Westminster Adult Education Service

Supply Chain (Subcontracting) Fees and Charges Policy

Ref No: S1

Version: 4

Owner:	Head of MIS & Exams	**Approved by:**	Executive Board	**Date of approval:**	July 26
Effective From Date:	Sept 2026	**Effective To Date:**	Sept 2027	**Next Review Date:**	July 2027

WAES VALUES – Indicate & comment on which values are attributed to this policy procedure

Value	✓	Comment
Respect – We are inclusive and fair and strive for equality in everything we can do.	✓	The purpose of this policy is to ensure a fair and transparent process
Aspiration – We aim high for our learners and do not accept mediocrity.		
Innovation – We strive for continuous improvement, embrace change and take risks, across all parts of the service.		
Sustainability – We always assess our impact on the environment, whether that be physical, social or economic.		
Excellence – In all that our staff do, they strive to be the best they can be.		

1. Purpose and Scope

Introduction

1.1 Westminster Adult Education Service (WAES) is a direct delivery service within Westminster City Council (WCC), providing adult and community learning for adults living and working within and beyond Westminster. WAES' vision is to transform our learners' lives through inclusive inspirational lifelong learning. WAES is committed to developing a sustainable and reliable supply chain to enable proactive planning, learning and training.

Scope

1.2 The purpose of the policy is to ensure the effective management of subcontractors, and to mitigate potential risks to WAES and main contractor funding bodies.

Aims

1.3. To outline the fees and charges relating to subcontracted delivery from WAES' grant funding.

2. Reason for Subcontracting

2.1 WAES generally operates as a lead provider, with the majority of provision delivered in-house and an agreed proportion of provision delivered via subcontracted organisations.

2.2 Subcontractors may be utilised to enhance WAES' provision in the following circumstances:

- Meeting WAES' strategic aims of community, careers and culture.
- Providing a range of expertise to meet the skills and learning needs of adults and employers in Westminster.
- Delivering niche provision; ensuring high quality of teaching and learning based on subcontractors' experience in the specialist areas.
- Building the capacity and sustainability of the voluntary and community sectors.
- Widening participation to attract learners by extending the learning offer.

3. Subcontractor Approval and Due Diligence

3.1 WAES will maintain an approved supplier list and will always undertake fair and transparent procurement activities, in compliance with WCC's procurement procedures. All subcontractors will undergo comprehensive due diligence checks.

3.2 Selection and approval of a subcontractor will be based on a range of checks, including financial viability, track record, experience with the type of provision being delivered, quality assurance, and a safe and secure location, to ensure WAES can effectively respond to employer and learner demand whilst reflecting local skills priorities.

3.3 Subcontractors will need to have key policies in place, as required by the funders.

4. Subcontractor Management and Monitoring

4.1 Each subcontractor will have a main point of contact for administration and management which is specific to the contract being delivered. This person will be the project coordinator and will be expected to attend monthly performance management meetings.

4.2 An agreed reporting structure for each contract will be developed and based on contract requirements and subcontractor risk assessment. As a minimum, each subcontractor will be subject to formal reviews, announced and unannounced spot checks, and audits, during the life of the contract.

4.3 WAES will manage and monitor subcontractors to ensure that the following standards are met:

- Value for money.
- Compliance with contract requirements.
- Delivering quality programmes.
- Minimum standards of performance.

4.4 Further commissioning of supply services will not be permissible without prior approval from WAES who will give due consideration to any specific contract requirements.

5. Quality, Teaching and Learning

5.1 Subcontractors will, at all times, comply with the WAES quality standards for teaching and learning. WAES will closely monitor the performance of subcontractors throughout the duration of the contract and will address emerging quality issues immediately.

5.2 Subcontractors are required to have their own course centre approvals and liaise with the awarding organisations. WAES will regularly review external moderator reports submitted by subcontractors and monitor any follow-up required.

5.3 WAES will review subcontractors' own quality monitoring processes. This will include conducting lesson observations and interviews, collecting feedback from learners, and reviewing student satisfaction surveys and any other funding requirements, such as the London Learner Survey.

6. Fees and Charges

6.1 WAES will retain a management fee, calculated as a percentage of the total funding as agreed in the contract. The monthly payment will be based on the funding received through the Individual Learner Records (ILR) reports. Payments will only be approved once the ILR reports are reviewed and validated by the subcontractor.

