

COLLABORATIVE PROVISION

G5.2: Academic Due Diligence - completing the CPPF section 1.8

Due diligence enquiries are a vitally important element in developing a new collaborative partnership (and when renewing an existing one). A due diligence exercise should be one of the first steps in the process, and the University should not enter into any legal agreements with a partner until it has undertaken a satisfactory due diligence exercise.

There are various types of due diligence, and your enquiries should cover the legal, financial, and academic aspects of the proposed partnership. This guidance note deals specifically with aspects of academic due diligence (DD), to help PDTs in completing section 1.8 of the CPPF so as to provide assurance to LPAG that the proposed partnership is sound.¹

The overall approval process for collaborative partnerships can be time-consuming for a large number of staff, and is therefore costly for the University. We want to avoid situations where collaborative arrangements are approved and then prove unable to recruit students, or are subject to severe delays because due diligence enquiries, or queries about market demand, remain open after LPAG consideration – the due diligence exercise must therefore be complete before CPPF/CPRFs come to LPAG.

1. Sector expectations

The UK Quality Code for HE² expects that:

Where a provider works in partnership with other organisations, it has in place effective arrangements to ensure that:

- *the standards of its awards are credible and secure, and*
- *the academic experience is high-quality*

irrespective of where or how courses are delivered, or who delivers them.

According to the advice and guidance³ underpinning the UK Quality Code, the purpose of due diligence (legal, financial and academic) by a provider is to identify the factors that may place it at risk, legally or reputationally, and to anticipate future developments which could jeopardise academic standards, the quality of students' learning opportunities and/or the viability of an award or a partnership. Due diligence processes provide the opportunity for reasonable care and caution to be exercised, to mitigate corporate risk and ensure that students' interests are protected.

In order to safeguard the interests of students, degree-awarding bodies (i.e. the University) should undertake appropriate due diligence before proceeding in any substantive way with the development of an arrangement for delivering learning opportunities with others. Due diligence enquiries should be refreshed periodically and also where circumstances change (for example, if the activities are extended, or if the ownership of a delivery organisation or support provider changes). At Brookes, we therefore carry out due diligence enquiries at an early stage of the approval process, and go through a similar process when we wish to renew or extend a partnership arrangement.

The outcomes of due diligence enquiries carried out by PDTs are recorded in the CPPF and CPRF forms⁴. These are signed off by Faculty Executive Teams, and considered by LPAG before the detailed proposals may be considered by a University academic approval panel. The purpose of this stage of the process for implementing collaborative arrangements is for the University to assure itself that a proposed partner:

- is in good financial health and has the appropriate legal standing to enter into the proposed partnership;
- has an educational ethos that is consistent with the University's strategic priorities;

¹ Contact your Faculty Head of Finance & Planning for advice on financial due diligence enquiries and business planning, and the Head of Legal Services for advice on the legal aspects of a proposed partnership.

² <https://www.qaa.ac.uk/quality-code>

³ <https://www.qaa.ac.uk/en/quality-code/advice-and-guidance/partnerships>

⁴ Templates are available here: <https://www.brookes.ac.uk/asa/apqo/quality-and-standards-handbook>

- has in place an appropriate framework for maintaining academic standards and quality, with clearly defined roles and responsibilities;
- has the facilities and resources to provide a high quality higher education learning environment;
- has the ability to market the programme appropriately.

2. **Why carry out due diligence?**

Guidance from the UK HE International Unit⁵ back in 2012 suggested that the two primary purposes of due diligence exercises are:

- getting to know your partner, and
- providing contractual remedies if the partnership is unsuccessful.

Due diligence may seem unnecessarily time consuming, and potentially expensive (for example, if we need to buy in specialist advice), when you are at the start of a promising partnership. However, it will help us to avoid entering into legally binding commitments which can generate substantial ongoing costs (and inconvenience) if they are not properly conceived, structured and documented. Due diligence is therefore in the best interest of both/all parties to the agreement, and – especially – of the students who are recruited to the programmes we offer through our partnerships.

Due diligence is usually a mutual exercise: be prepared for a prospective partner to ask for similar information from us as part of their own due diligence process. The International Unit suggests putting together a due diligence bundle, which we can hand out to potential partners, subject to confidentiality agreements and consent regarding personal information, etc. You might initially refer potential partners to the 'About Brookes' web page: <http://www.brookes.ac.uk/about-brookes/structure-and-governance/> which gives information about the structure and governance of the University, and provides links to key policies and strategies, and to the financial statements.

If potential partners are unfamiliar with due diligence, and query the need for providing such information, we can reassure them that:

- it is a requirement of the UK HE sector's regulatory body (as per the UK Quality Code for HE);
- it will allow the partners to fully understand each other, avoid misunderstandings and manage the collaboration in the best possible way, for the benefit of students;
- in return, we will fully cooperate with their own due diligence enquiries.

3. **Academic due diligence**

Academic due diligence allows us to examine the academic quality and reputation, degree awarding powers, teaching and research resources or capacity of the prospective partner to be involved in the collaboration. It is a crucial part of the due diligence exercise, as it is central to the potential collaborative arrangements (programme delivery), and therefore to any assessment of the feasibility or benefits of a potential partnership. However, academic due diligence should not be carried out in isolation from other due diligence enquiries (i.e. legal, financial, etc).

