Subcontractor and Supply Chain Policy 2026/27

APPROVED BY Group Board ON October 2026

Applies to:	
Harrogate College	X
Keighley College	X
Leeds City College	X
Leeds Conservatoire	
Leeds Sixth Form College / Pudsey Sixth Form College	
Luminate Group Services	
University Centre Leeds	X

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CHANGE CONTROL

Version:	10	
Approval route		
Approval committee (ELT, SELT, Board)	**Date approved**	**Version**
SELT	Sept 2026	10
Luminate Group Board	Oct 2026	10
Finance Committee	xxxxxx 2026	10
Updated figures added	July 2026	10
Name of author:	Kim Chambers	
Name of responsible committee:	SELT	
Related policies: (list)	Financial Regulations Subcontracting Management Plan Subcontractor Contingency and Continuity Plan	
Equality impact assessment completed	**Date:**	
	Assessment type ☐ **Full** ☐ **Part** **x Not required**	
Environmental Impact Assessment Completed	**Date:**	
	☐ **Yes** ☐ **No** **x Not required**	
Policy will be communicated via:	Staff intranet, college websites	
Next review date:	July 2027	

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1. Scope

This policy applies to all supply chain activity supported with funds supplied by the Department for Education (DFE), West Yorkshire Combined Authority's (WYCA) or any successor organisations.

2. Context

The policy is a mandatory requirement that must be in place prior to participating in any subcontracting activity from 1 August 2026

What is a subcontractor

A subcontractor is a separate legal entity or an individual (not an employee) that has an agreement (called a subcontract) to deliver any element of the education and training funded by DfE, WYCA.

A separate legal entity includes, but is not limited to, companies in your group, other associated companies and sole traders. An individual could include a person who is a sole trader, self-employed, a freelancer or someone who is employed by an agency, unless those individuals are working under our direct management and control in the same way as our own employees.

This does not include relationships between the Luminate and other third parties providing services such as marketing

Each departmental arrangement must be assessed against the relevant funding rules before it is described as subcontracting. Paying a third party a fixed or per-learner fee, or charging no management fee, does not in itself determine the classification. Where a third party supplies only a service outside the scope of funded education or training, it will be managed under the Group's applicable procurement and safeguarding arrangements.

3. Rationale for Subcontracting

Luminate Education Group ('the Group') engages with sub-contractors in order to better meet customer needs and to do the following:

- Luminate Education Group recognises the benefits that effective subcontracting can bring to extending the accessibility of provision for learners and thereby contribute to economic prosperity.
- Use subcontractors to widen participation amongst learner groups that it would otherwise be "hard to reach" and other individuals that face barriers to participation in learning and work.
- Uses subcontractors as appropriate to fill gaps in, and to extend the breadth of its provision: for example, through widening the range of apprenticeship standards offered to employers and learners and broadening the range of sector subject areas or business sectors that can be covered, examples of these are Procurement and Spectator Safety
- By invitation from the DFE to support subcontractors who have been left without a Prime due to unfortunate circumstances.
- To provide additional delivery where the cost of developing direct delivery would be unsustainable.
- To work with providers which offer sector specific LEP priority engagement.
- To increase the agility and responsiveness of the curriculum offer to meet need.

Luminate Education Group do not use sub-contracting as a means of meeting short-term funding objectives. All subcontractors will be subject to the Group's due diligence process.

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4. Quality assurance and support provided to subcontractors

The quality of sub-contract provision is carefully monitored and managed through existing Group subcontracting quality assurance processes and procedures. The Group provides training for subcontractor staff mandatory or on request, including but not limited to:

- The contract and associated targets in relation to college and funding body requirements
- Professional training and development for partner staff
- Access to learning resources and materials
- Participation in the Group's teaching, learning and assessment process
- Participation in the Group's self-assessment process
- Access to a range of in-house training delivered by the Group e.g. Self-Assessment Report (SAR) training, SEND, Safeguarding.
- Monitoring of initial guidance, assessment, delivery of learning programs

Luminate Education Group maintains regular contact with its subcontractors through scheduled visits, during which staff provide curriculum planning advice, funding updates, and operational support. Quality assurance audits are routinely carried out, with written feedback provided to drive continuous improvement. Priority for these audits is given to newly approved subcontractors or those where performance concerns have been identified, ensuring targeted intervention and appropriate support to maintain compliance and quality standards.

In addition to audits and visits, the Group offers tailored support sessions covering key themes such as equality and diversity, data management, legislative compliance, and the Ofsted Inspection Toolkit. These sessions can be delivered upon request or as part of scheduled group activity. Subcontractors benefit from ongoing oversight through the Group's systems, which track learner progress, monitor key performance indicators (KPIs), and inform the regular review of contract performance, helping to drive both learner success and contractual accountability.

The Group also plays an active role in supporting subcontractors to meet their duties under the Equality Act 2010. This includes facilitating direct engagement with learners and employers through validation calls and feedback surveys, the results of which are shared openly and used to identify areas for development. Subcontractors are expected to consider and plan for the potential costs of reasonable adjustments during course delivery, helping to reduce complaints and learner withdrawals while promoting a positive, inclusive learning experience.

