes from the ESFA.

2. PROCEDURES

2.1 Approval for using subcontractors

The Group operates an annual subcontracting approval process. All proposed subcontracting activity must be supported by:

- A clearly defined curriculum, employer and business rationale.
- Evidence of learner, employer, or community need.
- Financial viability.
- Compliance with current funding regulations.
- Evidence that direct delivery is not reasonably available within the Group or that subcontracting delivers additional strategic value.

All subcontracting arrangements must be approved by the Group Leadership Board and subsequently approved through the appropriate governance process before delivery commences.

Where an in-year subcontracting requirement arises, the Chief Employer Engagement Officer (CEEO) will:

1. Identify the requirement for subcontracting.
2. Define the scope of activity.
3. Identify potential subcontracting partners.
4. Determine the anticipated contract value.
5. Complete the approval process outlined in Appendix 1.
6. Submit the proposal to the Group Leadership Board for approval.

Approval records will be retained for audit and assurance purposes

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2.2 Due diligence and selection of subcontracting partners

Following approval, the Group Leadership Board will notify the Chief Employer Engagement Officer (CEEEO) who will identify suitable subcontracting partners.

A robust two-stage due diligence process will be undertaken to ensure that subcontractors are financially stable, operationally capable, compliant with regulatory requirements, and able to deliver high-quality provision.

Stage 1 Gateway

The proposed provision must meet the following gateway criteria:

- Does not unnecessarily duplicate provision already delivered by the Group.
- Addresses an identified learner, employer, community, or skills need.
- Provides clear educational value.
- Supports learner progression, skills development, or employer engagement objectives.
- Represents an appropriate use of subcontracting under current funding regulations

Stage 2 – Guiding Principles

Where the Stage 1 Gateway criteria are met, subcontracting arrangements will normally proceed where one or more of the following principles apply:

- Delivery engages hard-to-reach learners and supports progression into employment, apprenticeships, or further education.
- Delivery provides specialist expertise not available within the Group.
- Delivery provides access to specialist facilities or industry resources.
- Delivery expands employer choice and supports employer demand.
- Delivery contributes to local, regional, or national skills priorities.

2.2.1 Due diligence - stage 1

The Chief Employer Engagement Officer (CEEEO), or an authorised nominee, will undertake a desktop due diligence assessment using Appendix 2.

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Assessment areas will include:

- Financial health and solvency.
- Companies House status.
- Insurance arrangements.
- Safeguarding and Prevent policies and procedures.
- Safer recruitment procedures.
- Staff DBS compliance arrangements.
- Evidence of safeguarding training for relevant staff.
- Data protection compliance.
- Ofsted outcomes (where applicable).
- Equality, Diversity and Inclusion compliance.
- Health and Safety arrangements.
- Cyber security arrangements.
- Conflict of interest declarations

Subcontractors will be assigned a risk rating as follows:

Low Risk

Proceed to Stage 2.

Medium Risk

Refer to the CEEO for review and approval before proceeding.

High Risk

Do not proceed to Stage 2. The subcontractor will be informed that they have not been selected to progress.

Any critical compliance or financial concern identified during due diligence will automatically result in a High-Risk classification.

2.2.2 Due diligence - stage 2

If the subcontractor passes Stage 1, the relevant Senior Leadership Team representative will issue:

- A detailed due diligence questionnaire.
- Requests for supporting documentation.
- Requests for relevant policies and procedures.

Required evidence may include:

- Audited accounts.

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- Insurance certificates.
- Safeguarding policies.
- Prevent arrangements.
- Quality assurance procedures.
- Data protection documentation.
- Staff qualifications.
- Employer and client references.
- Previous performance records.
- Business continuity plans.

The College Services and Operations team will:

- Obtain references.
- Verify submitted documentation.
- Assess completeness, quality, and currency.
- Apply scoring criteria (2 = fully met, 1 = partially met, 0 = not met).

The results of the due diligence process will be submitted to the CEEO for review and approval.

The final recommendation will include:

- Suitability assessment.
- Risk rating.
- Proposed contract value.
- Recommended management fee.
- Monitoring requirements.

The CEEO will make the final recommendation regarding subcontractor selection prior to contract award.

2.3 Contract award and sign off

All subcontracting relationships will be governed by a legally binding written contract.

The contract must clearly define:

- The services being delivered.
- Funding arrangements.
- Performance expectations.
- Quality requirements.
- Monitoring arrangements.

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- Data sharing responsibilities.
- Audit rights.
- Safeguarding obligations.
- Termination provisions.

The management fee charged by the Group will normally be between 15% and 20%.

The fee will be determined based upon:

- Risk profile.
- Level of quality assurance required.
- Monitoring requirements.
- Administrative support provided.
- Funding compliance activity.

The rationale for the fee charged must be documented and retained.

