



UNIVERSITY COLLEGE  
OF ESTATE MANAGEMENT

# **Subcontracting Policy**

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## Subcontracting Policy

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# Table of Contents

## Contents

<b><i>Subcontracting Policy</i></b> .....	<b><i>i</i></b>
<b><i>Approval History</i></b> .....	<b><i>i</i></b>
<b><i>Table of Contents</i></b> .....	<b><i>ii</i></b>
<b>1. <i>Introduction</i></b> .....	<b>1</b>
<b>2. <i>Purpose</i></b> .....	<b>2</b>
<b>3. <i>Scope</i></b> .....	<b>2</b>
<b>4. <i>Rationale for Subcontracting</i></b> .....	<b>2</b>
<b>5. <i>ESFA compliance</i></b> .....	<b>2</b>
<b>6. <i>Risk management</i></b> .....	<b>2</b>
<b>7. <i>Subcontractor Selection</i></b> .....	<b>3</b>
<b>8. <i>Due Diligence</i></b> .....	<b>3</b>
<b>9. <i>Subcontractor Appointment</i></b> .....	<b>4</b>
<b>10. <i>Safeguarding and Prevent</i></b> .....	<b>4</b>
<b>11. <i>Quality Assurance</i></b> .....	<b>4</b>
<b>12. <i>Performance Management</i></b> .....	<b>4</b>
<b>13. <i>Subcontractor support</i></b> .....	<b>5</b>
<b>14. <i>Management Fee</i></b> .....	<b>5</b>
<b>15. <i>Payment Terms</i></b> .....	<b>6</b>
<b>16. <i>External Audit</i></b> .....	<b>6</b>
<b>17. <i>Publication of subcontract activity and data</i></b> .....	<b>6</b>
<b>18. <i>Policy Communication</i></b> .....	<b>6</b>
<b>19. <i>Policy Review</i></b> .....	<b>6</b>

## Subcontracting Policy

# 1. Introduction

The University College of Estate Management is the leading university for supported online education within the built environment, with over 100 years' experience of providing the highest quality learning opportunities to professionals.

The range of training programmes offered includes publicly funded apprenticeship, CPD, Degree and Post Graduate level education courses. As part of its apprenticeship offer, UCEM may seek to engage the services of subcontract training providers.

UCEM's approach to subcontracting is based on and derived from its strategic objectives, as everything UCEM does is influenced by its core values which are:

### **PASSION: We care**

- We want each and every one of our students to succeed.
- We do the right thing by our students and customers. That means we do whatever we can to ensure that no student falls behind in their studies, and that no customer is unhappy with the service they receive.

### **SUPPORT: We support and respect each other**

- At UCEM each member of staff does everything they can to help other staff and students to achieve their goals.
- We respect others and their opinions, we are open to ideas, we trust each other.
- We promote a supportive working environment across UCEM that extends to our students.
- We value and reward each individual's skills, working towards common goals with shared objectives and through collaborative practice.

### **EXCELLENCE: We aim high**

- High standards drive everything we do.
- We deliver excellence, strive for continuous improvement, and respond dynamically to change. Each one of us is personally responsible and accountable for the quality of whatever we do. We listen to our students and understand their expectations. We strive to exceed their expectations in quality and delivery.

### **INTEGRITY: Fairness First**

- We model integrity in everything we do.
- We never compromise on honesty or trustworthiness. We adhere closely to laws and compliance standards. We do what we say we will do and fulfil our promises to staff and students.

## 2. Purpose

As a holder of Education and Skills Funding Agency (ESFA) contracts for levy-funded and non-levy funded apprenticeship education and training, UCEM is required to publish a supply chain fees and charges policy on its website.

The purpose of this document is to provide transparency for all stakeholders and/or interested parties regarding policy, process and support relating to subcontracted provision funded through the apprenticeship education and training contracts that UCEM holds with the ESFA.

## 3. Scope

This policy applies to all subcontracted supply chain apprenticeship education and training activity that is funded via the ESFA or any successor organisation.

