Policy:	**Subcontracting Policy**
Created by:	**Victoria Harte**
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SUBCONTRACTING POLICY 2026/27

Introduction
Axia Solutions is committed to working with high quality subcontracted partner organisations who provide training to support national, regional and local economic development.

Purpose

This subcontracting policy sets out how Axia Solutions will apply fees and charges to contracts with organisations subcontracted to deliver training and education on behalf of Axia Solutions. It also details how Axia Solutions ensure any subcontracted provision meets high quality standards and limits risk.

This is a mandatory requirement to comply with UK Government contractual requirements and funding rules for the 2026/27 contractual year and must be in place prior to participating in any subcontracting activity from 1st August 2026.

Principles
Axia Solutions operate as a Lead Provider and will therefore ensure that:

- At all times we will undertake a fair and transparent procurement process, ensuring that all potential subcontractors undergo a comprehensive due diligence to include; a financial health assessment, any convictions or notices served for infringement of environmental legislation, review the quality of teaching and learning, taking into account any relevant Ofsted reports, demonstration of value for money, and ensure that employer and local skills priorities are being met.
- The funding that is retained by us will be related to the costs of the services provided. These services and levels of funding being retained will be documented in the subcontracting agreement and agreed by all parties.

Rationale for Subcontracting
Axia Solutions engages with subcontractors to meet employer's needs. Reasons for subcontracting are varied but could be:

- To provide immediate provision whilst expanding direct capacity. This might include working with subcontractors to explore the delivery of new frameworks, sectors or niche provision.
- To provide access to, or engagement with, a new range of employers.
- To support another provider to develop capacity/quality.
- To support employers with a wide geographic requirement.

Implementation

Axia Solutions will ensure that any subcontractor is subject to a rigorous Due Diligence process and:

- delivers a high quality service;
- will not further subcontract provision funded through Axia Solutions to other colleges or training organisations;
- employs high calibre staff to deliver to learners and informs Axia Solutions if these staff change;
- complies with Axia Solutions' policies and procedures;
- complies with the law e.g. Health and Safety, Environmental, Data Protection, Equality and Diversity;
- has been risk assessed;
- Is registered with the UK Register of Learning Providers;

- Is registered with the Register of Apprenticeship Provider and Assessment Register (APAR);
- is aware of the clear lines of responsibility and understands the consequences of any breach of contract;
- that Axia Solutions will deliver a substantive element of the provision.

Subcontractors will participate in:

- Safeguarding learners (including Prevent responsibilities)
- Equality and Diversity
- Regular unannounced quality assurance checks
- Short notice audit visits
- Observation of teaching and learning
- Performance meetings
- Learner satisfaction surveys

Quality Assurance and Improvement
Subcontracted activity is a fundamental part of Axia's provision – learners following subcontracted provision are valued Axia Solutions learners. The quality of the provision will be monitored and managed through our existing Quality Assurance and Improvement policies and procedures. This policy positions subcontracted provision as a core part of our activity to ensure continuous improvement for both Axia Solutions and its subcontractors. This will be achieved through the sharing of effective practice and helping improve delivery to our employers. Regular review meetings will be conducted to cover performance, payments, and quality assurance.

Management Fees
As part of managing a high quality subcontracted provision Axia Solutions will incur costs to manage the subcontracting process. These costs will be in proportion to the level of pre-contract assessment, performance management and risk management associated with the subcontracted activity. In addition there will be costs associated with the quality assurance activity outline above.

The typical percentage retained to manage subcontractors is between 15% - 20% of all funding drawn down against the proportion of the provision delivered by the subcontractor. The subcontracting agreement for each subcontractor will give itemised costs against the services being delivered, will detail how the services being delivered contribute to a high quality of delivery and why those costs are reasonable and proportionate to the delivery of the subcontracted provision.

Each subcontractor's performance and quality will be measured during a contractual year against a set of performance criteria, as detailed in their contract, which will determine the management fee set. The management fee will be reviewed for each subcontractor in July each year and agreed accordingly.

Publication of information relating to Subcontracting
In compliance with UK Government and any other agency funding rules that apply, Axia Solutions will publish its subcontracting fees and charges on its website before the start of each contract year. Axia Solutions will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents.

Subcontracting Support
The management fee deducted from allocated funds is used directly to provide a comprehensive programme of support and compliance and improvement measures to ensure that public funds are protected and used effectively and subcontractors are supported to develop their provision and expand their business. The level of support will vary dependent upon the needs of the individual subcontractor, however Axia Solutions will provide any additional support that we deem necessary to

ensure the quality of education and the achievement rates of any subcontracted provision continues to be outstanding.