Safeguarding, Learner Support and Pastoral

Luminate Education Group is committed to ensuring that all subcontracted delivery meets the highest standards of safeguarding and learner support. As part of our overarching duty of care, we require all subcontractors to adhere to statutory safeguarding responsibilities and reflect the Group's values and educational character in their practice.

All subcontractors must have in place:

- A current, board-approved Safeguarding and Prevent Policy.
- Designated Safeguarding Leads (DSLs) trained to an appropriate and approved level.
- Mandatory staff training in safeguarding, Prevent, and safer working practices, DBS checks, updated annually or as required.
- Clear procedures for reporting and escalating safeguarding concerns, including onward notification to the Group's Safeguarding Lead

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Subcontractors must demonstrate an organisational culture aligned with Luminate's values, including the promotion of relational and restorative practice, inclusive learning, and trauma-informed approaches. Delivery must be underpinned by a strong ethos of care, respect, and empowerment, particularly for learners who have experienced barriers to education or adverse childhood experiences.

Subcontracted provision must also support learners through high-quality careers education, information, advice and guidance (CEIAG) that reflects the Gatsby Benchmarks, with particular emphasis on employer engagement, progression planning, and real-world exposure to careers and pathways.

Gatsby Benchmarks Overview

All subcontractors must:

- Integrate CEIAG within the learning programme.
- Track and record learner destinations and next steps.
- Work with Luminate Careers Teams where appropriate to maximise learner outcomes.

In line with our inclusion and financial support strategy, subcontractors delivering to 16–19-year-olds must actively support learner access to the Group's Bursary Scheme. This includes:

- Displaying and sharing clear guidance on bursary eligibility.
- Referring learners for bursary assessment and supporting application submission.
- Ensuring bursary funds are used appropriately to reduce participation barriers, such as travel, meals, and essential equipment.

All safeguarding, pastoral, and CEIAG provision delivered by subcontractors will be monitored through our annual quality assurance cycle, including termly contract reviews, site visits, learner feedback, and safeguarding audits. Concerns around compliance, risk, or learner safety will be escalated through the Group's safeguarding governance process and may result in contractual suspension or termination.

For reference, subcontractors must operate in accordance with all relevant statutory guidance including Luminates:

- Luminates Safeguarding Children and Adults Policy: SL01 - Luminate Safeguarding Children and Adults Policy 2025-2026 updated.pdf

- Working Together to Safeguard Children

5. **Payment Terms**

The Group will make payment to the subcontractor within 30 days of receiving a valid claim for payment or invoice. Payments will usually follow the submission of the Individualised Learner Record (ILR) and receipt of the Occupancy Report (Provider Funding Report) by the Group. For departmental third party delivery partners, the payment schedule and evidence required to support an invoice will be set out in the individual contract or service agreement. Payment will be based on the agreed fixed or per learner service price, subject to verification of delivery.
No Apprenticeship or learner payment will be made in respect of any learner remaining on programme where there has been no evidence of learning received for a period of 12 weeks

Whole programme subcontracting (16-19 study programmes)

Whole programme subcontracting is where every element of each individual learner's programme is delivered by the subcontractor.
The Group is required to seek approval from the DfE if it intends to enter into a new subcontracting arrangement where the whole study programme will be subcontracted for 16-19 study programmes learners. The Group will request approval within 12 weeks prior to the start of delivery of the study programme, as required by the funding rules.
Where the Group intends to continue with arrangements for whole programme subcontracting, it will request approval from the DfE by 30th April in the funding year, as required by the funding rules.

6. Subcontractor Fees and Charges

For subcontractors delivering an agreed element of funded education or training under a percentage-based arrangement, the management fee retained by Luminate Education Group is calculated as a percentage of the total contract value. Typically set at 20%, this fee covers the direct costs of managing and quality assuring subcontracted provision, alongside a contribution towards indirect costs such as finance, student support, IT infrastructure, and curriculum support. Fees and contract management activities are proportionate to the size, complexity and risk of each arrangement and are set out in the individual contract. Departmental arrangements for a defined service may use a different payment basis, as explained below.
Departmental third party delivery partners may be paid an agreed fixed fee or a fee per learner for a defined activity. Where the activity is confirmed as subcontracted delivery, the Group may apply a 0% management fee because the partner is paid an agreed service price rather than a percentage share of programme funding. The contract or service agreement must state the activity, payment basis, maximum agreed payment and any funding retained by the Group. A 0% management fee does not remove the requirements for approval, proportionate due diligence, safeguarding, quality oversight or any applicable funding-body reporting. Where the activity is not subcontracting, it will be recorded and managed as a purchased service rather than included in subcontractor fee disclosures.

