

Key Decision Report of the Interim Corporate Director of Resources

Officer Key Decision	Date: 05 February 2019	Ward(s): All
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The appendix to this report is exempt and not for publication

**SUBJECT: Engagement of suppliers of apprenticeship training course delivery for Islington Council employees****1. Synopsis**

- 1.1 This report summarises the outcome of a procurement process and seeks approval of the intention to award 12 suppliers in respect of apprenticeship training course delivery for Islington Council employees.
- 1.2 Apprenticeship training for Islington Council employees refers to Education and Skills Funding Agency (ESFA) approved apprenticeship training courses delivered to both newly hired apprentices and existing employees being upskilled in their existing posts. Apprenticeships have the social benefit of providing progression opportunities to those who need them to support economic growth, and are a highly effective way for businesses to build a pipeline of skilled employees, address skills shortages and turnover, increase motivation and continuously develop their employees.
- 1.3 The Council Executive agreed the procurement strategy in respect of this process on 13 July 2017. The strategy included delegating authority to award the contracts to the Corporate Director of Resources in consultation with the Executive Member for Finance, Performance & Community Safety.

2. Recommendations

- 2.1 To approve the engagement of 12 suppliers for apprenticeship training course delivery for Islington Council employees as outlined in this report (see table below in 2.2).
- 2.2 To delegate call off contract award to the Head of Organisational Development up to the maximum number of learners and training value outlined.

3. Date the decision is to be taken:

05 February 2019

4. Background

- 4.1 In May 2017, the Government introduced a number of apprenticeship reforms with the aim of creating 3 million additional apprenticeships by 2020 to boost the capability of the workforce, raise the nation's productivity and support economic development. An apprenticeship levy was introduced requiring organisations with an annual pay-bill over £3 million to pay 0.5% of the pay-bill as an apprenticeship tax. For local authority maintained schools, the local authority is considered the employer and therefore those schools' pay-bill are included in Islington Council levy calculations and subsequent payments.
- 4.2 The average annual levy for the council and schools in scope is £1.1 million. The levy paid; alongside a government top-up of 10% of this sum is given back to an organisation in a digital apprenticeship account that will accumulate throughout the year. The money in this account can only be used to pay for ESFA approved apprenticeship training for new and existing employees. Any amount not used after 24 months will be recouped by the government and distributed to other organisations. The funding for this arrangement is from the apprenticeship levy account. This report seeks to delegate contract sign off to the Head of Organisational Development each time the council wishes to utilise the 12 training courses listed up to the maximum value, with regular review and consideration of employee demand and levy amount available.
- 4.3 In July 2017 Executive approved an apprenticeship strategy outlining the intention for Islington Council to establish a framework to procure apprenticeship training whilst the longer term procurement method was established of using a pan London dynamic purchasing system (DPS) to procure training. The DPS being the most suitable option due to the regular emergence of new training in the apprenticeship field. Regional discussions had begun with Haringey Council, proposing to set up and manage a dynamic purchasing system (DPS) within 1 year. Islington Council had pursued a split for award of 90% quality and 10% cost in procuring training.
- 4.4 As plans developed however the borough of Tower Hamlets announced that it would take the lead by publishing a pan London DPS open to all local authorities. The DPS was advertised in the Official Journal of the European Union in December 2017 (reference 2017/S 241-500469) in accordance with the Public Contracts Regulations 2015.
- 4.5 Tower Hamlets DPS advertised that further competition appointments from its DPS would be awarded on the basis of 60% quality and 40% cost, and in order to purchase from their DPS we had to comply with this split. To incorporate the higher quality focus, all areas the council wanted represented have been included in the quality questions asked and in the service specification to ensure all fields are covered sufficiently.

Previous Intention based upon Islington publishing its own framework agreement	Current arrangement utilising Tower Hamlets DPS
Background and Performance History (20%)	Method statement question 2 (15%)
Delivery of Training (40%)	Method statement question 1 (30%)

Delivery of Additional Support (10%)	Method statement question 3 (15%)
Additional services (5%)	Method statement question 3
End point assessment (5%)	Automatic inclusion in price
Price (10%)	Price (40%)
Customer Care and Contract Management (10%)	Inclusion in specification provided setting minimum standards

4.6 The minimum standards were stated by Islington Council as the following:

- all organisations providing educational services to have achieved a minimum of Level 2 in their most recent Ofsted inspection. New providers who were yet to be rated were asked to identify themselves as such and were not excluded on this basis.
- training providers to pay London Living Wage to their employees. Training Providers were asked to confirm whether they were a London Living Wage employer. If not, they were asked to confirm that all staff who will be delivering apprenticeship training to the Council are paid a London Living Wage.
- The training provider must also confirm and evidence that they are able to deliver the service within the geographical area of London Borough of Islington or within 5 miles/60 minutes commute from the place of work.

