

CABINET

18 July 2023

Title: Procurement of Apprenticeship Training Provision	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report	For Decision
Wards Affected: None	Key Decision: No
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Accountable Director: Gail Clark, Director of Workforce Change	
Accountable Executive Team Director: Fiona Taylor, Chief Executive	
Summary: This report is seeking approval to enter into agreements with the Yorkshire Purchasing Organisation (YPO) to facilitate the procurement and purchasing of apprenticeship training and assessment. The previous arrangement for procuring apprenticeship training via Eastern Shires Purchasing Organisation (ESPO) has expired and will not be renewed by ESPO. After reviewing available options, the Apprenticeship Manager has evaluated both YPO and Crown Commercial services frameworks. It has been determined that YPO presents the most efficient route to market. This will enable the Council to collaborate with local providers who are already affiliated with the YPO framework.	
Recommendation(s) The Cabinet is recommended to: (i) Agree that the Council proceeds with the procurement of a four-year contract for the provision of apprenticeship training via the YPO Framework, in accordance with the strategy set out in the report; and (ii) Delegate authority to the Director of Workforce Change, in consultation with the Cabinet Member for Finance, Growth and Core Services and the Chief Legal Officer, to award and enter into all contracts and other necessary or ancillary agreements with YPO and service providers to fully implement and effect the proposals.	

Reason(s)

To assist the Council in achieving its priority of “Residents prosper from good education, skills development and secure employment”.

1. Introduction and Background

- 1.1 The Government introduced the apprenticeship levy in 2017. All employers with a pay bill over £3m would be subject to a 0.5% charge that would be held in a digital account and the only way to access these funds would be to purchase apprenticeship training and assessment programmes for new apprentice recruits and existing staff. Funds not spent on training and assessment within 24 months of it entering the account will be lost to Central Government.
- 1.2 Maintained schools contribute 0.5% of their pay bill to the funds paid into the levy account. In 2022, maintained schools spent £212,248 on apprenticeship training and assessment and the Council spent £480,695. Schools are responsible for the procurement of their own apprenticeship training and assessment and therefore only Council apprenticeship provision will be purchased via the YPO, if approved.
- 1.3 The Council’s Apprenticeship Action Plan is underpinned by six key priorities and links to the ‘Barking and Dagenham Corporate Plan 2023-2026’ by continuing to show leadership on apprenticeships in the Council offering apprenticeship employment opportunities to our residents, especially those from under-represented groups. The Council is committed to providing equal access to career development opportunities for the workforce by providing support in acquiring experience and skills needed to progress.
- 1.4 Following the Government’s withdrawal for the public sector apprenticeship target the Council has introduced its own target of 5% of the workforce to be undertaking an apprenticeship across all services. This will ensure an increase in the number of apprenticeship opportunities for residents and the upskilling and support career progression of its existing workforce. Therefore, we should expect to see an increase in the council's levy spend and procurement activity.
- 1.5 The Education and Skills Funding Agency (ESFA) has already approved preferred partner training providers, through their own due diligence process. The Council can only contract with providers who are on the Register of Apprenticeship Training Providers (RoATP).

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 The Apprenticeship Framework offered by YPO is expected to facilitate the procurement of apprenticeship training and assessment for both newly recruited apprentices and existing staff.
- 2.1.2 Training providers must ensure the delivery of apprenticeship training provision of exceptional quality.

- 2.1.3 The criteria for selection will be based on the requirements of the service and the individual undertaking the apprenticeship.
- 2.1.4 Ongoing monitoring and review of the contract period will ensure that the criteria are met, and any necessary adjustments are made.
- 2.2 Estimated Contract Value, including the value of any uplift or extension period**
- 2.2.1 There is no cost to the Council for joining the framework, costs are incurred when calling off the framework and YPO charge training providers an administration fee to register with the framework.
- 2.2.2 The current levy funds held in the digital account as of 1 May 2023 is £2,415,137 this amount includes the contribution made by all maintained schools, both the council and schools contribute 0.5% of their pay bill into the levy account. In 2022 schools contributed approximately 60% and the council 40% of the annual total levy income. Only council apprenticeship training and assessment requirements will be purchased via the YPO framework. Schools are responsible for their own procurement arrangements. Council apprenticeship contracts will be awarded to approved training providers for cost of the apprenticeship standard required. Contracts will be agreed in accordance with council procedures.
- 2.3 Duration of the contract, including any options for extension**
- 2.3.1 The new framework agreement with YPO is expected to come into place from 1 August 2023 for a duration of four years.
- 2.3.2 Contracts awarded via the YPO will be for the duration of the apprenticeship standard plus one optional year extension. Apprenticeship standard duration will vary depending on the type and level and can range from 1 – 6 years.
- 2.4 Is the contract (a) the Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**
- 2.4.1 Yes
- 2.5 Recommended procurement procedure and reasons for the recommendation**
- 2.5.1 Apprenticeships to be purchased via the YPO apprenticeship framework from 1st August 2023 through mini competitions or direct award in accordance with the framework terms and conditions.
- 2.6 The contract delivery methodology and documentation to be adopted**
- 2.6.1 The agreement between YPO and the council will be monitored and reviewed by the Apprenticeship and Career Development Manager. Providers will sign up to YPO's standards terms and conditions. Sign off arrangements will be in accordance with council procedures.

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

- 2.7.1 The ability to procure apprenticeship training and assessment will effectively reduce the risk of funds lost back to the government. Having a one stop shop for all apprenticeship training and assessment purchases at all levels, ensuring local providers have the opportunity to deliver council apprenticeship requirements and to standardise processes to mitigate delays in awarding contracts.
- 2.7.2 Using a framework will ensure quality of provision and avoid additional administration.

