

Workers' Educational Association

Supply Chain Fees and Charges (Subcontracting) Policy

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1. Scope

The scope of this policy is to outline the fees and charges of supply chain activity using Education and Skills Funding Agency (ESFA) / Mayoral Combined Authority (MCA) / Greater London Authority (GLA) funds provided by the Workers' Educational Association (WEA) to its subcontractors.

2. Purpose

The purpose of this policy is to demonstrate how the WEA will seek to optimise the impact and effectiveness of service delivery within its supply chain, identify costs incurred and provide transparency to all for the allocation of ESFA / MCA / GLA funds to third parties for subcontracted provision.

3. Reason for Subcontracting

The WEA charitable mission is to bring adult education within reach of everyone who needs it. We aim to reach into communities where learners live and work to deliver learning in surroundings that they are familiar with and comfortable in. We are committed to removing any barriers to learning so that individuals can improve their own life chances and have a positive impact on their communities and society as a whole. Working with like-minded partners and subcontractors helps us to achieve this aim by extending our reach further.

The WEA will use its supply chains to optimise the impact and effectiveness of service delivery for the end user. The WEA will work with select subcontractors and partners to deliver high quality teaching and learning, both face-to-face and via tutor-led online learning. Subcontractors and partners will be used to engage a variety of communities that can typically be underrepresented in adult education across the country.

The WEA will work in partnership with a number of high-quality partners to deliver its programmes where:

- The contractor has the skills and experience to deliver programmes that the WEA would otherwise be unable to provide;
- The contractor is a niche or specialist provider that is able to deliver provision more efficiently and cost effectively than the WEA;
- The WEA will benefit by gaining experience of new and innovative methods of delivery and by gaining access to new markets;
- Doing so will support increased social value by increasing the capacity and sustainability of the voluntary and community sector and improving opportunities for onward progression in learning and skills;

- The contractor can support improved geographical access for learners within their locality;
- The contractor can facilitate an entry point to widen access, participation and progression with disadvantaged groups that are hard to engage or otherwise excluded;
- The contractor can support individuals who share protected characteristics, where there might otherwise be gaps.

4. Quality of Teaching and Learning

The contractor will at all times comply with the WEA's quality standards for teaching and learning and contracts with subcontractors will stipulate financial penalties for any under achievement of quality measures.

The WEA, through its Contract and Relationship Management team structure, will closely monitor the performance of the contractor throughout the duration of the contract and will address emerging quality issues immediately.

Subcontracted provision will be included in the relevant programme area of the WEA's annual self-assessment report (SAR).

All sub-contractors must ensure compliance with WEA's safeguarding processes and procedures as to ensure all learners feel safe and are safe throughout their learning experience.

5. Selection of Subcontractors

The WEA will operate an Approved Supplier list and will at all times undertake fair and transparent procurement activities, conducting robust due diligence procedures on potential subcontractors to ensure compliance with the Common Accord at all levels.

A risk factor assessment is conducted for each subcontractor based on thorough due diligence checks, including credit checks and Companies House checks. The risk factor table in Annex 1 shows the performance indicators, criteria and risk levels against which subcontractors are assessed. See Annex 2 for further details of the charges.

The WEA will ensure all actual and potential subcontractors have sight of this policy and any other relevant documents, such as the Charging Methodology and Risk Factor Table, before each subcontracting relationship is agreed. This will be achieved by including the policy document with the tender documents for all relevant tender processes and by appending it to the subcontract issued to formalise the agreement. This policy document includes details of the timing for review of the policy and where it is published. Potential subcontractors will also be made aware of payment terms, including timings in relation to delivery and claims, before contract signature.

6. Fees and Charges

Fees will be in line with the costs incurred by the WEA to ensure the subcontractor meets the standards described above and will be set at 17.5% of the contract value. The WEA as the principal contract holder carries the full responsibility of ensuring the terms of its contract are met.

The WEA will provide the following services to its subcontractors:

1. Annual and monthly performance review and planning meetings;
2. Quality monitoring meetings (at least once a term);
3. MIS and ICT support in order to enable ILR returns;
4. Quality and compliance audits of subcontractor delivery (at least once a term);
5. Quality support of OTLA (quality-assuring the OTLA processes of the subcontractor to ensure they meet the relevant standards);
6. Ensuring funding compliance and recording of all data in the ILR;
7. Annual audits carried out by the WEA internal auditors to ensure independent checks of point 3;
8. Training and support on administrative processes, systems and paperwork to enable the submission of accurate and timely data;
9. Financial processing;
10. Access to Canvas for tutors and learners, as appropriate;
11. Access to WEA online training for subcontractor tutors;
12. Administration of learning and learner support;
13. Marketing and publicity support, including sharing of course publicity information across WEA and subcontractor websites;
14. Evaluation and Impact reports;
15. Performance Improvement Action Planning & Support proportionate to identified level of improvement needed to meet quality or performance standards:
 - **Informal action plan:** Where the subcontractor is assessed as 'medium' risk, a SMART time-limited action plan is implemented and monitored;
 - **Formal action plan:** Where the subcontractor is assessed as 'high' risk, a formal action plan and performance improvement plan is implemented and monitored.

