SUBCONTRACTING POLICY 2026/27

Central Training Academy (CTA)

Policy owner	Managing Director	**Approved by**	Board of Directors
Effective	1 August 2026	**Review due**	31 July 2027
Applies to	All CTA delivery subcontracting	**Version**	7.0
Approval date	30 July 2026	**Publication**	1 August 2026

1. Purpose and status

This policy sets out how CTA selects, approves, contracts with, manages and reviews delivery subcontractors. It applies to subcontracted education and training funded through CTA and must be read with the funding rules, conditions of funding and contracts that apply to each funding stream.

For 2026/27, the Department for Education (DfE) post-16 subcontracting rules apply to 16 to 19 funding and non-devolved Adult Skills Fund provision. Apprenticeship subcontracting is governed by the separate apprenticeship funding rules and the requirements of the responsible funding authority. Where requirements differ, the rule specific to the funding stream prevails.

2. Policy principles

- Subcontracting must enhance the quality or accessibility of the learner offer and must never be motivated by financial gain alone.
- CTA remains accountable for the quality, legality, funding compliance, safeguarding and use of public funds throughout the subcontract.
- Decisions will be transparent, evidence-based, free from unmanaged conflicts of interest and approved at the appropriate governance level.
- CTA will reduce dependency on subcontracted delivery where direct delivery is a viable and better-value alternative.
- Learner continuity and protection take priority in mobilisation, contract variation, suspension and exit.

3. Educational rationale and business case

A written business case is required before procurement or renewal. It must be approved by the Board of Directors must demonstrate at least one of the following:

- enhanced opportunities or outcomes for learners;
- access to niche expertise, specialist provision or facilities unavailable internally;
- better geographical access;
- an entry route for disadvantaged groups;
- support for people who share protected characteristics where provision would otherwise be limited.

The business case must also quantify learner demand, alternatives considered, intended outcomes, contract value, affordability, management capacity, risks, value for money, planned learner volumes by funding stream and the strategy for reducing subcontracted provision where appropriate.

4. Approval thresholds and permissions

- CTA will obtain DfE written approval before first-time subcontracting where the rules require it.
- CTA will monitor the proportion of learners subcontracted separately for each relevant funding stream. If planned subcontracting will exceed 25% of learners, CTA will obtain an exemption before delivery starts. Applications for the following year should be submitted by 30 April, with in-year applications made promptly where plans change.
- CTA will obtain any specific approval required for whole-programme subcontracting or 16 to 19 distance learning before delivery.
- CTA will not subcontract to a second level. Every delivery subcontractor must contract directly with CTA.
- CTA will not use brokerage services to source delivery subcontractors.

5. Procurement and conflicts of interest

CTA will select subcontractors fairly, transparently and without discrimination. Where CTA is a contracting authority, procurement will comply with the Procurement Act 2023. The procurement file will include the specification, invitation to tender, scoring method, moderation record, due diligence, approvals, conflicts register and contract award rationale.

Actual or perceived conflicts, including common directors or beneficial owners, must be declared to CTA immediately. CTA will notify the funding authority where required, will not award the contract without required written permission, and will retain the request and response as evidence.

6. Due diligence and approval

Due diligence will be completed before award and refreshed at least annually, with continuous checks where risk changes. CTA will verify:

- legal identity, active Companies House status where applicable, ownership, beneficial owners and organisational structure;
- valid UK Provider Reference Number (UKPRN) and UK Register of Learning Providers registration;
- financial health, statutory accounts, credit information, liquidity and capacity to deliver. A new company without first statutory accounts will only be considered where financial capability is thoroughly evidenced;
- the DfE policy for funding higher-risk organisations and subcontractors, insolvency indicators and overdue accounts;
- quality record, Ofsted history, awarding-organisation status, learner outcomes, complaints and references;
- staff competence, capacity, safeguarding, Prevent, equality, health and safety, data protection, cyber security, insurance and business continuity;
- aggregate subcontract values shown on the published list of declared subcontractors and any concentration or exposure risk.

CTA will not award or renew where mandatory eligibility or financial health requirements are not met. If a subcontractor ceases to meet requirements, CTA will suspend new starts immediately while determining corrective action, funding-authority notification or termination.

