

# **Subcontracting Policy**

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## Subcontracting Policy

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# 1. Introduction

University College of Estate Management (UCEM) is a leading provider of training programmes to employers and learners in the construction and real estate sectors and those seeking a career in these sectors. The range of training programmes offered includes publicly-funded apprenticeship programmes in England. As part 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 strategic objectives. 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 achieve their goals
- We promote a supportive working environment across UCEM. We are working towards common goals through shared objectives and collaborative practice
- We respect others and their opinions, we are open to ideas, we trust each other.

### **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.

## **Subcontracting Policy**

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; and/or
- 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 performance monitoring reviews and audits together with annual due diligence checks; and
- 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.

UCEM's approach to risk rating of subcontractors is an ongoing and dynamic process. The frequency and scope of the monitoring and audit activity undertaken by UCEM is determined by the risk rating given to a subcontractor.

# 7. Subcontractor Selection

UCEM's approach to subcontractor selection will vary and will be determined by the circumstances under which it has been identified that subcontracting is the preferred route. The approach used may be:

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

The selection process shall assess each potential subcontractor's suitability, capacity and capability through the initial due diligence process.

# 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 the following:

- organisation legal status;
- financial and management checks;
- existing ESFA contracts held;
- insurance;
- capability and capacity to deliver required services;
- safeguarding and Prevent;
- health and safety arrangements and record;
- equality and diversity;
- quality assurance;
- learner guidance and support;
- data protection and information security;
- environment and sustainability;
- anti-bribery and corruption;
- 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.

## 10. Safeguarding and Prevent

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

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 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.

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- 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 meeting shall be determined by the risk rating given to the subcontractor.

## 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. Typically, UCEM will provide the following services and support to its subcontractors:

- 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 actual support provided shall be in relation to the risk level and the specific requirements of the contract.

## 14. Management Fees

The percentage range charged by UCEM is between 0% and 20%. UCEM will pay the subcontractor the full value (per learner) of the funding received from the ESFA - less the applicable management fee. This funding is payable for actual delivery of services against the amounts agreed and set out in the Contract for Services with reference to funding allocation and profile limitations as appropriate.

The management fee charged will be negotiated with individual subcontractors and will be based on several factors including but not limited to:

- the funding rate available and the potential for the subcontractor to deliver a high-quality service to learners and employers;
- the experience of the subcontractor;
- UCEM's risk rating awarded to the subcontractor;
- the level of support requested or deemed to be required from UCEM; and
- performance against target measures as agreed with the subcontractor in the Contract for Services.

# 15. Payment Terms

Payments will be made by UCEM to the subcontractor according to the schedule for submission and payments identified in the Contract for Services. This will typically be a monthly payment based on values in the Apprenticeships Monthly Payment Report (AMPR) received from the ESFA less, where applicable the predetermined management fee.

UCEM will provide the subcontractor with data from the AMPR relating to the relevant learners, a financial value and purchase order number ordinarily by the 10th working day of the month following the activity.

The subcontractor will invoice UCEM for the financial value ordinarily by the 15th working day of the month following the activity.

Subject to the funds being received from the ESFA, UCEM will make payment to any subcontractor within 30 days of receiving a valid invoice for payment. Each Contract for Services entered into shall contain a term requiring this.

Initial payment is subject to timely receipt of the completed 'UCEM New Supplier Form'.

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 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 publish details of its subcontracted provision, the value of each contract and the management fee charged. This information is published on the UCEM website.

## **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 UCEM's Head of Apprenticeship Funding and Contracts and the Senior Leadership Team. 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.