Prior to issue, the CEEO will review and verify that the contract accurately reflects the approved activity, associated risks, monitoring arrangements, and approved funding profile.

Contract signing authority shall be:

- Chief Executive Officer for contracts up to £150,000.
- Chair of the Governing Body for contracts exceeding £150,000

2.4 Quality Assurance and monitoring

Overall responsibility for subcontractor quality assurance and performance management rests with the CEEO.

Monitoring arrangements will be proportionate to the subcontractor's risk rating and documented within the contract schedule. The Group will regularly review subcontractor safeguarding arrangements, including safeguarding records, staff training compliance, DBS processes, learner awareness of reporting mechanisms, and compliance with the Prevent Duty.

2.4.1 Monitoring

Monitoring activity, overseen by the CEEO or delegated nominee, will include review of:

- Learner recruitment.

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- Attendance and retention.
- Achievement rates.
- Learner progression.
- Employer satisfaction.
- Learner satisfaction.
- Safeguarding compliance.
- Prevent compliance.
- Funding compliance.
- Complaints and incidents.
- Performance against contractual KPIs.

Monitoring activity will be documented using Appendix 6.

2.4.2 Spot checks

Unannounced visits may be undertaken by the CEEO or authorised Group representatives acting on their behalf.

Spot checks may include:

- Learner interviews.
- Staff interviews.
- Observation of teaching and learning.
- Compliance testing.
- Review of previously identified actions.

Records of spot checks will be maintained using Appendix 7

2.4.3 Contract Review Meetings

Quarterly contract review meetings will be held between the Group and the subcontractor and will normally be chaired by the CEEO or an authorised nominee.

Meetings will:

- Review performance against contract.
- Address concerns or risks.
- Discuss compliance matters.
- Review learner outcomes.
- Agree improvement actions where required.

The Group may additionally scrutinise:

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- Marketing materials.
- Attendance records.
- Learning agreements.
- Awarding organisation registrations.
- Certification records.
- External verification reports.
- Safeguarding records.

2.4.4 Annual due diligence for continuing provision

All continuing subcontractors will be subject to an annual due diligence assessment.

This review will include:

- Financial health checks.
- Insurance validation.
- Safeguarding compliance.
- Policy reviews.
- Data protection compliance.
- Quality performance.
- Funding compliance history.

2.4.5 Issue management

Where concerns are identified through monitoring, audit activity, spot checks, meetings, or due diligence reviews:

- Issues will be escalated to the CEEO.
- Improvement plans will be agreed with the subcontractor.
- Additional monitoring may be implemented.
- Payments may be suspended where significant concerns exist.
- The Finance Team will be informed where payment restrictions are required.

The CEEO may require the implementation of:

- Formal improvement plans.
- Enhanced monitoring arrangements.
- Suspension of learner recruitment.
- Suspension of payments.
- Contract termination.

Serious issues may result in:

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- Formal notice of breach.
- Suspension of delivery.
- Contract termination.
- Referral to funding authorities or regulatory bodies where appropriate

2.4.6 Data Protection and Information Security

All subcontractors must comply with:

- UK GDPR.
- Data Protection Act 2018.
- Applicable information security requirements.

Prior to delivery, subcontractors must enter into a Data Sharing Agreement where personal data is exchanged.

Subcontractors must:

- Report data breaches immediately.
- Maintain appropriate cyber security arrangements.
- Ensure secure storage and transfer of learner information.
- Permit compliance audits where required.

2.4.7 Contract Termination

The Group reserves the right to terminate a subcontracting agreement where:

- Funding rules are breached.
- Quality standards are not achieved.
- Safeguarding concerns arise.
- Fraud or financial irregularity is identified.
- Data protection breaches occur.
- Contractual obligations are not fulfilled.

Any recommendation to terminate a subcontracting arrangement must be reviewed and approved by the CEE0 in accordance with contractual provisions and Group governance arrangements.

Learner protection arrangements must be implemented to ensure continuity of provision where termination occurs.

2.5 Contract close out

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At contract completion, subcontractors must provide all required learner and contract records, including:

- Learning agreements.
- Certification records.
- Registers.
- Initial assessments.
- Eligibility evidence.
- Formative and summative assessments.
- Learner evaluations.
- Risk assessments.
- Supported learning plans.

The Group will archive documentation in accordance with its Records Retention Schedule and applicable funding requirements.

Records will be stored securely and retained for the period specified within funding regulations and data protection legislation.

Associated policies and procedures

- Subcontracting Policy
- Financial Regulations
- Procurement and Due Diligence Policy
- Data Protection Policy
- Safeguarding and Preventing Extremism and Radicalisation Policy
- Equality, Diversity and Inclusivity Policy
- Risk Management Policy
- Records Management and Retention Policy

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