

Sub-Contracting Policy and Rationale

Policy Aim

This document aims to provide consistency of approach and transparency to our sub-contractor fees and charges.

Complete Skills Solutions (CSS) operates as the lead provider where some provision is delivered via a sub-contractor arrangement. All providers, before becoming a sub-contractor must undergo a comprehensive due diligence process, prior to any delivery taking place and are selected on the basis of their track record, type of provision delivered, location, and to ensure CSS can effectively respond to employer demand whilst reflecting local priorities. Once sub-contractual arrangements have been agreed a service level agreement is signed by both parties.

The following policy applies to all provisions to be subcontracted from the period starting 1st August 2026 (the 2026 to 2027 funding year). This policy, along with service level agreements, will be reviewed at least annually ahead of each funding year, approved by the CSS Board and Accounting Officer (senior responsible person), and published on the CSS website by 31 October each year.

Management fees will be deducted at source, i.e. providers will receive a Contract Value Allocation from CSS that reflects their funds to spend in the contract year split into periods 1-8 (August 2026 to March 2027) and periods 9-12 (April 2027 – July 2027). All management fees will have been deducted prior to this allocation. CSS will make monthly payments to providers based on the correct submission of data and supporting evidence to validate learning.

All funding claims must comply with current Liverpool City Region Combined Authority (LCRCA) and/or Department for Education (DfE) funding rules. Where funding claims cannot be substantiated, CSS will make appropriate deductions from the monthly payment paid to the sub-contractor and if appropriate

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will make repayment to the Liverpool City Region Combined Authority and/or Department for Education.

Compliance with DfE Subcontracting Requirements (2026 to 2027)

CSS will comply with the Subcontracting funding rules for post-16 education and training 2026 to 2027 and, where applicable, the funding rules of devolved authorities. In particular:

- Due diligence on prospective sub-contractors will apply the criteria in the DfE funding higher-risk organisations policy; organisations meeting the high-risk criteria will not be appointed as sub-contractors.
- CSS will declare its subcontracting arrangements to the DfE at least twice a year through the required declaration process, and will comply with the DfE subcontracting standard, including obtaining and submitting an external assurance report where the relevant thresholds apply.
- Sub-contractors will be selected fairly, transparently and without discrimination, and in compliance with the Procurement Act 2023 where CSS acts as a contracting authority.
- Management fees will not exceed 20% of contract value. CSS notes that the DfE reserves the right to require an explanation where retained fees exceed 20% of the overall contract.
- CSS will not subcontract whole programmes and will retain direct control and oversight of all subcontracted delivery, including quality assurance, learner experience and safeguarding.

Complete Skills Solutions Reasons for Sub-Contracting

- To be responsive to employer needs and preference of sub-contractor choice
- To meet Learner needs
- To be responsive to the identified skills priorities of local and combined authorities, including Local Skills Improvement Plans (LSIPs)

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Support Provided for Fees Charged

The management fee charged will range from 15% to 20% depending on the level of support required from the sub-contractor. The management fee will be agreed upon before signing the service level agreement.

The fee charges to be retained by CSS for the below list, which is examples and not exhaustive –

- Administration
- Quality assurance
- Quality improvement
- Performance review
- MIS functions in relation to DfE data returns (ILR)
- Provision of professional advice
- Due diligence, guidance and conducting audit
- Claims and data imputing
- Promotion and marketing
- Bid writing
- Collaborating with local authorities and employers
- Advertising of vacancies on the DfE 'Find an apprenticeship' service

The board has acknowledged the preference of employers and local authorities and agrees to the following sub-contractor to be used for new starts and continuation of learning August 2026 – July 2027:

Focus XR

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