

Report of Head of Projects and Programmes

Report to Chief Officer Employment and Skills

Date: 18th August 2014

Subject: Construction Skills: Waiver of Contract Procedure Rule CPR 9.1

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary

1. Leeds City Council wishes to award an order of up to £145,000 in 2014/15 to Construction & Housing Yorkshire (CHY), part of re'new, to deliver the Construction Skills project under a partnership service level agreement. This report seeks approval to waive Contract Procedure Rule CPR 9.1.
2. On 22nd May 2014, the Chief Officer Employment and Skills approved, under a delegated decision, the funding and delivery of the Construction Skills project in partnership with CHY. The project aims to address construction skills gaps and shortages in the City and, to ensure local people are well position to take full advantage of emerging job opportunities.
3. The information contained in this report supports key objectives set out in the Best Council Plan 2013-17, namely to 'promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses' with a specific focus on helping people into jobs.

Recommendation

The Chief Officer Employment and Skills is asked to approve the waiver of Contract Procedure Rule CPR 9.1 to award an order of up to £145,000 in 2014/15 to re' new to deliver specified outputs in the Construction Skills project under a partnership service level agreement.

1 Purpose of this report

- 1.1 To seek approval from the Chief Officer Employment and Skills to approve the waiver of CPR 9.1.

2 Background information

- 2.1 In May 2014 the Chief Officer Employment and Skills approved the funding for a new Construction Skills project to be delivered in partnership with Construction and Housing Yorkshire (CHY), part of re'new, with input from Leeds College of Building. The project will introduce a new flexible delivery model to address construction skills gaps and shortages in the City and, to ensure local people in particular, young people under 25 years, are supported to take advantage of emerging job opportunities.
- 2.2 In partnership with CHY, the Council is currently managing employment and skills obligations for 23 sites across Leeds. In the last 12 months, 1,230 local residents have secured jobs and 57 young people have benefitted from the Apprenticeship opportunities.
- 2.3 Building on the success of an ERDF funded project that ran from January 2007 to December 2013 led by the Council, in partnership with CHY, the new Construction Skills project will:

work with construction employers to address their workforce development needs including identifying private training providers with the relevant expertise to deliver/assess accredited training and qualifications for the business and or up skilling employers to deliver unaccredited training to their existing / future workforce.

broker work experience opportunities, where possible linked to real jobs, with construction employers for local people to acquire the relevant and bespoke skills that the business needs.

include sourcing bursary placements on heritage or traditional developments or maintenance projects, as part of the Council's Re-making Leeds Project that will begin in September 2014 and, preparing beneficiaries for work including supporting the need to gain a Construction Skills Certification Scheme (CSCS) card needed to work in the construction industry.

work with learning providers and construction managing agencies e.g. Leeds College of Building, to identify and target individuals seeking employment opportunities or training in the construction industry, with a focus on young people. Opportunities to source beneficiaries through the Apprenticeship Training Agency (ATA), Apprenticeship Hub and other statutory organisations including Jobcentre Plus (Head Start) will also be prioritised.

link individuals and employers to opportunities identified through employment and skills obligations on developers and contractors through the Council's procurement and planning functions.

3 Main Issues

3.1 Waiver of CPR 9.1

- 3.1.1 A waiver of CPR 9.1 is being sought to award an order of up to £145,000 in 2014/15 to Construction & Housing Yorkshire, part of re'new, to deliver specified outputs in the Council's Construction Skills project under a partnership service level agreement.
- 3.1.2 CHY has a high level of construction expertise and working knowledge of the sector required to support employers and implement this project. This is currently not available in the Council. It was therefore proposed to source this specialism externally in partnership with CHY. The organisation has a well-established reputation within the construction sector and is currently working with the Council's Employment and Skills Service to maximise employment and skills obligations on major existing projects in the City.
- 3.1.3 If the Council were to procure these services through an open and competitive procurement process, there is a significant risk to the continuity of established working relationships between major developers in the City and CHY on behalf of the Council. Furthermore, the Council's ability to take full advantage of the existing and future job opportunities emerging from these developments for local people could be jeopardised.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Construction Skills project has been developed in consultation with the Executive Member for Creative and Digital Technology, Culture and Skills.
- 4.1.2 The Council's Procurement Service is supporting the Employment & Skills service on the development of an appropriate service level agreement with CHY. Procurement and Legal officers advised on the need for a waiver of CPR 9.1 from the latest version of contract procedure rules published in September 2013.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An EIA was completed in May 2014 to support the Chief Officer Employment and Skills' decision to approve funding of up to £145,000 and delivery of the Construction Skills project in partnership with CHY.
- 4.2.2 The assessment described the contribution the project will make to local employers by addressing skills gaps and shortages in the construction sector and, to unemployed young people, women, BAME groups and people with disabilities through the emerging training, work experience and job opportunities. The assessment also highlighted the high level of construction expertise and working knowledge of the sector that exists within CHY to support employers and implement this project and, the fact that is currently not available in the Council.

4.3 Council policies and City Priorities

- 4.3.1 The information contained in the report supports key objectives set out in the Best Council Plan 2013-17, specifically to 'promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses' with a focus on helping young people and other underrepresented groups into jobs.

4.4 Resources and value for money

- 4.4.1 A previous delegated decision was taken in May 2014 by the Chief Officer Employment and Skills authorising expenditure of up to £145,000 per annum in 2014/15 to support construction skills training. This expenditure will be met through the Employment and Skills Service's annual allocation to support construction skills in the City.
- 4.4.2 Robust procedures are already in place in the Employment and Skills Service to monitor delivery of activities and expenditure in accordance with the Council's requirements.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Council's Legal Services were initially consulted on the proposals in October 2013. As the focus of the new project will be vocational training, this will be classed as Part B Services which is not subject to a full procurement. The Council is able to contract with a single provider and/or a lead provider as part of a consortium/partnership as the total costs for CHY will not exceed the EU threshold (current limit set by the European Commission is £176k).
- 4.5.2 There is no access to information consideration at this stage.
- 4.5.3 The decision to waive CPR 9.1 is a Significant Operational Executive Decision which is not subject to Call-In.

4.6 Risk Management

- 4.6.1 A risk management plan will be prepared by CHY in consultation with the Council, as a condition of the service level agreement. CHY will also be required to submit monthly monitoring reports on employment and skills obligations and, quarterly performance reports on project spend and outcomes to the Employment and Skills Service.

5 Conclusion

- 5.1 A previous Delegated Decision by the Chief Officer Employment and Skills taken on 22nd May 2014 approved the funding of up to £145,000 in 2014/15 and delivery of the Council's Construction Skills project in partnership with Construction and Housing Yorkshire (CHY), part of re'new. The project will address construction skills gaps and shortages in the City and, to ensure local people are well position to take full advantage of emerging job opportunities.

- 5.2 The Council's Procurement Service is supporting the Employment & Skills service on the development of an appropriate service level agreement with CHY. Procurement and Legal officers advised on the need for a waiver of CPR 9.1 from the latest version of contract procedure rules published in September 2013.

6 Recommendations

- 6.1 The Chief Officer Employment and Skills is asked to approve the waiver of Contract Procedure Rule CPR 9.1 to award an order of up to £145,000 in 2014/15 to Construction & Housing Yorkshire to deliver specified outputs under a partnership service level agreement.

7 Background documents¹

- 7.1 Not applicable.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.