Payment Terms between Axia and the Subcontractor

Axia Solutions will make monthly payments to subcontractors based on the accurate submission of data and supporting evidence to validate learning delivery. This will be paid within 30 days of Axia Solutions receiving their monthly payment from UK Government and on receipt of an accurate invoice as detailed within the subcontractor's contract. All funding claims must comply with the current UK Government Funding Rules and the terms of the contract between Axia Solutions and the subcontractors.

Where funding claims cannot be substantiated, Axia Solutions will adjust or reclaim any funds from the subcontractor and, where required, make an appropriate repayment to UK Goverment.

Full details of payment arrangements for each individual contract are included in each Subcontractors contract. These include the detailed schedule for evidence submission and monthly financials deadlines, with specific dates.

Disputes

Axia Solutions will aim to resolve any disputes or disagreements with subcontractors in a fair and timely manner. All disputes will be resolved through negotiation, mediation and conclusion. In the first instance, disputes to be reported to the Contract Manager. If not resolved, dispute to be escalated to the Senior Responsible Owner (SRO). If no resolution is concluded at this stage, the dispute will be escalated to the Axia Board of Governors, whose decision is final.

Intervention and Risk Management Process

Contract Managers are responsible for identifying any potential risk in relation to quality and contract requirements and feedback to the SMT for discussion and agreement on action and intervention.

Contractual terms around security and confidentiality are understood and monitored by the Contract Manager.

The Contract Manager monitors contractual terms around insurance, health and safety and environmental infringements. Expiry dates for insurance are monitored centrally and updated certificates requested timely.

To enable Axia to take corrective action where a subcontractor is assessed as being of risk. The outcome of any intervention is to enable the effective completion of any subcontracted learners.

Intervention is required if a subcontractor:

- Fails to provide suitable evidence of learning and progress to support the funding claim.
- Fails to submit evidence as part of an audit or investigation commissioned by Axia.
- Gives cause for concern regarding a breakdown of trust.
- Fails to comply with reasonable requests for information.
- Demonstrates poor or declining achievement rates based on learner progress updates
- Fails to comply with Axia's Policies and Procedures.

In any of the circumstances above the subcontractor will be deemed to be of HIGH RISK and

a Notice of Concern will be issued.

Stage 1 – RISK ASSESSMENT

During this stage, no further payments will be made to the subcontractor. The subcontractor will be required to provide a sample of evidence to support learning, visit or review activity for the learners selected. The sample may range from 25% to 100%.

Outcome	Evidenced by	Intervention
Evidence satisfies the requirements of UK Government funding Guidance	Sampled evidence is 100% compliant with guidance	Funding Reinstated - Subcontractor Intervention Ceases
Evidence does not fully meet the requirements of UK Government funding guidance	Sampled learner evidence is not fully complaint	Implement Stage 2 - Intervention Action
Evidence is wholly unsatisfactory in meeting UK Government funding guidance	Sampled evidenced is non-compliant	Implement Stage 3 – Termination of Contract

Stage 2 - INTERVENTION ACTION

Axia will work with the subcontractor on a range of support measures. The funding proportion paid to the subcontractor will reduce by a further 15% to cover the costs of such intervention. The support measures will be agreed with the subcontractor and may include:

- Increased monitoring and audit activity
- Increased support visits
- Further audits to check that learning/visits are taking place.

Stage 3 – TERMINATION OF CONTRACT

In the event that the evidence of learning provided by a subcontractor does not provide confirmation that learners are actively engaged in learning, Axia will make arrangements to terminate this contract. Learners currently enrolled will remain the responsibility of Axia and will continue with their learning.

Contingency Plan in case of non-delivery

In compliance with UK Government and any other agency funding rules that apply, if a subcontractor's contract is terminated or the subcontractor withdraws from the agreement, or if a subcontractor goes into liquidation or administration, or are removed from the APAR and / or The Register of Training Organisations, Axia will directly manage and deliver the remainder of the agreed provision already being delivered. This delivery will be either through its existing structure or by retaining the tutor / assessor expertise.
Any provision planned but has not yet started will be delivered by Axia or their agreed sub- contractors.

If Axia needs to withdraw from subcontracting arrangements, sufficient notice will be provided to allow sub-contractors to complete delivery of immediate provision.

Contracts with subcontractors clearly state conditions for termination and recovery of funding in case

of non-delivery.

Review and Publication of the Policy

All potential subcontractors will be made aware of this policy as part of the subcontracting process. This policy will be reviewed at least annually each year by the Director and approved by the Axia Board to ensure compliance with UK Government funding requirements. This policy will be published on the Axia Solutions website.

Disclaimer:

Axia Solutions reserves the right to amend its subcontracting arrangements at any time in accordance with the terms and conditions contained in its standard contract for subcontracted provision.