4.7 Using the London Tenders Portal we conducted twelve further competition exercises. each based upon the specification for the programme concerned. All organisations who had successfully registered on the DPS were informed of the training opportunity; approximately 200 training organisations were invited to bid for each.

4.8 Award Criteria

Suppliers were evaluated on the basis of providing the Most Economically Advantageous Tender (MEAT) in accordance with the Public Contracts Regulations. MEAT for this framework agreement is quality 60% and cost 40%.

Quality 60%, made up of:

Quality question 1: Proposed approach to delivering this training to apprentices: 30 %

Quality question 2: Quality assurance: 15 %

Quality question 3: Learner support: 15 %

Cost 40%

4.9 A strict word limit was applied to each method statement question, to enable responses to be as concise and relevant as possible. Each response was scored on a 0-5 scale:

Score	
0	There is no response to the question
1	An attempt has been made to respond, but does not meet requirements/solution does not cover any essential points
2	The response/solution partially meets requirements (covers some essential points)
3	The response/solution meets requirements (covers all essential points, may have included clear examples)

4	The response/solution exceeds requirements (covers more than the essential points, giving clear examples)
5	The response/solution will add significant value (covers more than the essential points, giving clear thorough examples to illustrate how value will be added)

Quality Question 1:

Please provide details of your proposed approach to delivering this training to apprentices including:

- Availability of resources
- Capacity to deliver
- Level of staff skills and experience
- Methods of delivering training
- Fulfilling the requirement of 20% off-the job training
- Monitoring performance
- Tracking and recording of learning hours
- Evidence of staff qualifications is required
- Should the council wish to organise delivery for a cohort onsite, what would be the minimum number of students required

Quality Question 2:

Provide details on how your organisation's internal and external quality assurance arrangements will contribute to the successful completion of the training. You can evidence how your quality assurance arrangements have been successful in the past by providing:

- Past success rates and achievements
- Learner satisfaction stats from student surveys
- Reports from inspection bodies such as Ofsted, EQA, HEFCE
- Current SAR
- Reports from awarding bodies
- Testimonials from Internal/External verifiers etc.

Quality Question 3:

Please provide details of your proposed approach to supporting learners to successfully complete their apprenticeship including:

- Developing learning plans
- Support for those who fall behind in training
- Support for those who have a break from studying
- Support for those who have been out of education for a significant period
- Support for learners with additional needs
- Ensuring the employer is involved throughout and able to monitor progress
- Reporting of safeguarding issues
- Wider continuing professional development (CPD) opportunities

It is recommended that the contracts are awarded to the organisations that achieved the highest combined scores for cost and quality for each course.

Implications

5. Financial implications:

- 5.1** The estimated budget for this programme is £1.1m per annum. The funding is ringfenced and any underspends over a 24 month period are returned to the Government for use elsewhere.

Legal Implications:

- 5.2** The Apprenticeships, Skills, Children and Learning Act 2009 (new chapter A9 of Part 1) has been amended by the Enterprise Act 2016, Clause 24 in relation to the introduction of public sector apprenticeship targets. The amendment provides for the setting of apprenticeship targets for local authorities by the secretary of state. The government's proposals for the apprenticeship levy are set out in the "proposals for apprenticeship funding in England from May 2017" published on 12 August 2016. The council may enter into contracts with providers of services related to apprenticeship training under section 1 of the Local Government (Contracts) Act 1997.

The proposed contracts are contracts for services that are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £615,278.00. The value of the contracts to be let is above this threshold.

The council's Procurement Rules require contracts for light touch services over the value of £500,000.00 to be subject to competitive tender. In accordance with the requirements of the Regulations and the Council's Procurement Rules the contracts have been procured with advertisement in the Official Journal of the European Union via a Dynamic Purchasing System established by Tower Hamlets council and available for use by Islington council.

Bids were evaluated in accordance with the published tender evaluation criteria and the highest scoring tenderer for each required training course was as set out in the Exempt appendix to this report. Therefore contracts may be awarded as recommended in the report.

In deciding whether to award the contracts as recommended the Corporate Director of Resources should be satisfied as to the competence of the suppliers to provide the services and that the tender prices represent value for money for the Council. Regard must also be had to the information set out in the attached appendix.

5.3 Environmental Implications

There are no significant environmental implications arising from this proposal. Visits from training providers to apprentices are organised in order to incorporate multiple apprentice assessments within the one visit to encourage efficiency and minimise the carbon footprint.

5.4 Resident Impact Assessment:

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding. A Resident Impact Assessment was completed on 5th May 2017 and is attached.

6. Reasons for the decision:

- 6.1 The approval of this contract is recommended in order to work in the developing apprenticeship market. This contract will allow for the council to deliver training for council employees and work towards growing its apprenticeship provision to meet the statutory public sector apprenticeship target.

7. Record of the decision:

- 7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:



5 February 2019

Interim Corporate Director of Resources

Date

Background papers: None.

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