2.8 Criteria against which the tenderers are to be selected and contract is to be awarded

- 2.8.1 Individual training programmes will be procured and the award criteria for contracts under 100K will be set at 30% price and 70% quality. 10% social value will also be included in the award criteria for all contracts over 100k with the criteria on quality being adjusted to 60%.
- 2.8.2 The funding bands for each apprenticeship standard is set by the government and therefore, training providers have very little movement when pricing their provision. The councils apprenticeship levy funds cannot be released for any training and or assessment payments over the set funding bands.

2.9 How the procurement will address and implement the Council's Social Value policy

- 2.9.1 Social Value will be evaluated against all tenders over 100k using the social value tool kit and will be given 10% of the scoring weighting that will form part of the tender documentation. Local providers will be included in all tender applications where apprenticeship training provision is available. Providers will be required to evidence their delivery plan against the method statements. This will be evaluated by a panel. Social value commitments made by the winning supplier are then monitored throughout the duration of the contract.

2.10 London Living Wage (LLW)

- 2.10.1 All Council employed apprentices are paid the London Living Wage (LLW) or above dependent on the apprenticeship job requirements and level. All businesses that apply for the transfer of the Council's levy funds are required to pay all employees no less than the LLW.

2.11 How the Procurement will impact/support the Net Zero Carbon Target and Sustainability

- 2.11.1 The Council's 2030 Net Zero targets means that the authority rapidly needs to address its Scope 3 emissions, which make up 77% of its carbon footprint. An estimated 53% of this is produced by the activities of our supply chains and procured contractors, so where possible and as required by each service, the apprenticeship contracts will support service delivery plans to decarbonise and support Net Zero targets.

2.11.2 As a minimum, providers will be asked to demonstrate their organisation's commitment to carbon reduction, evidenced by their own published net zero and carbon reduction strategies or agree to undertake a net zero audit to help them move their company onto that journey as a condition of award of contract.

2.11.3 Successful providers will be expected to provide annual updates on progress in carbon reduction as a key KPI.

3. Options Appraisal

3.1 **Open market tender:** this option was rejected due to the volume and variant of requirement, this would be labour intensive, commercially non efficient and could result in variant terms and conditions being used.

3.2 **An alternative framework:** this option has been rejected as after investigation of the Crown Commercial Services (CCS) framework and the expiry of the ESPO framework, both would not meet the varying needs of the Council and in particular local service provision.

3.3 **Do nothing:** this option was rejected as the Council would not be able to spend its annual allocation, and this funding would be issued to the Government, and the Council would lose its financial benefit.

4. Waiver

4.1 Not applicable.

5. Consultation

5.1 The Workforce Board and Procurement Board were consulted on 12 April and 15 May 2023 respectively and supported the proposal to purchase Apprenticeship Training Provision through the Yorkshire Purchasing Organisation (YPO) Apprenticeship framework.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

6.1 The report recommends using the YPO framework for the provision of apprenticeship training and assessment services. This is a recognised route to market and would satisfy the requirements as set out in the Council's Contract Rules and UK legislation (PCR2015).

6.2 The Council would initially be accessing the main framework, which would then allow for a call off process to be conducted on each of the sets of requirements which is permissible under the terms of the framework.

6.3 The route to market is compliant and also considers the localised supply chain.

7. Financial Implications

Implications completed by: Afzal Hussain, Senior Accountant

- 7.1 This report is seeking approval to enter into agreements with Yorkshire Purchasing Organisation (YPO) for the procurement and purchasing of apprenticeship training and assessment.
- 7.2 All employers with a pay bill of over 3 million would be subject to a 0.5% charge that would be held in a digital account and the only way to access these funds would be to purchase apprenticeship training and assessment programmes for new apprentice recruits and existing staff. Funds not spent on training and assessment within 24 months of it entering the account will be lost to central government.
- 7.3 The current levy funds held in the digital account as of 1 May 2023 is £2,415,137. Contracts will be awarded to approved training providers for cost of the apprenticeship standard required.
- 7.4 There will be no budget pressure to the Council.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Principal Contracts and Procurement Solicitor

- 8.1 This report seeks approval to use the YPO Framework agreement which is expected to come into place from 1 August 2023. The framework has been procured in accordance with the Public Contracts Regulations 2015 under the Light Touch Regime for use by all public sector organisations, LBBD is therefore permitted to use this framework. This also ensures compliance with the Council's own Contract Rules which state at rule 40.1 that officers may access and call off services from a framework agreement if the framework allows.
- 8.2 The Council will enter into an Access Agreement with YPO for the duration of the framework which will allow the Council to call off its requirements from the Framework when the need arises. This ensures a compliant route to market for apprenticeship contracts.

9. Other Implications

- 9.1 **Risk and Risk Management** – approval of the recommendations in this report is in support of the Council's Strategic Risk 'CR.10 - Recruitment and Retention of Staff' which identifies growing our apprenticeship schemes as a key mitigating control. Appendix B
- 9.2 **Corporate Policy and Equality Impact** - An Equality Impact Assessment screening has been carried out and is attached at Appendix A. Following that assessment, it was determined that a full EIA was not required.
- 9.3 **Business Continuity / Disaster Recovery** - For each call off, Business Continuity will be discussed with the supplier and recorded and monitored for the duration of the contracts.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix A: Equality Impact Assessment screening
- Appendix B: Risk Register