

SUBCONTRACT MANAGEMENT FEE POLICY



Policy Group: Curriculum

Effective: July 2025

Approved: The Board

Responsible Officer: Louise Organ, Head of
Subcontracting

Next Renew Date: July 2026

Ref no: 8.4



GUIDANCE

Vision

Transform lives through learning

Values



PASSIONATE - We are passionate about inspiring young people, adults and our Purple People to be their best and we take pride in creating a positive learning environment to fulfil their potential.



UNSTOPPABLE - We are unstoppable in our quest for the pursuit of excellence. We are dedicated and resilient to develop ourselves and our learners.



RIGHT - We treat each other with respect and strive to do the right thing through insight, inclusion, honesty, growth and trustworthiness.



PARTNERSHIPS - We support the people surrounding us in our everyday lives, building effective partnerships with businesses, learners and all stakeholders where we can pass on our knowledge and skills to help them meet their goals.



LEARNERS - Learners are at the centre of everything we do and we are driven to provide life-changing and life-long learning for them.



EMPOWERED - We encourage our Purple People to be independent and autonomous to maximise their goals surpassing their barriers and targets. Feel it, believe it, live it.

Tone of voice

Our tone of voice takes its direct influence from our core values. We are passionate about people and learners and are driven to get the best out of everyone by understanding them. We are caring and supportive, as well as being determined and striving for growth. We talk with purpose and enthusiasm in a way that connects and empowers people.

Innovation is at the heart of Learning Curve Group and we're always thinking about what's next!

SUMMARY CHANGES

Date	Page	Details of Amendments
July 2022	All	Review for 22/23 and against Subcontracting Standard
July 2023	All	Review for 23/24 for subcontracting rationale and new funding rules
February 2024	All	Review for 23/24 funding rules and change responsible officer
April 2024	4,5,7	Update to include Devolved Area Combined Authority requirements
July 2024	All	Review for 24/25 funding rules for all funding agencies
March 2025	All	Update of 24/25 funding rules for all agencies
July 2025	All	Annual review

INTRODUCTION

Learning Curve Group (LCG) is one of the largest national training providers in the UK, providing education and training nationally. All companies within the LCG family uphold the same company Vision, Mission and Core Values and follow our group policies and procedures.

LCG subcontracts to other providers who can assist in achieving our strategic objectives and in order to:

- Enhance the opportunities available for our learners.
- Fill gaps in niche or expert provision
- Provide better access to facilities.

Subcontracting arrangements in line with the Subcontracting Standard and the above objectives. These are dependent on ESFA approval where applicable, available funding, and on the reasons for subcontracting approved by the Board. There will be no subcontracting to fill a short-term funding gap.

This policy will be reviewed and approved annually by the Chief Learning Officer and the Board and made available on the company website. Full information regarding all arrangements and processes is recorded in our partnership handbook, distributed annually and included on updates to all subcontract partners.

We are committed to achieving outstanding teaching, learning and assessment, and this is demonstrated within our policy by ensuring all potential partners are able to achieve the desired expectations with our support.

Applies to

This policy applies to all provision fully or partially subcontracted and delivered on behalf of LCG.

Reason for policy

The aim of the policy is to provide accurate, transparent, and comprehensive information on the fee policy that we will adopt when subcontracting provision. This policy is published in line with ESFA and/or and Devolved Area Combined Authority (DACA) requirements, as stated in the funding rules for 24/25 and is subject to assurance audit annually.

This policy and procedure do not form part of your terms and conditions of employment and can be changed at any time as we deem appropriate.

POLICY

LCG work with a range of providers and assumes an understanding of shared values that puts the learner at the centre of what we do. As part of our partnership working, we operate the following approach in determining the appropriate management fee for each provider.

- All providers are subject to a robust, comprehensive due diligence process prior to a contract being awarded. This risk-based approach takes into consideration a variety of aspects, including (but not limited to): previous track record, financial standing, learner numbers, outcomes, Ofsted grade, type of provision, ability to deliver high quality provision and ability to meet employers' needs and/or Government requirements.
- Supply chain partners that deliver a part of the programme on our behalf are also subject to an appropriately adapted due diligence and contract management process.
- The percentage management fee is up to 20% and is dependent on the risk rating of the provider, following the due diligence process and available historical performance. Factors that influence the management fee charged include (but are not limited to):
 - The type of provision
 - Historical quality performance
 - Previous contract delivery
 - Size of provision
 - Required level of support needed to ensure high quality of teaching and learning
 - Experience of the provider
- All of the above would impact on the amount of management, support and development needed, in line with the frequency of visits. All new subcontract partners will be informed of their initial risk rating and management fees to be associated with their contract at the first meeting
- Each provider will be reviewed at the end of each academic year, and their ongoing arrangement for the year ahead – including proposed fees, continued reasons for working together and the risk rating – will be approved by the Board each summer. Providers will be informed of the arrangements as part of the contracting process
- our management fees will be deducted at source, and we will make monthly payments to providers based on the current submission of data and supporting evidence to validate learning delivery. Performance targets and compliance expectations are made clear at the contracting stage. For providers where provision is fully subcontracted to them, LCG will retain 5% of funding and this will be reconciled at Period 14 and paid on achievement of these. All funding claims must comply with the current ESFA funding rules and the terms of the agreement between us and the provider. Where funding claims cannot be substantiated, we will adjust or reclaim any funds from the subcontractor, and, where required, make an appropriate repayment to the ESFA and/or DACA. Subcontract partners will receive the employer contribution directly
- For providers delivering a part of our apprenticeship provision, costs for training and test fees charged will be agreed at the contracting stage

Management, Support and Capacity Building

LCG has a responsibility to support all providers to develop high-quality provision that meets the needs of learners. Together we will review the services provided and consider how there will be an impact on the quality of the learner experience. The management fee deducted from allocated funds is used directly to provide a comprehensive and flexible programme of support, as well as compliance measures to ensure that public funds are protected and used effectively, and that providers are supported to develop their provision and extend their business.

We will identify the providers individual support needs during contracting and adjust as required in year. The exact mix of support will vary depending on the needs of each provider, but all organisations can expect to benefit from the following list of activities:

- A dedicated Contract Manager for the provision type to ensure the quality of delivery meets expectations and supports continuous improvement of the provision (8%)
- Administration of learner and placement provider surveys and focus groups (2%)
- MIS, Audit and ILR services (8%)
- Quality assurance and development services, including mandatory training (2%)

A cost will be allocated for each management and support service that will be deemed reasonable and proportionate then shared with the provider at the start of the contracting period.

Payment Terms

LCG make payments to subcontractors on the first working day of each month after receipt of invoice. Payment is subject to the correct evidence and data being provided to LCG by the agreed monthly deadline. We will notify you of any required changes to these deadlines. For fully subcontracted provision, we reserve the right to withhold a proportion of due payments to the provider if tolerance levels are not adhered to for producing evidence of recent contact with learners. Monies will be released when appropriate evidence is held. Full details of payment arrangements for each provider are included in each individual contract. Any amendments will be based on guidance from the current version of the ESFA funding rules.

Funding Rules

We will abide by the funding rules and Government guidance that details restrictions regarding distance and volumes.

Apprenticeship Funding

[Apprenticeship funding rules 2024 to 2025 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[The apprenticeship provider and assessment register \(APAR\) \(education.gov.uk\)](https://education.gov.uk)

AEB Non-devolved

[Adult skills fund: funding rules 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Bootcamps

[ESFA Skills Bootcamps technical funding guide - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

(Last updated March 2024)

Subcontracting

[24-25 Subcontracting funding rules for post-16 education and training \(excluding apprenticeships\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[Advice: funding regulations for post-16 provision - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1092179/Using_subcontractors_in_the_delivery_of_apprenticeships.pdf

[Devolved Area Combined Authority – Tees Valley](#)

[2024-25-Adult-Skills-Fund-funding-rules-Part-6-1.pdf](#) (teesvalley ca.gov.uk)

West Midlands Combined Authority

[2024-25 WMCA Skills Programmes Funding Rules - V2](#)

[Skills Programmes - 24-25 Payment Performance Management Framework](#)

[Schedule 1 - North East CA ASF Funding Rules - issued June 2024.pdf](#)

Subcontracting Standard

[ESFA subcontracting standard - GOV.UK \(www.gov.uk\)](#)

Signature:

A handwritten signature in black ink, appearing to read 'Rachel Butt', written over a light grey rectangular background.

Rachel Butt
Chief Learning Officer