Where appropriate, additional charges apply for:

- Exam registration;
- Internal Verification services;
- Liaison with External Verification;
- Exam centre registration;
- Purchase of resources;
- Intensive improvement support.

The costs incurred by the WEA will depend on the risk and need of each individual subcontractor and may vary throughout the year. The support required by different delivery subcontractors will be identified through subcontractor due diligence and management processes, including ongoing performance monitoring and regular quality and compliance assurance checks. The cost of providing this support will be calculated with the assistance of the WEA Finance team.

7. Payments

All subcontractors will be asked to prepare a detailed delivery plan. A financial profile based on this delivery plan will be prepared, detailing the amount of funding to be generated by a certain date. The delivery plan and financial profile will form part of the subcontract and will be used as the basis for subcontractor performance monitoring.

Payment will be made to subcontractors in line with the monthly ILR submissions, once the monthly ILR has been validated by the funder and the payment has been received by the WEA.

8. Access to Policy

This Policy is available on the WEA's website: www.wea.org.uk.

9. Mechanisms for Feedback

Constructive comments on the continual improvement of this Policy are welcomed and should be forwarded to the Chief Finance Officer.

End of Policy

Annex 1 – Risk Factor Table

The performance indicators below will be used to inform the subcontractor performance management process.

Performance Indicator	Criteria	Risk Level	Intervention
Previous track record in terms of meeting funding and success rate targets	All targets fully met and evidenced	Low Risk	None
	Up to 10% below funding target and/or 5% below national success rates	Medium Risk	Informal
	More than 10% below funding target and/or more than 5% below success rate or no evidence	High Risk	Formal
Length and quality of the relationship with the WEA	1 or more years as subcontractor – no issue	Low Risk	None
	1 or more years as subcontractor – some issues	Medium Risk	Informal
	1 or more years but serious issues or new with no previous relationship with the WEA	High Risk	Formal
Financial stability of subcontractor (based on due diligence test)	Fully compliant – accounts, insurance, credit rating	Low Risk	None
	Compliant but some issues requiring further guidance	Medium Risk	Informal
	Compliant but requiring additional guidance and support – both in depth and timing	High Risk	Formal
Type of provision to be undertaken <i>*relates to qualifying days for funding in ESFA Adult Skills Fund funding rules</i>	Short* funded programmes	Low Risk	None
	Medium* courses under classroom-based provision	Medium Risk	Informal
	Long* courses or apprenticeships	High Risk	Formal
Contract performance and duration	Fully compliant with quality and compliance assurance procedures	Low Risk	None
	Near full compliance with some issues	Medium Risk	Informal
	Additional support substantial to ensure compliance with more serious issues	High Risk	Formal
Contract size	Up to £350,000	Low Risk	None
	Between £350,001 and £500,000	Medium Risk	Informal
	£500,001 and above	High Risk	Formal

Annex 2 - Charging Methodology for Subcontractor Fees

Management fees will be in line with costs incurred by the WEA and will be set at 17.5% of the contract value. The costs incurred by the WEA will depend on the risk and need of each individual subcontractor and may vary throughout the year.

The WEA will provide the following services to its subcontractors:

Performance Management	Annual and monthly performance review and planning meetings, including performance improvement action planning and support proportionate to the identified level of improvement needed to meet quality or performance standards.
Quality	Support with curriculum and accreditation processes, monitoring, audit and OTLA quality support.
MIS and ICT	Support with ensuring accurate and timely data collection and reporting of learner data via the ILR.
Compliance	Support with funding eligibility, data collection processes and audit compliance.
Financial	Payment processing.
Training	Access to training for subcontractor tutors on WEA's virtual learning environment (Canvas).
Marketing and Publicity	Information about subcontractor courses shared through the WEA website and potential learners referred to subcontractors' own websites.
Support Networks	Access to the network of providers the WEA works with will be extended to subcontractors (where appropriate).
Evaluation	Including research and impact reports.
Intensive Support and Development	May include advice on quality and curriculum, funding, programme design and policy development.