

Subcontracting Fees & Charges Policy 2026-2027

Date Approved	2 nd July 2026
Approved by	Corporation Board
Next Review Date	June 2027
Executive Lead	Director of Governance & Legal Services
Applicable to:	Staff
Accessible to:	Students, Staff, Governors, Public

1. Purpose and Commitment

- 1.1. Loughborough College Group (the 'College') is committed to growing and diversifying the range of courses it delivers to widen participation, target, and support the most vulnerable, engage in new and emerging markets, and meet the regional and local economic development agenda and increasing prosperity. The service achieves this by operating an externally commissioned delivery model which promotes innovation and responsiveness to identified need. The College only subcontracts parts of its provision to partner providers who can evidence high-quality delivery.

2. Scope

- 2.1. This policy applies to all supply chain activity supported by funds supplied by the Department for Education (DfE) or Department for Work & Pensions (DWP), including Adults Skills Funding or Apprenticeship Funding. It also covers funds supplied through the Levy and Non-Levy.
- 2.2. This document covers to two areas of subcontracting:
- i. Provision subcontracting, which involves the delivery of full programmes or frameworks by the subcontractor; and
 - ii. Service subcontracting, which refers to the delivery of specific services as part of a programme, such as the delivery of elements of an Apprenticeship framework or the provision of outreach support.

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- 2.3. In both instances set out at points (i) and (ii) Loughborough College Group retains full accountability for contract delivery.
- 2.4. This policy applies to Loughborough College Group, its colleges, and its subsidiaries.

3. Policy Impact Assessments

- 3.1. This document has been assessed for its impact on equal opportunities and will be informed by the aim to eliminate all forms of discrimination in all strands of the equal opportunities' legislation.
- 3.2. This document has been assessed for potential risk on data subjects due to the processing of personally identifiable information. All processing has been reviewed and is in line with all current Data protection laws and appropriate safeguards implemented to ensure that the policy has privacy by design as its underlying approach.
- 3.3. This document has been impact assessed where appropriate for Safeguarding, Health and Safety and Sustainability Factors to ensure that all potential risks are identified and mitigated, and that the policy supports a safe, inclusive, and environmentally responsible learning and working environment.
- 3.4. This document has been mapped against the ISO 9001 principles to ensure that Loughborough College Group are following and embedding these principles across and throughout all of their policies and procedures.

4. Management Fees

- 4.1. The College will normally retain a management fee from all subcontracted partner organisations, typically within a range of 15% to 20%. All contracts include a justification of the management fee including those over 20% as required by DfE guidelines.
- 4.2. The fees charged reflect the cost of the day to day management of the subcontracted delivery, including the commissioning and procurement process, capacity development, quality support and administration and management of the subcontracts including the monitoring of learner progress, collecting and updating due diligence, ensuring audit compliance, dealing with partner queries, coordinating self-assessment processes, quality and compliance monitoring, as well as other similar services as needed.
- 4.3. The fee also includes administration support to process the data, ILR management, support with working with national agencies and funding bodies, advice relating to policies and any

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DfE/DWP guidance. It will also cover the management of funding and finances i.e., preparation and processing of payments as set out in schedule 1.

- 4.4. The management fee is separate from any amount retained by the College for direct provision by the College or by other delivery partners on the same programme. For example, if the College delivers 50% of the programme, it will also retain a management fee of up to 20% of the balance to reflect the costs of managing the subcontractor's delivery elements.
- 4.5. Management fees may vary between subcontractors, and this is subject to the level of support required. The management fee is open to negotiation and review by subcontractors and the final fee will be agreed by both parties and stated in the signed contract.
- 4.6. The mix, balance, and level of support for each subcontractor will vary depending on the specific needs of the subcontractor. The College will however always ensure that each subcontractor receives a high level of support and guidance and access to the College's systems and resources, including but not limited to:
 - Ongoing development of strategy
 - Developing practice in conjunction with funding regulations
 - Implementing the College quality framework
 - Contract and performance monitoring
 - Provision of bespoke Information, Advice and Guidance services
 - Financial management
 - Provider financial audit
 - Legal
 - Quality management systems
 - Management information services and data control advice
 - Audit of management systems and delivery
 - Unannounced observations of teaching, learning and assessment
 - Safeguarding of Young People and Vulnerable Adults procedures
 - Health and Safety compliance
 - Providing access and maintaining the Partner Portal (Moodle)

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- Coaching
- Continues Professional Development Opportunities and planned training and development
- Policy development
- Support with DfE funding rules / regulations interpretation and compliance
- Updates regarding funding and policy guidance
- Supporting networks
- Equality and diversity support
- Administration of 19+ Advanced Learning loans
- Administration of 16-19 Bursary funds
- Celebrating learner achievement

5. Payment Arrangements

- 5.1. Subcontractors will earn funding monthly and will be paid at a frequency agreed with the College as part of the contract clarification process and in line with validated data.
- 5.2. Following validation of the evidence in the ILR / enrolment return, the College will make the appropriate payment to the subcontractor based on the level of income earned. Payment shall be made by the College to the subcontractor within 30 calendar days of receipt of valid paperwork from the subcontractor in accordance with the terms and conditions stated in the subcontract agreement with the subcontractor.
- 5.3. All payments will be triggered via invoice and accompanying validated evidence of delivery. Invoices will contain the provider order number of the associated schedule and payments made by BACS on the monthly supplier payment run.
- 5.4. The College expects that subcontractors will participate in the assessment of accuracy of payments and review remittance advice to ensure there are no inaccuracies.

6. Related Documents

- 6.1. This document should be read with:
 - DfE Subcontracted Provision Statement

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7. Document Access

- 7.1. This document can be found on the College Group's website and on the Document Control SharePoint.

8. Review and Continuous Improvement

- 8.1. The College Group is committed to actively periodically reviewing its documents in line with legislation and best practice, to ensure they remain accurate, transparent, compliant, inclusive, effective, and supportive.

9. Change Log

Date	Version	Details of Change	Reviewer
12/06/26	1.1	Included references to DWP, and small changes to phraseology.	DGLS

Signed:



Date: 1st August 2026

Corrie Harris
Group Chief Executive Officer

Signed:



Date: 1st August 2026

Stephen Smith
Chair of Governors

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