Departmental Service Payment

Partner	Activity	Payment Basis	Agreed Payment	Management Fee
Leeds United College	Male Football Coaching	28 x £1,500	£42,000	0%
Lets Do More CIO	Basket ball Coaching	30 x £1,250	£37,500	0%
Leeds Rugby Foundation	Male and Female Rugby	56 x £939	£52,584	0%
Ultimate FCA	Male Football Programme	78 x £1,600	£124,800	0%
Leeds United Foundation	Female Football Programme/Prep for Apprenticeship Training	28 x £1,500 36 x £500	£60,000	0%
Building Futures Together	Reengagement and vocational delivery	4 x £2,925	£11,700	0%
The Hunslet Club	Reengagement and vocational delivery	12 x £2,925	£32,175	0%
The Music Box	Reengagement and vocational delivery	7 x £660,70	£4,625	0%

Leeds College of Building	Reengagement and vocational delivery	11 x £894.50	£9,840	0%
MAP Trading Leeds Ltd	Reengagement and vocational delivery	4 x £2,580.75	£10,323	0%
The Pieces Project	Creative Enterprise Competitions	64 x £38.43	£2,459.52	0%
Yorkshire Water Park	Water sport Activites	15 x £38.40	£576.00	0%

Where a percentage management fee applies, the rate is informed by an assessment of the following factors:

- Track record of the subcontractor with regard to meeting achievement and funding targets.
- Track record of delivery and outcomes within specific sector
- Length of time on Apprenticeship Provider and Assessment Register (APAR)
- Length and history of previous contract relationship with the Group
- Financial standing of the subcontractor
- Contract size with regard to both funding and learner numbers
- The cost of the salaries associated with the managing of the contracts to support quality assurance

The range of services will be negotiated and agreed with each subcontractor before contracts are signed ahead of each contract year.

Luminate Group's reason for subcontracting

When subcontracting, Luminate Education Group provides training, guidance and oversight to support high-quality delivery. This includes help with the Group's processes and documentation, professional development for subcontractor staff, and quality and compliance monitoring.

For a new percentage-based subcontracting arrangement, the Group normally applies a 20% management fee. This reflects the additional support that may be needed at the start of the relationship, including fortnightly meetings and help where there are gaps in staffing, quality or administration. The fee is reviewed after 12 months in light of the subcontractor's performance and risk, and reviewed annually thereafter. Any agreed change is recorded in the individual contract. Departmental partners paid an agreed price for a defined service will have a 0% management fee, subject to the arrangement being assessed and the appropriate approval and oversight being in place.

Separately, where the individual subcontract provides for it, the Group may temporarily retain up to 10% of each invoice. This helps manage potential funding shortfalls or overpayments while learner outcomes and accounts are reconciled. It is not an additional management fee. Following final reconciliation, any retained amount due to the subcontractor is normally released within six months of the contract ending, in accordance with the contract.

7. Costings:

The Group considers the subcontracting costs outlined to be both reasonable and proportionate to the effective delivery of subcontracted training, with each cost directly contributing to the provision of high-quality learning. A specified proportion of the funding received from the Department for Education (DfE), West Yorkshire Combined Authority (WYCA) is retained by the Group to cover the costs associated with managing subcontractors, conducting quality assurance activities, and providing support services to learners. These charges are not billed

separately to the subcontractor but are instead reflected in the retained funding percentage. In addition, the Group offers training and development opportunities for subcontractor staff on various topics identified within this policy, subject to staff availability. The retained percentage is designed to ensure learner protection and to uphold the consistent delivery of high-quality subcontracted teaching and learning. The below table outlines the specific costs applying to each subcontractor:

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	Specific Costs				
Subcontractor	**Contract Management**	**Quality Monitoring**	**Student enrolment and support**	**Apprenticeship direct delivery**	**Total**
Westrow Limited (Apprenticeships New Starts and Roll Over)	6%	6%	4%	4%	20%
Swarthmore Education Centre (ASF New Starts)	8%	8%	4%	N/A	20%
Blue Apple Limited (ASF New Starts)	7%	7%	4%	N/A	18%
Norton Webb Limited (FCFJ New Starts and Roll Over)	6.5%	6.5%	6%	N/A	19%
Potato Lane (PL) Projects Limited (Apprenticeships New Starts and Roll Over)	6%	6%	4%	4%	20%
YAZZ Hairdressing Training Academy (Apprenticeships New Starts and Roll Over)	6%	6%	4%	4%	20%
Motive8-Bradford Ltd (16-19 Study Programmes New Starts)	7%	7%	6%	N/A	20%

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8. Communication of the Supply Chain Policy

This policy is published on the Group's website at Statutory Information - Luminate and can be sent to all subcontractors on request. The policy is discussed with potential subcontractors during the due diligence and contracting process.

The Group will submit regular returns to DFE and publish a full list of providers with subcontractors including:

- Name of subcontractor
- UKPRN
- Contract start date and end date
- Provision type
- Source of funding
- Total gross income
- Total paid to subcontractor
- Total funds retained by the Group

9. Policy review

This policy is updated annually in line with updates from the funding bodies and will be reviewed in July 2027.

Signed:
Bill Jones, Group CEO (Accounting Officer) Luminate Education Group Board of Governors

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