## 4. Rationale for Subcontracting

UCEM recognises that effective subcontracting in relation to its apprenticeship programmes can enhance its offer to learners and employers. In light of this, UCEM may from time to time, engage with subcontractors:

- to support the highest quality of delivery and learner experience for specialist aspects of apprenticeship education and training: for example, the delivery of functional skills qualifications or specialist technical skills
- to meet the needs of employers

## 5. ESFA compliance

All subcontracting activity shall be in full compliance with ESFA funding rules and policy intent.

## 6. Risk management

The management of UCEM subcontractors will be 'risk based'.

UCEM is committed to early identification and mitigation of risk within its supply chain, this is demonstrated by its processes which ensure that all subcontractors are:

- required to pass a robust initial due diligence process before a Contract for Service is issued;
- managed through a process of regular quality and performance monitoring reviews and audits together with annual due diligence checks;
- where applicable, required to prepare and implement underperformance recovery plans in an agreed time frame.

All subcontractors are risk assessed as a function of the initial and annual due diligence processes; existing subcontractor performance is routinely monitored against the performance standards set out and agreed in the Contract for Services and through quality assurance activities as laid out in this document.

## Subcontracting Policy

The frequency and scope of the monitoring and audit activity undertaken by UCEM is determined by the risk rating given to a subcontractor through the due diligence process.

# 7. Subcontractor Selection

All procurement for goods/services and works across UCEM shall be carried out in accordance with legal requirements, financial regulations and the UCEM Procurement Policy. In addition, all procurement must align with UCEM's commitment to responsible and ethical procurement as detailed in the [Sustainability Strategy](#).

UCEM's approach to subcontractor selection will be determined by the circumstances under which it has been identified that subcontracting is the preferred route. The procurement process will be compliant with the UCEM Procurement Policy and may include:

- identification of a potentially suitable subcontractor (or subcontractors) by UCEM;
- identification or nomination of a potentially suitable subcontractor by an employer; or
- open tender.

The selection process shall assess each potential subcontractor's suitability, capacity, and capability through the initial due diligence process and will follow the ESFA funding rules related to the selection of a suitable subcontractor as well as the UCEM Procurement Policy.

# 8. Due Diligence

UCEM will undertake due diligence as part of the selection of subcontractors and as part of annual monitoring processes.

Initial [due diligence](#) is focused upon compliance with the following:

- organisation legal status;
- financial and management checks;
- existing ESFA contracts held;
- be on the Apprenticeship Provider and Assessment Register (APAR);
- capability and capacity to deliver required services;
- safeguarding and Prevent regulations;
- health and safety arrangements and records;
- equality and diversity regulations;
- quality assurance;
- learner guidance and support;
- data protection and information security regulations;
- environment and sustainability regulations;
- anti-bribery and corruption regulations;

## Subcontracting Policy

- professional and business standing;
- references.

The above is reviewed as part of annual monitoring processes and each subcontractor is required to complete [an annual due diligence update questionnaire](#).

## 9. Subcontractor Appointment

Appointment of a subcontractor shall only be made through a legally binding Contract for Services. The Contract for Services must be in place and signed by both parties before any subcontracted delivery takes place. The Contract for Services shall specify the terms and conditions (including ESFA funding rule requirements) and shall include appendices setting out financial values, financial performance requirements and minimum standards of delivery requirements. UCEM reserve the right to claw back funds from the subcontractor in the event of under delivery or any other eventuality resulting in the recovery of funds by the ESFA.

## 10. Safeguarding and Prevent

UCEM is committed to the safeguarding of learners and compliance with the Prevent agenda. As such, safeguarding of learners and the Prevent agenda are key features of its due diligence process, Contract for Services and quality and performance monitoring processes.

UCEM will work with and support its subcontractors to ensure that safeguarding and Prevent arrangements are robust across the range of provision/services being delivered.

## 11. Quality Assurance

UCEM, as the main provider and ESFA contract holder has full responsibility for the quality of all aspects of every apprenticeship. UCEM will carry out formal assessments of the delivery undertaken by each of its subcontractors through:

- desk based annual quality review which supports the annual due diligence process and examines the subcontractor's own quality assurance arrangements.
- quality review panel undertaken between two and four times a year as outlined in the Subcontracting quality assurance procedure.
- online and/or face to face observations of any delivery activity.

