

HLC Supply Chain Fees and Charges (Subcontracting) Policy 2025/2026

General Overview

HLC were created in 2001 to support the development of Voluntary and Community Sector (VCS) learning providers in the Humber, and help more disadvantaged learners access learning and development. This provided a conduit by which these often small VCS providers received public learning funds they otherwise would not have received. Provider delivery was supported by HLC administrative and management function, and staff focused on developing delivery partners, which assured funders that activity and evidence met requirements. This HLC approach continues to be in demand, particularly in relation to National Lottery for Community Fund, Multiply and UK Shared Prosperity activities.

This effective approach, with HLC as Management Hub, has developed considerably over the last 20 years in terms of, the range and geography of providers we work with (we work with Local Authorities, VCS and private providers across the Humber), the size of funds we manage (we are currently managing DfE, UKSPF, and National Lottery funds of over £3 million), and the increased capacity of our performance, MIS, Quality support and evidence checking systems. This model is extremely effective in responding to learner and funder needs whilst providing the necessary assurance and due diligence in the use of public funds through HLC's effective leadership (graded 2 by Ofsted in June 2022).

Although the range of providers continues to change and evolve, we have continued to focus our work on deprived communities, marginalised groups and developing Voluntary and Community Sector Learning Providers.

HLC's strong Quality and Performance management ethos has resulted in excellent performance across a wide range of DfE, UKSPF and National Lottery contracts. HLC works effectively with delivery partners as our Ofsted Report (June 2022) confirms *"Leaders and managers ensure that the traineeship curriculum is built around job roles that are needed in the local areas. They select subcontractors because of their vocational specialisms and ability to work with trainees from disadvantaged communities. Governors, leaders and managers have a clear overview of the quality of education. Managers work closely with subcontractors, visiting them frequently to carry out observations of teaching and to speak with trainees. Where subcontractors are not meeting minimum standards, managers provide support and training to help them to improve."*

Core Values

- We value collaborative working to enhance the role of our delivery partners in the learning agenda
- We believe our delivery partners are best placed to work with hard to reach learners and make a positive difference to their lives and aspirations
- We believe in a team ethos with everyone working together, supporting each other and valuing the diversity that individuals bring from their own experiences and background
- We believe that the learner should be at the heart of decision-making
- We strive for excellence in all we do

What Contracts Do We Deliver ?

HLC's DfE funded contracts are ; 16-19 (to age 24 with EHCP) Study Programme. Contracted on a yearly basis, re-contracting commences in January. Provision is focused on deprived communities in the Humber. For 25/26 this is wholly subcontracted to x3 organisations.

Adult Skills Funding. Provision is focused on deprived communities in the Humber and was up to 25/26, contracted on a yearly basis. DfE announced in March 2025 that HLC's contract awarded under the 2023 procurement round, would be removed for 25/26 awarding it to Hull and East Riding Councils to manage as part of a pre-devolution pilot. Negotiations with both allowed HLC to continue to deliver under a one-off 1 year two tier subcontract arrangement. For 25/26 this is wholly subcontracted to x5 organisations.

Contact phil.thames@hlc-vol.org should you wish to discuss this further.

Other Contracts Funded by National Lottery, UKSPF Include

National Lottery funded 'Good to Go' project funded to March 2026 – This project is delivered directly by a HLC staff team. The project has no subcontractors.

Hull UKSPF Exploring Opportunities Programme (Hull) funded to March 2026 – Project targets very hard to reach over 25 year olds, especially 'Inactive' in Hull. It already has a range of commissioned partners (x12) and it is unlikely there will be further tendering for delivery partners.

Rationale for Subcontracting

HLC's model is predicated on the benefits of partnership working, and we were set up to develop, support and provide funds for Voluntary and Community Sector providers to deliver in their deprived communities. Whilst the range and size of both funds we manage and partners we work with has evolved, we are firm in the belief that our model reaches, and meets the needs of more disadvantaged learners than a static direct delivery model based in set locations. The high levels of HLC learner deprivation (Over 80% are from top 30% most deprived wards on 24/25 DfE provision) and low levels of prior attainment demonstrate the success of our subcontracting / partnership model in reaching and supporting most disadvantaged learners. This model enhances the learner opportunities available in disadvantaged communities, provides better geographical coverage and provides an entry point for learners in disadvantaged groups or with low prior attainment. We believe that HLC's charitable objectives defined on incorporation in 2002 and stated below, are still relevant and appropriate, clearly define our strategic aims and why we subcontract, and most importantly, our focus on adding value to the quality of education and capacity to reach the most disadvantaged learners ;

“To promote the advancement of education for the public benefit, in particular but not to limit the generality of the foregoing to:

- (a) Improve access to learning opportunities for users, volunteers and employees of voluntary and community organisations in the Humber and Yorkshire;
- (b) Develop voluntary sector learning providers to meet quality thresholds and stakeholder requirements
- (c) Develop a partnership approach to delivery and development of learning opportunities and good practice
- (d) Carry out any associated activities
- (e) Promote the efficiency and effectiveness of charities, voluntary and community groups based in the Humber and Yorkshire region by providing training and ongoing support to increase their ability to access funding and participate in the regeneration of their area.”