6.2 Subcontractors are required to be set up as a supplier on WCC's payment system to facilitate payment via BACS. WCC operates a 'no purchase order, no pay' policy, so a valid purchase order will need to be given to enable payment of invoices to be processed. Invoices will be paid within 30 days of receipt.

6.3 Failure to comply with any of the requirements of the contract could lead to withholding a payment to a subcontractor.

6.4 The management fee that will apply to subcontracted activity will typically range from 10-25%. The management fee is subject to negotiation and will take account of previous track record, contract size, use of WAES' resources, etc. The management fee is to cover the administrative burden of the subcontractor management such as quality assurance, funding returns, observations, etc, plus any additional fees agreed, such as for use of WAES' locations.

7. Risk Management

7.1 The subcontractor will be risk-assessed by WAES, taking into account the result of the due diligence checks and giving consideration to the specific contract being offered. Each subcontractor will have to maintain a risk register which is to be updated termly. This will form part of the payment procedure and invoices will only be paid after the risk register has been updated.

7.2 A contingency plan will come into effect where any contract is unable to meet the high standard expected, to minimise any disruption to the learner and ensure they can complete their qualification.

8. Subcontractor Support and Capacity Building

8.1 WAES has a responsibility to support all subcontractors to develop and deliver high-quality provision that meets the needs of learners. The management fee deducted from allocated funds is used directly to provide a comprehensive programme of support and compliance measures to ensure that public funds are protected and used effectively and that subcontractors are supported to develop their provision and develop their businesses in a sustainable manner.

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

- One-to-one management meetings to review performance.
- Safeguarding and Prevent training.
- E-safety training.
- Health & safety training.
- Support for learner recruitment.
- Support for learner and employer voice strategies.
- Preparation for external inspection(s), including IV meetings, EV Reports, SAR and QIP training.
- Quality support including briefings, inspections and sharing of good practice.
- Employer and learner feedback surveys.
- Self-assessment & quality improvement support.
- Teaching and learning observations (including paired observations).

9. Policy Review & Publication

9.1 The policy will be reviewed in July of each year and any changes will be notified to subcontractors as part of either a regular contract review or via separate correspondence. The policy will be published on WAES' website: Policies and Procedures - Westminster Adult Education Service (waes.ac.uk) (www.waes.ac.uk/about-us/policies-and-procedures/)

Equality Impact Assessment / Safeguarding & Sustainability Considerations

Westminster Adult Education Service is committed to the promotion of equality, diversity and providing a supportive environment for all members of our community. Our commitment means that this policy has been reviewed to ensure that it does not discriminate (either intentionally or unintentionally) any of the protected characteristics of age, disability, gender (including gender identity), race, religion or sexual orientation and meets our obligations under the Equality Act 2010.

Name of Policy/Procedure	**Supply Chain Policy**
1 If **Equality Impact Analysis** is not relevant to this function, give reasons and proceed to section 5.	
2 In what ways could this function have a negative impact on any of the groups above? What actions have been taken to eliminate these?	Learners may be anxious about completing their studies at an alternative provider. WAES will work with the subcontractor to ensure that the learners have the same support as if they were being taught directly
3 In what ways could this function have a positive impact on any of the groups above? How will this function be used to eliminate discrimination, advance equality of opportunity and foster good relations between different groups? Are there plans for the future that will further advance equality?	N/A
4 What evidence supports your judgement e.g. Observations, Consultations, expert opinions, quantitative or qualitative surveys. If the evidence is in the form of additional documentation where is this stored?	N/A

5 Has this function taken into account and cross-referenced where appropriate to **Safeguarding** policy and procedures? Give Details.	Subcontractors will be required to undertake mandatory safeguarding training and provide DBS evidence for staff All data will be transferred/removed in accordance with Data Protection and GDPR requirements

POLICY OWNER **Signed/Date:**	Chris Spithray July 2026

Version Control Information

Version	Date	Revision Author	Summary of Changes
2	Oct 2024	Adrienne Giles	Version control added Section 6.4 expanded Equality grid added
3	28/8/25	Chris Spithray	New version for 25/26.
4	6/7/26	Chris Spithray	Revised for 26/27.