



## **Subcontracting Policy**

### **Purpose**

This policy sets out the principles and procedures that The Azure Charitable Foundation follows when entering into subcontracting arrangements for the delivery of education and training. The policy ensures that all subcontracting activity:

- Meets the requirements of the Education and Skills Funding Agency (ESFA) and OFSTED
- Protects the interests of learners
- Maintains high standards of quality, governance and financial control

### **Scope**

This policy applies to the subcontracting arrangement between The Azure Charitable Foundation and Azure College only.

The Azure Charitable Foundation only subcontracts the provision to Azure College in alignment with the subcontracting exemption granted December 2025.

No other subcontracting arrangements exist.

### **Principles**

All subcontracting activity at The Azure Charitable Foundation is underpinned by the following principles:

- Learner first approach; subcontracting must enhance outcomes and access to provision
- Transparency; clear, open and auditable arrangements
- Quality assurance; provision must meet the same standards as The Azure Charitable Foundation
- Compliance; full adherence to funding rules, legislation, and regulatory requirements



### **Rationale for Subcontracting**

The Azure Charitable Foundation will only subcontract where there is a clear educational or strategic rationale, in this case

- Meeting local or regional needs – the creation of a Specialist Post 16 Institution in the Local Authority

The current arrangement is a temporary measure to support a broader group reorganisation and to support Azure College's specialist post-16 education institution (SPI) status. In April 2026 all educational personnel will be transferring their employment to Azure College.

Thereafter, the Azure Charitable Foundation will pursue an ambitious capital investment plan (with associated fund-raising) to establish a new College campus in Cramlington.

### **Management Fees and Charges**

The Azure Charitable Foundation will retain a management fee only where it reflects the actual costs of the services provided, which may include

- Quality assurance and improvement activities
- Contract management and monitoring
- Data management and funding compliance
- Staff development and support

### **Quality Assurance and Monitoring**

The Azure Charitable Foundation retains overall responsibility for the quality of subcontracted provision. Monitoring arrangements may include

- Regular performance and data reviews
- Observation of teaching and learning
- Learner feedback and satisfaction surveys
- Audits of assessment and internal quality assurance
- Review of achievement, retention and progression outcomes



### **Safeguarding, Prevent and Equality**

The subcontractor must

- Meet statutory safeguarding and Prevent duties
- Have appropriate policies and trained staff in place
- Promote equality, diversity, and inclusion
- Report safeguarding concerns promptly to The Azure Charitable Foundation

### **Data Protection and Confidentiality**

The subcontractor must comply with UK GDPR and data protection legislation.

### **Financial Management and Audit**

The subcontractor must maintain accurate financial and learner records. The Azure Charitable Foundation reserves the right to

- Conduct audit and compliance checks
- Withhold or recover funding where requirements are not met

### **Risk Management**

Subcontracting risks will be identified, assessed and reviewed regularly. Where risk are identified, appropriate mitigation actions will be identified.

### **Termination and Exit Arrangements**

The Azure Charitable Foundation may terminate subcontracting arrangements where

- Quality standards are not met
- Funding or contractual requirements are breached
- There is a risk to learners

Exit arrangements will prioritise learner continuity and protection.



### **Review of the Policy**

This policy will be reviewed if there are changes to funding rules, legislation or regulatory guidance.