7. Contract requirements

A legally binding written agreement must be signed before any delivery begins. Each agreement and schedule must include, as a minimum:

- scope, funding stream, volumes, locations, delivery model, milestones, price, payment basis and contract term;
- learner eligibility, curriculum, planned hours, English and maths, assessment, work experience or employer requirements as applicable;
- all applicable funding-rule obligations and a requirement to comply with future rule changes;
- accurate and timely learner data, evidence and returns sufficient for CTA to make compliant funding claims;
- access for CTA, DfE, the responsible funding authority, auditors, inspectors and other persons nominated in writing, including access to premises, staff, learners, systems and records;

- suitably qualified staff and controls over recruitment, induction, CPD and safer recruitment;
- safeguarding, Prevent, equality, health and safety, information governance, UK GDPR, confidentiality and cyber incident reporting;
- notification of irregular financial or delivery matters, fraud concerns, sanctions, material complaints, inadequate inspection outcomes or changes affecting due diligence;
- prohibition of second-level subcontracting and brokerage;
- clear service descriptions and itemised charges, clawback, reconciliation, repayment, audit, variation, suspension, termination and dispute provisions;
- continuity arrangements and a funded, practical exit plan protecting learners and employers.

8. Fees, charges and value for money

CTA will agree and publish its full fees and charges policy. For each contract, retained funding must be reasonable, proportionate and supported by an itemised schedule of services and costs, including quality assurance, oversight, data returns, mandatory training and any other support. Clawback conditions and under-delivery adjustments must be explicit.

CTA's standard management fee range is 15% to 20%. Any proposal above 20% requires an exceptional, evidenced cost model, Board approval before contracting, recognising that the funding authority may require an explanation where retained funding exceeds 20% but offers little value.

9. Mobilisation and learner information

No learner may start until CTA confirms contract signature, approvals, systems access, staff checks, delivery locations, data processes, safeguarding routes, quality plan and evidence requirements. Learners and employers must be told clearly the respective roles and responsibilities of CTA and the subcontractor, how to raise concerns, and how their data will be used.

10. Monitoring and performance management

The contract owner will maintain a risk-based contract management plan. Monitoring will include:

- monthly review of starts, attendance or engagement evidence, retention, progress, achievement, destinations, planned hours and funding reconciliation;
- regular learner-file and evidence audits, data validation and sample checks before claims;
- teaching, learning and assessment review, learner and employer feedback, safeguarding and Prevent assurance;
- financial health, staffing, premises, awarding-organisation and regulatory checks;
- RAG-rated action plans with named owners, deadlines, escalation triggers and verification of closure.

CTA may apply enhanced monitoring, suspend recruitment, withhold or recover payment, vary volumes, require a recovery plan or terminate. Material concerns will be reported to the Board and to the funding authority where required.

11. Governance, risk and assurance

The Board approves this policy, each educational rationale and all subcontracting activity annually. The Managing Director is the senior responsible person. Operational ownership, budget responsibility and contract management roles will be named in each business case and agreement. A central register will record contracts, values, learners, approvals, risks, fees, performance and declarations.

Where CTA subcontracts £100,000 or more across DfE-funded streams, CTA will comply with the ten-part Subcontracting Standard and commission an independent assurance review by an eligible external reporting accountant. The signed assurance declaration and report will be submitted through the required channel by the published deadline, currently 31 August following the funding year.

12. Reporting, declaration and publication

- Submit subcontracting declarations and updates through the prescribed service by published deadlines.

- Publish the reviewed subcontracting policy, educational rationale and full fees and charges information by 31 October each year.
- Retain a complete audit trail of Board, procurement, due diligence, contracts, monitoring, payments and corrective action.
- Co-operate with direct inspection or information requests and reduce subcontractor exposure where directed by the funding authority.

13. Payments and records

Payments will be made only after validation of eligible delivery, evidence and data. Contract schedules will state payment dates, reconciliation, holdback and recovery arrangements. CTA will normally pay valid amounts within 30 days of receiving the corresponding funding or a valid invoice, subject to contractual conditions. Records will be retained for the period required by the applicable funding rules, contract and CTA retention policy.

14. Suspension, termination and continuity

CTA may suspend new starts or terminate for funding-rule breach, financial instability, poor quality, safeguarding concerns, fraud or irregularity, loss of registration or approval, persistent underperformance, failure to provide evidence or failure to complete improvement actions. The exit plan must secure continuity, transfer records lawfully, communicate with learners and employers, reconcile funding and protect public funds.

15. Roles and responsibilities

Role	Core responsibility
Board of Directors	Approves policy, educational rationale, subcontractors, exceptional fees and annual risk position.
Managing Director	Senior responsible person; assures compliance, capacity, value for money and escalation.
Contract owner	Owns business case, budget, contract, risk, performance and exit plan.
Quality and compliance leads	Undertake monitoring, audits, improvement verification, safeguarding and funding assurance.
Data and finance teams	Validate learner data, claims, payments, reconciliations, declarations and audit evidence.
Subcontractor	Delivers the agreement, protects learners and public funds, supplies evidence and reports changes promptly.

16. Review and related documents

This policy will be reviewed before each funding year and sooner following material rule, contract, delivery or risk changes. It should be used with CTA's subcontract agreement, due diligence checklist, procurement procedure, fees and charges schedule, risk register, contract management plan, safeguarding policy, data protection policy and business continuity arrangements.