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Subcontract Management Fee Policy

July 2018

Policy Group: Quality & Curriculum
Policy Number: 4.9
Policy Title: Subcontract Management Fee Policy
Author: Brenda McLeish CEO
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Approved By: The Board

This document is issued and controlled by the Director of Performance and Development and can only be modified after proposed modifications have been accepted by the Company Directors.

The latest version will be maintained on the company S:Drive under Policies and Procedures.

Scope

This policy applies to all provision subcontracted to a third party and delivered on behalf of Learning Curve Group (LCG).

Purpose

The aim of the policy is to provide accurate, transparent and comprehensive information to external agencies on the fee policy that LCG will adopt when subcontracting its provision. This policy is published in line with ESFA requirements, as stated in the funding rules for 2018/19.

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

Comment

Learning Curve Group subcontracts to other delivery partners in order to meet one overarching priority:

- Meet the training needs of our levy employers.

Subcontracting arrangements in line with the above objective will be dependent on available funding from the employer's levy funding account.

This policy will be reviewed annually and made available on the company website. LCG will publish the actual fees charged on the website within 30 days of the ILR closure at the year end, or in line with funding rules. Full information regarding all arrangements and processes is recorded in our partnership handbook, distributed annually and included on updates to all subcontract partners.

Policy Statement

Learning Curve Group works with a range of delivery partners and assumes an understanding of shared values that puts the learner and the employer at the centre. As part of our partnership working, LCG operates the following approach in determining the appropriate management fee for each individual partner.

- All providers are subject to a robust and 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, QARs, Ofsted grade, type of provision, ability to deliver high-quality provision and ability to meet our employers' needs.
- Delivery partners who are part of the supply chain delivery to levy employers may be required to undertake additional checks by the employer.

- The percentage management fee ranges from 20% to 30% 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
 - site of provision
 - experience of provider
- All of the above would impact on the amount of 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.
- Each subcontractor will be reviewed at the end of each academic year, and their ongoing arrangement for the year ahead – including proposed fees and risk rating – will be approved by the Board. Subcontractors will be informed of the arrangements as part of the contracting process.
- Management fees will be deducted at source, and LCG will make monthly payments to providers based on the current submission of data and supporting evidence to validate learning delivery. All funding claims must comply with the current ESFA funding rules and the terms of the agreement between LCG and the delivery partner. Where funding claims cannot be substantiated, LCG will adjust or reclaim any funds from the subcontractor, and, where required, make an appropriate repayment to the Education and Skills Funding Agency. Subcontract partners will receive the 10% employer contribution directly.
- LCG will hold the agreements with the EPA organisations and pay for the first end-point assessment. Therefore, 20% of the agreed standard price will be held back to fund the EPA costs.

Subcontractor Support and Capacity Building

LCG has a responsibility to support all delivery partners to develop and deliver high-quality provision that meets the needs of learners and exceeds the expectations of employers where applicable. 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 partners are supported to develop their provision and extend their business.

The exact mix of support will vary depending on the needs of each individual delivery partner, but all organisations can expect to benefit from the following:

- a team of designated contacts
- matrix-accredited advice and guidance
- contract review and performance monitoring support
- curriculum development support
- funding, MIS, audit and submission of data return
- learner recruitment via NAS website
- learner voice strategies
- preparation for external inspection
- support in use of the Digital Apprenticeship Service

- quality assurance and enhancement support
- safeguarding training and support
- access to LCG staff development activities
- self-assessment and quality improvement support
- teaching and learning observations

Subcontracting to an Employer

LCG will be responsible for ensuring that employers adhere to the funding rules and the requirements of the awarding and EPA organisation. The employer will be required to provide pre-delivery information to ensure a robust delivery infrastructure and model. With this in mind, LCG will work with the employer to provide support in preparation for the employer delivery element and will agree in advance all required documentation. LCG will conduct observations and other quality activity, in line with the LCG quality cycle and procedures.

Should the employer delivery fail to meet the expected requirements, LCG will intervene with the intention of resolving and ensuring quality provision is in place.

Payment Terms

LCG makes payment to subcontracts 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. LCG will notify you of any required changes to these deadlines. LCG reserves the right to withhold a proportion of due payments to the delivery partners if tolerance levels are not adhered to for producing evidence of recent contact. Monies will be released when appropriate evidence is held. Full details of payment arrangements for each delivery partner are included in each individual contract. Any amendments will be based on guidance from the current version of the ESFA funding rules.

Apprenticeship funding rules:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733050/1819_Provider_Rules_v1.0.pdf

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Signature: