

**Report of Head of Projects and Programmes**

**Report to Chief Officer Employment and Skills**

**Date: 14<sup>th</sup> January 2015**

**Subject: Re-Making Leeds Heritage Construction Training Framework 2015-17 – Invocation of Contract Procedure Rules**

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 type="checkbox"/> Yes	<input checked="" 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 of main issues**

1. Re-Making Leeds is a project funded by the Heritage Lottery Fund (HLF) under the Skills for the Future Programme and focused on developing the practical heritage skills required to maintain, repair and refurbish pre-1919 residential, commercial and institutional properties in Leeds. Over the next 3 years, over 400 adults and 150 young people in Leeds will benefit from activities delivered as part of the heritage construction training programme. In addition, the training will help to address skills gaps within construction SMEs assisting their ability to become more competitive and sustainable in the wider construction sector.
2. Re-Making Leeds project also supports the Best Council Plan 2013-17 objectives, namely, to promote sustainable and inclusive economic growth. This will be achieved by improving the economic wellbeing of local people and businesses through an increase in the skills base of local SMEs and their workforce.

3. The Council now wishes to appoint specialist heritage construction training providers to a framework to deliver training as part of the Re-Making Leeds programme. However, the heritage training sector in the region is a limited marketplace and, there is also no expertise within the Council. Leeds College of Building, York College and Heritage Craft Alliance Ltd. have specialist heritage construction training expertise, resources and working knowledge of the sector required to support the different types of learners under the Re-making Leeds project and well-established reputations within the construction sector.
4. The Council is proposing to commission the services of these three providers without seeking competition and, therefore seeks approval to waive Contract Procedure Rules 9.1 and 9.2. The framework duration will be for three years, from April 2015 to July 2017 for services to a maximum value of £127,000, funded under the Heritage Lottery Fund.
5. This approach also represents value for money on the basis that the project funding is time-bound and paid against results. Given the shortage of available providers in the marketplace and the long lead in time needed to develop new accredited courses, there is no value for money to be gained by the Council in carrying out an extended procurement.
6. Recommendations

The Chief Officer Employment and Skills is asked to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 and appoint three specialist providers: Leeds College of Building, York College and Heritage Craft Alliance Ltd. to a framework without seeking competition in order to provide heritage construction training, under the Re-making Leeds Project, from April 2015 to July 2017, to a maximum total value of £127k.

## **1 Purpose of this report**

- 1.1 To seek approval from the Chief Officer Employment and Skills to the waiver of CPR 9.1 and 9.2.

## **2 Background information**

- 2.1 Re-Making Leeds is a project funded by the Heritage Lottery Fund (HLF) under the Skills for the Future Programme and focused on developing the practical heritage skills required to maintain, repair and refurbish pre-1919 residential, commercial and institutional properties in Leeds. The project is led by Leeds City Council working in partnership with Leeds College of Building and York College. Heritage Craft Alliance Ltd. is currently providing the initial Year One Level 2 bursary specialist heritage construction training and some short courses.
- 2.2 A minimum of 431 adults and 150 young people in Leeds are expected to benefit from activities delivered as part of the heritage construction training programme, as summarised below:
- Level 2 Heritage Award - 60 adults (including 33 bursary placements), £30k
  - OSAT - Level 3 Heritage Award - 8 employed adults, £15k
  - Train The Trainers - 17 adults, £19k
  - Short Courses - 346 adults, £36k
  - School Training Programme – at least 150 young people, £27k
- 2.3 Over the three year duration of the framework, call-off contracts for activity will be made with providers on the framework in line with HLF contractual obligations and funding criteria.
- 2.4 Activity will commence in April 2015 and must be completed during the 2016-17 academic year ending on 31st July 2017. In line with Council and HLF contractual obligations, all training activity will be commissioned through open and transparent processes.
- 2.5 Throughout the Re-Making Leeds project there will be ongoing consultation on training needs with professional bodies in the heritage construction sector including: English Heritage, the Construction Industry Training Board (CITB), National Heritage Training Group, the Federation of Master Builders, Leeds Civic Trust and small and medium sized construction enterprises (SMEs) in Leeds. The consultation will ensure, where possible, learning programmes each year will be tailored according to the identified and emerging needs of the heritage construction industry.

## **3 Main issues**

### **Reason for Contracts Procedure Rules Waiver**

- 3.1 Waiver of CPR 9.1 and 9.2

- 3.1.1 A waiver of CPR 9.1 and 9.2 is being sought to appoint Leeds College of Building, York College and Heritage Craft Alliance Ltd. to a framework and subsequently raise orders to deliver specified outputs relating to the Re-Making Leeds project under a partnership service level agreement.
- 3.1.2 The heritage training sector in the region is a limited marketplace. There is also no specialist heritage construction training expertise within the Council. Leeds College of Building, York College and Heritage Craft Alliance Ltd. all have specialist heritage construction training expertise, resources and working knowledge of the sector required to support the different types of learners in this project. All three organisations have a well-established reputation within the construction sector and are already working with the Council to support the development of the Re-Making Leeds project in the City.

### **Consequences if the proposed action is not approved**

- 3.2 If the three heritage construction training organisations cannot be commissioned the Council will be unable to meet its contractual obligations to the Heritage Lottery Fund, and the long term outcomes of the project, namely to improve heritage construction skills levels within the City, will not be met.

### **Market Testing**

- 3.3 During the bid phase in 2013 construction sector professional bodies were consulted on the availability of heritage construction training providers in the region. The majority of responses from professional bodies referred to the three organisations who are currently partners in the project: Leeds College of Building, York College and Heritage Craft Alliance Ltd. Two other organisations in the region were mentioned to deliver very specific heritage skills training as short courses; the University of York Centre for Conservation Studies have short courses in Energy Efficiency in Traditional and Historic Buildings, Digital Survey and Recording for Historic Buildings and Writing Specifications for Conservation Projects. Another potential short course training provider is Womersleys of Heckmondwike who have specific courses in lime mortar/plastering and traditional paints.
- 3.4 In August 2014, the Council also undertook its own soft marketing exercise to identify possible providers of heritage construction training, specifically to the Level 2 heritage construction award, in the Leeds area. The survey confirmed that the Heritage Craft Alliance Ltd, was the only current training provider with the capacity to deliver accredited training to the Level 2 award in the Leeds area (Leeds College of Building and York College will be supported to develop and deliver accredited heritage construction training courses in years 2 and 3 of the project).
- 3.5 If this waiver is approved and, in the event that a short course cannot be fulfilled by the three providers appointed to the framework, the Chief Officer Employment and Skills could take a separate decision to invoke CPR 7.1 in order to make a direct appointment of an alternative specialist heritage skills training organisation (if one is available) to deliver the relevant course provided the cost will be under £10k. This approach would also represent Best Value for the Council

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Project partners were consulted on the availability of heritage training providers in the region as part of the development of the Heritage Lottery Fund bid and, the outcome was that this is a very specialist and limited marketplace in the local area.
- 4.1.2 The Executive Member for Creative and Digital Technologies, Culture and Skills, has been consulted on the proposals set out in this report.
- 4.1.3 Leeds City Council Procurement and Legal officers have advised that the Chief Officer may take a decision to waive CPR 9.1 and 9.2 due to the circumstances set out in this report.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 An equality impact assessment was carried out on 15 December 2014 in relation to the considerations outlined in this report. The assessment identified that the proposal to waive CPR 9.1 and 9.2 was the method most likely to ensure the Council delivers a balanced heritage training programme and meets its contractual obligations to the Heritage Lottery Fund. The assessment also identified the following key actions summarised below.
- 4.2.2 Ongoing equality and diversity assessment and monitoring in the planning phase of the proposed training courses due to be delivered throughout the project.
- 4.2.3 Following every training course, a need to obtain stakeholder feedback forms to continue to inform the equality and diversity evaluation criteria.
- 4.2.4 Throughout the project, collation of photographic images of the diverse workforce for use in publicity materials and presentations (including presentations to schools, SMEs and trainees).

### **4.3 Council Policies and City Priorities**

- 4.3.1 The Re-Making Leeds project supports the Best Council Plan 2013-17 objectives, namely, to promote sustainable and inclusive economic growth. This will be achieved by improving the economic wellbeing of local people and businesses through increasing the skills base of local SMEs and their workforce. Specifically the training will help to address skills gaps within construction SMEs assisting their ability to become more competitive and sustainable to emerge from the recent downturn in the wider construction sector.

### **4.4 Resources and Value for Money**

- 4.4.1 A dedicated Heritage Development Manager and robust procedures are already in place in the Employment and Skills Service to specify and monitor delivery of activities and expenditure in accordance with the Council's requirements.