Other than in National Lottery Funded 'This Ability', we do not directly deliver learning, acting as an independent Management Hub in the procurement of delivery partners, securing tender funds, and delivering quantitative and qualitative outcomes. We believe that we can most effectively respond to learner, community and employer needs by working closely with a wide range of quality delivery partners. Our consortia of delivery partners are shaped by funder, learner and

employer needs, and is constantly evolving to meet changing local and national priorities. Development of the VCS sector provision is integral to our success in engaging deprived communities. Provider capacity building enables us to continuously improve the quality of delivery for learners.

Quality and Provider Development

We believe that provider quality support and development is the cornerstone to effective delivering of learning, and have invested heavily in this area of work. Delivery partners will have access to HLC's training and support service which equips providers with skills to deliver outstanding teaching. Services include:

- HLC Training & Development - training seminars delivered by educational experts, including, safeguarding, prevent, learner curriculum and management and Functional Skills
- One to one quality support from the HLC team, including observations of teaching, learning and assessment, SAR development, Curriculum Planning, Quality Audits and learning walks, 1:1 tutor and Manager mentoring and support, Learner and Employer interviews and feedback.
- Bi-monthly Quality Improvement Network meetings.
- Quality support website with access to a wide range of contract and quality related resources and access to Skills Forward Assessments, and access to webinars to enhance virtual / blended delivery.
- Peer group support and moderation events
- Sharing best practice events
- CPD for provider staff with access to on line resources
- Access to learner on line learning platform, with development support from HLC staff

What Support will you receive ?

As well as the above mentioned quality support we will also provide the following support ;

Due Diligence – This is an essential part of HLC's role and we will ensure that we work with delivery partners to ensure they have the capacity to deliver.

Evidence – a well resourced administration team will support delivery partners through workshops, guidance, checklists and 1:1. We also have an Internal Audit team that have led on HLC's last 38 audits with zero funding errors, and they are

available to support and advise delivery partners with audit systems and evidence requirements.

Performance – we have to ensure that our overall contracts with funders are delivered, this involves both performance review and management, as well as providing feedback and best practice examples on improving performance, eg, how to increase starts, strong progression routes.

Funding – access to a broad range of funds, and potential to build partnerships to respond to tender opportunities.

Health & Safety and Safeguarding including e safety, Prevent and sexual Exploitation awareness - workshops, risk assessment, guidance and access to template documents and best practice examples.

Equality & Diversity - workshops, specialist input at development events, guidance and access to template documents, training toolkits and best practice examples

Monitoring – HLC will conduct regular monitoring visits based on our evaluation of risk. This not only ensures the learner experience is effective, and we meet contract compliance requirements, but is also an opportunity to discuss development and actions to improve provision and performance.

Management Information / Data Support – HLC have an experienced MIS team who are able to support delivery partners both with technical queries and also report writing using our PICS, Power BI and Strata software systems.

What are the costs for HLC services ?

For DfE funded provision, HLC charge a range of very competitive rates of between 9% and 20% Management Fee dependent on the complexity and management time on project(s) you are delivering. These rates are dependent on the risk factor applied to your organisation, and the associated HLC staff time and costs of the support required. The planned cost of HLC support will be defined in the delivery partner contract. This is a planned estimate based on the risk rating applied at the start of the year. As HLC are able to cross subsidise some staff support costs, delivery partners are mostly charged less than actual HLC costs on this provision.

Risk and costs will be assessed in relation to 5 key areas : Quality, Performance, Safeguarding including Health and Safety, Claim Evidence and Finances. Any increases or reductions in Management Fee would be determined by these ratings and the subsequent increase / reduction in HLC workload. We will notify Partners one month in advance of any change in their Management Fee. Formal Risk Reviews will be conducted twice per year, although we reserve the right to review risk ratings and management fee, at any point during the year. New partners will be

risk assessed at the end of their due diligence process. Any support required to address significant weaknesses over and above that agreed at the start of the year, will be costed depending on HLC staff time and cost, and agreed with the partner prior to delivery.

Fees retained and charged for all subcontractors are stated in the 'About Us' and 'Supply Chain Fees' section of the HLC website. These are uploaded in November of each year, after all evidence is submitted to DfE in October. Fees charged are stated within the HLC contract with the subcontractor.

DfE funded Study Programme / Traineeship carry over will be charged between 15% and 20% Management fee depending on risk – 15% for a low risk provider, and 15% to 20% for medium / high risk providers. In exceptional circumstances that require extensive HLC support and monitoring, such as, significant audit and quality issues, HLC reserve the right to retain the 5% retention fee, and this may result in a total management fee of up to 25% (including retention fee) in cases of significant concern where HLC costs to remedy go above the agreed Management Fee.

Re National Lottery / UKSPF Contracts – these do not attract a Management Fee, HLC are paid on costs of managing the project.

What are our payment terms ?

Once we are paid by our funders, we will pay delivery partners within 30 days from receipt of correct evidence.

Communication about charging.

We will consult with all contracted delivery partners regarding our charging policy on a yearly basis before agreement and publishing our policy at the start of each academic year. This information will be published on HLC's website on a yearly basis in July.

Where can I find this policy ?

This policy is published on HLC's website at <https://www.hlc-vol.org/about-us/fees-and-charges-policy/>

You can also request a copy from your HLC Contract Manager, or by e mailing office@hlc-vol.org