Academic due diligence needs to be tailored to the nature and scale of the prospective partnership, but at a minimum it should cover the following points:

- i. accreditation requirements/permission to operate in the territory relevant to the potential partnership;
- ii. number, qualifications, expertise and capacity of key academic, administrative and support staff for operating the partnership, and arrangements for recruiting additional staff where required;
- iii. number, qualifications, expertise and capacity of academic staff for carrying out marketing/student recruitment/teaching/research (and gaining and retaining professional accreditation, where relevant), according to the envisaged partnership arrangements;

⁵ now Universities UK International <https://www.universitiesuk.ac.uk/International/Pages/about-universities-uk-international.aspx>

- iv. availability and quality of facilities and materials, e.g. research resources, laboratories, teaching venues, library access, accommodation, IT facilities for students and employees, student welfare, careers advice;
- v. recruitment process and selection criteria of participating students (if any);
- vi. academic standards and assessment and examination criteria and procedures (take a look at a sample of assessed student work on other courses at the appropriate level, or for programmes which will be feeding into the Brookes provision);
- vii. language qualifications of key members of faculty, employees and students;
- viii. quality assurance and academic governance arrangements, including mechanisms for seeking feedback from students;
- ix. previous experience of the proposed partner of partnerships with other UK universities, and availability of references (and/or external examiners' reports or reports from reviews by external quality bodies).

For arrangements with international partners in which programmes are to be taught and assessed in a language other than English, PDTs should additionally consider:

- i. the continuing availability of external examiners who are able to work easily in all languages involved, and are familiar with the academic standards expected of UK awards in the discipline;
- ii. the arrangements which will be put in place to ensure the accurate translation of assessed student work, if used (noting that such intervention has the potential to advantage or disadvantage students), programme information, handbooks, marketing materials, etc;
- iii. the proposed liaison manager's ability to work in the languages involved, and how their access to the staff, provision and the students studying on the programme/s will be facilitated to enable them to assure the University of the effective day to day management of the provision;
- iv. the exit strategy, including the teaching out arrangements should it be necessary to withdraw from the relationship.

The table in appendix 1 is extracted from section B10 of the old UK Quality Code (2013-18), and helpfully sets out a range of areas which should be covered in due diligence enquiries for different types of arrangements. The extent of due diligence enquiries also depends on the nature of the risks associated with the proposed partnership arrangements - note that proposing teams – supported by the Associate Dean for Strategy & Development - are also required to complete a risk assessment for the proposed partnership, as an integral element of the proposal and business plan, and this should indicate the measures that are in place, or the actions that have been taken already, to mitigate the risks.

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Appendix 1 - extracted from section B10 of the UK Quality Code 2013-18

Key areas for DD enquiries for most partnership arrangements:	+ for international partnerships:	+ for partner delivering and assessing:	+ for private/non-educational providers:
<ul style="list-style-type: none"> • the ability of the prospective delivery organisation, support provider or partner to provide the human and material resources to operate the arrangement successfully • the academic/professional capacity of the prospective partner organisation to deliver any learning and teaching or support at the appropriate levels • the ability of the prospective partner organisation to provide an appropriate and safe working environment for students • the legal status of the prospective partner organisation in its own country and its capacity to enter into a legally binding agreement • the accredited or recognised status of a prospective partner organisation accorded by the relevant authorising bodies in the country where the provision will be delivered • the reputation and/or academic standing of the organisation (drawing on a range of performance indicators, as well as the experience of other providers who have collaborated with the organisation) • the financial stability of the prospective partner. 	<ul style="list-style-type: none"> • the legal and regulatory frameworks of the country concerned • the political, ethical and cultural context • the higher education structures in the country where the partner organisation is operating • cultural assumptions about higher education learning methods • any requirements for the potential delivery, support or partner organisation to be accredited or recognised by the appropriate authorities in the jurisdiction where the provision will be delivered and/or for individual programmes to have the approval of the relevant national authority (both factors may have implications for educational activity and/or the recognition of qualifications for progression to further study or employment in those countries) • the range of business and ethical interests and links that international partners may have, either within the UK or overseas, and whether these could present either potential risks to the proposed arrangement or to the reputation of those involved. 	<ul style="list-style-type: none"> • the level of familiarity of the prospective delivery organisation with the standards and ethos of UK higher education • the ability of the prospective delivery organisation to manage processes for quality assurance in higher education and to meet the relevant Expectations of the Quality Code • the adequacy of operational structures (including record-keeping) in place to support learning delivery and/or assessment in an equitable, valid, reliable manner. 	<ul style="list-style-type: none"> • the ownership and financing of the prospective delivery organisation or support provider • its governance structures (in particular ensuring that academic and business decision-making are separate) • whether it is registered as a company or a charity and the nature of any accreditation • the range of business and ethical interests and links that providers may have, either within the UK or overseas, and whether these could present potential risks to the proposed arrangement or to the reputation of those involved.