- 4.4.2 The responsible officer overseeing the Heritage Lottery funded Re-Making Leeds project is the Head of Projects and Programmes in the Employment and Skills service supported by a dedicated Heritage Development Manager. There is a project board in place, chaired by the Chief Officer Employment and Skills and comprising Council senior officers and senior executives from the partner organisations.
- 4.4.3 This expenditure will be met through Heritage Lottery Funded Re-Making Leeds Project to support heritage construction skills in the City.
- 4.4.4 As project funding is time-bound and paid against results, avoidance of risk is a key consideration. All procurement options have been considered and given the shortage of suppliers there is no value for money to be gained by carrying out an extended procurement. Due to the long lead time developing new accredited courses, any procurement delays would impact on course availability for the start of academic year 2 in September 2015.
- 4.4.5 Due to the identified shortage of suppliers of heritage construction training, Best Value will be achieved by engaging the current project partners who have been involved since the bid phase and understand the skills and quality needs of the project, as well as the Heritage Lottery funding constraints and reporting requirements.
- 4.4.6 In the event that a needed one or two day short course in specialist heritage skills cannot be fulfilled by the providers on the framework, the Chief Officer could take a separate decision to invoke CPR 7.1 in order to make a direct appointment of an alternative specialist heritage skills training organisation to deliver that specialist heritage short course, provided the cost will be under £10k, as this would also represent Best Value for the Council.
- 4.4.7 Fees for course tutors are prescribed by the Heritage Lottery Fund at a fixed rate. Course building materials and any specialist tools will be charged at the market rate for the construction sector.

## **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The Council's Procurement Services were consulted on the proposals on 4 December 2014. As the focus of the framework will be vocational training, this will be classed as Part B Services which is not subject to a full procurement. The total value of the framework will be £127k which does not exceed the EU procurement threshold (currently £176k).
- 4.5.2 This report does not contain any exempt or confidential information. This decision represents a significant operational decision that will be published but is not subject to Call In.
- 4.5.3 Awarding contracts directly to these providers in this way could leave the Council open to a potential claim from other contractors to whom this contract could be of interest that it has not been wholly transparent. In terms of transparency, it should be noted that it is a requirement of European case law to consider whether contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector

concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.

- 4.5.4 The Chief Officer Employment and Skills has considered this and, due to the nature of the services being delivered and the requirement to be physically located in the City of Leeds, are of the view that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states
- 4.5.5 Although there is no overriding legal obstacle preventing the waiver of CPR 9.1 and 9.2, the above comments should be noted. In making their final decision, the Chief Officer Employment and Skills should be satisfied that the course of action chosen represents best value for money for the Council.

## **4.6 Risk Management**

- 4.6.1 A project plan has been prepared by the Council in consultation with the Heritage Lottery Fund and the project partners. The Council is required to submit quarterly progress reports against the plan on performance and project spend to the Heritage Lottery Fund.
- 4.6.2 Project meetings take place monthly with all partners present to monitor progress and plan future heritage training needs and delivery timescales.
- 4.6.3 Framework providers will be invited to enter bids for delivery of specific courses, subject to their heritage construction specialisms. Where more than one provider bids for a specific course a mini-tender will be held to determine the best value provider. The final decision on the selected provider will be made by Chief Officer Employment and Skills.

## **5 Conclusions**

- 5.1 The Re-Making Leeds project supports the Best Council Plan 2013-17 objectives, namely, to promote sustainable and inclusive economic growth by increasing the heritage construction skills base in the City. Over the next 3 years, over 400 adults and 150 young people in Leeds will benefit from activities delivered as part of the heritage construction training programme.
- 5.2 The Council now wishes to appoint specialist training providers to a framework to deliver courses as part of this project. However, the heritage training sector in the region is a limited marketplace and, there is also no expertise within the Council.
- 5.3 Approval is therefore being sought from the Chief Officer Employment & Skills to waive CPR 9.1 and 9.2 and allow the direct appointment of the three specialist heritage training organisations in the local area without seeking competition. All three have specialist heritage construction training expertise, resources and working knowledge of the sector required to support the different types of learners in this project.

- 5.4 If supported, Leeds College of Building, York College and Heritage Craft Alliance, will be appointed to a three year framework to the value of £127k to facilitate the purchasing and delivery of specialist heritage training courses in order to meet the contracted target outputs agreed with the Heritage Lottery Fund as part of the Re-Making Leeds Stage 2 bid.

## **6 Recommendations**

- 6.1 The Chief Officer Employment and Skills is asked to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 and appoint three specialist providers: Leeds College of Building, York College and Heritage Craft Alliance Ltd. to a framework without seeking competition in order to provide heritage construction training, under the Re-making Leeds Project, from April 2015 to July 2017, to a maximum total value of £127k.
- 6.2 The responsible officer overseeing the Heritage Lottery funded Re-Making Leeds project is the Head of Projects and Programmes in the Employment and Skills service. Implementation of the framework procurement will take place by 31 March 2015. Framework contract delivery will be from April 2015 to 31 July 2017.

## **7 Background documents: none**