UCEM is committed to improving the quality of all provision funded through its ESFA contracts and will work with and support its subcontractors to ensure continuous improvements are put in place across the range of provision/services being delivered.

## 12. Performance Management

UCEM will manage the performance of its subcontractors through:

- contract value review - UCEM will review the predetermined contract values with the subcontractor at regular contract review meetings. Volumes may be revised or

## Subcontracting Policy

withdrawn if the Subcontractor fails to meet key performance targets or if ESFA funding is reduced and/or if an overspend is anticipated.

- accuracy and timeliness of data - UCEM will review the accuracy and timeliness of data in accordance with the data collections framework set out in the “Specification of the Individualised Learner Record” appropriate to the applicable funding year.
- minimum standards - the subcontractor must achieve the standards set out in the Contract for Services. Performance against minimum standards will be reviewed regularly at contract review meetings and interventions taken as appropriate.

The frequency of contract review meetings shall initially be determined by the risk rating given to the subcontractor at initial due diligence review. A low-risk subcontractor would require quarterly contract review meetings. As can be seen in the “Risk Statement & Process Guide”, UCEM works to a low appetite for risk model and therefore would not contract with a medium/high-risk rated subcontractor.

Should an existing subcontractor fail to meet minimum standards laid out in the Contract for Services and therefore fall into a medium/high-risk category, UCEM would follow its standard Risk Statement & Process Guidelines to manage the risk.

## 13. Subcontractor support

UCEM acknowledges that it has a responsibility to support its supply chain to deliver high quality provision/services to all learners and employers. The support offered will typically include:

- designated contract manager;
- enrolment and learner file template documentation;
- safeguarding and Prevent training and support;
- technical support to ensure that programmes are set up correctly and data input is correct;
- regular performance updates against agreed measures of success;
- monthly live learner reviews;
- observation of teaching, learning and assessment;
- compliance audit (funding rules and contract).

The frequency of support provided may increase relevant to the risk level and the specific requirements of the contract.

## 14. Management Fee

UCEM do not currently charge a management fee and instead pass on the full value of funding received to the subcontractor. This ensures the whole funding amount contributes to high quality teaching by the subcontractor.



# 15. Payment Terms

Payments will be made by UCEM to the subcontractor according to the schedule for payments identified in the Contract for Services. Such payments will be made in accordance with the ESFA Apprenticeship Funding Rules, on condition that the subcontractor delivers the services in accordance with the terms and conditions of the contract for services.

All charges equate to the total funding value received from the ESFA, per qualification. The subcontractor will invoice for the charges at the end of each month for services performed during that month. UCEM shall settle each valid invoice submitted within 30 days.

Where funding evidence requirements have not been fully met, delivery has not been undertaken and/or funding criteria or methodology has changed, UCEM may suspend, recover and/or offset future funding payments to the subcontractor to mitigate the risk to public funds.

# 16. External Audit

In accordance with ESFA funding rule requirements, UCEM will appoint an external auditor if the total apprenticeship contracts with delivery subcontractors will exceed £100,000 in any one financial year. The auditor will be asked to determine if UCEM's arrangements to manage and control its delivery subcontractors are sufficiently robust.

The auditor will be asked to provide a written report, which will be presented to the audit committee, and where the audit report provides satisfactory assurance, the auditor will be asked to provide a signed certificate confirming this.

# 17. Publication of subcontract activity and data

For each funding year UCEM will report subcontracted delivery to the ESFA as required.

# 18. Policy Communication

The policy is published on the UCEM website.

The policy will be communicated to potential subcontractors as part of the procurement process and shall be subsequently discussed with appointed subcontractors as part of the contract review process.

# 19. Policy Review

The policy will be reviewed on an annual basis by the Director of Apprenticeships and the Academic Quality Unit (AQU). UCEM reserves the right to undertake a review at any time in response to material changes in the funding and or business landscape, including but not limited to, changes in government policy and/or funding.