

Report of Human Resources

Report to the Deputy Chief Executive

Date: March 2015

Subject: Extension and variation to the Provision of Learning and Development Services Framework to Leeds City Council. Request to invoke Contract Procedure Rule 21 – extensions and variations

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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

The current contract for the provision of Learning and Development Services to Leeds City Council was awarded to QA Limited on 1 July 2010. It is a 5 year contract with the provision to extend for a further two 12 month periods subject to the agreement of both parties. Under this provision it is now sought to extend the contract for 12 months from 1 July 2015 – 30 June 2016.

The contract represents good value for money for the Council. This is evident from the high quality of provision, the savings on ICT (approx. £475K) and the proposed variance to the contract that increases maximum numbers on courses.

As part of the contract discussions in December 2014 we negotiated an increase in the number of staff able to attend a course, which is specified in Schedule 3 (Schedule of Rates) as a maximum of ten. This will apply to a range of agreed courses from April 2015, thus reducing the cost per delegate and providing potential savings of approx. £10K.

Recommendations

1. The Deputy Chief Executive is recommended to approve the extension and variation in contract for the provision of Learning and Development Services to

Leeds City Council provided by QA Limited.

2. The period of extension is from 1 July 2015 to 30 June 2016. The estimated value of this extension based on previous expenditure is £300,000 - £350,000.
3. The variation of contract to increase the maximum number of attendees on agreed courses.

1 Purpose of this report

- 1.1 QA Limited was awarded the Provision of Learning and Development Services to Leeds City Council in July 2010, following a competitive tendering process. The contract was awarded for five years with an option to extend for two further 12 month periods. The report seeks approval to extend the contract under the provision of Clause 2.3 of the contract.
- 1.2 Contract Procedure Rule 25.1 states that any contract may be extended before the expiry date where it is in accordance with its terms and proves to deliver best value for money. Subject to approval, the contract would be extended from 1 July 2015 to 30 June 2016
- 1.3 Contract Procedure Rule 21 allows variations to contracts where these are not material changes to the contract. To agree the contract variation to Schedule 3: Schedule of Rates that has been negotiated with QA to reduce the cost per delegate on a range of agreed courses.

2 Background information

- 2.1 The Learning and Development Services contract is not an exclusive contract, due to the diversity of learning needs required by the council, but is the largest in terms of spend (approx. £300K per year). The main areas of learning provided via the contract have been:
 - IT Training (both IT user and professional development)
 - Management Development
 - Project Management
 - Personal Development
 - Bespoke Learning Courses (e.g. Procurement)
 - Development of bespoke E-learning (e.g. Information Governance)
 - Support for LCC learning priorities e.g. Manager Challenge Launch
- 2.2 The largest spend on the contract since June 2010 is ICT staff training, which has totalled approx. £675K or 40% of the contract. This is for the provision of professional ICT skills and support adherence to IT best practice such as ITIL, ISO and accredited certification such as Microsoft, Cisco, VMware and others.
- 2.3 LCC has a dedicated Account Manager from QA Limited. As per contract management rules monthly meetings are held to ensure quality and discuss priority areas for future development. On an annual basis the price is negotiated as per Clause 4.2 of the contract providing the option to increase by a maximum of RPI.. At the recent contract negotiations (December 2014) it was agreed to retain prices at their current level for the next 12 months. In addition we negotiated a change to

Schedule 3: Schedule of Rates resulting in a potential variation to contract. This is to increase the number of delegates on a range of agreed courses from April 2015. This creates a potential saving of up to £10K over the next 12 months.

3 Main issues

3.1 A review of the Learning and Development contract provided by QA Limited, has been carried out to support the contract extension and as part of a wider review of OD and Workforce Development. In relation to the QA contract it has included discussions with major stakeholders (ICT and workforce development managers) and the evaluation of course delivery through observation and delegate feedback. It is proposed to carry out a full option appraisal from June 2015 to identify whether to extend the contract for a further year or start a full tender process.

Quality

3.2 There is a clear process to quality assure and evaluate the training provided by QA. Monthly reports are provided with the level of spend, activity and evaluation and are reviewed at the monthly contract meetings. This has been strengthened in the recent review of the SLA in 2014 to include;

- *New Weekly evaluation reports*: providing a summary of the delegate evaluation forms, which enables any issues to be picked up and dealt with promptly.

- *Training observations*: All new courses are observed to ensure quality provision but observations also take place where new trainers have been introduced to the contract. In 2014 this included the new management development courses, which received excellent evaluation results.

3.3 The quality of delivery and evaluation over the life of the contract has been very good. The figures for 2014/15 have shown that 88% of delegates were very satisfied and 11% somewhat satisfied with the courses attended. This is based on feedback from 4,460 delegates trained between April 2014 – Jan 2015.

Value for Money

3.4 The contract with QA has provided good value for money, especially in relation to ICT professional training, which makes up 40% of the contract spend. ICT have been able to source all their IT training and best practice needs in one place. This has meant that over the course of the contract this has provided approx. £475K of savings against the vendor stated market RRP. Additionally QA have two fully equipped training centres in Leeds that means that travel for technical training is extremely rare.

3.5 The contract is to be varied to extend the maximum number of delegates attending development training as outlined in Schedule 3 of the contract. The maximum number is currently 10 for all courses. We have negotiated an increase in the numbers on a range of agreed courses. The maximum number will be dependent on the courses and what is appropriate for effective learning. This will reduce the cost per delegate, help services to maximise their budgets and potentially save up to

£10K over the next 12 months.

Business Relationship

- 3.6 Over the last 5 years QA have worked closely with LCC to understand our business and support developments in priority areas. Recent examples include the support with the design and deliver of the Manager Challenge launch, development of supervisory training for Environmental Action and Customer Care training for Waste.
- 3.7 ICT value the supplier relationship with QA as they are able to advise on current best practice in the market place, connect them with industry specialists and other organisations who are implementing similar technologies. Examples of this include Lync, Sharepoint, Virtualisation and Digital Services.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 As part of the decision to extend the Provision of Learning and Development Services with QA Limited key stakeholders across the council have been consulted. This includes workforce development managers and ICT who are one of the major users of the contract.

4.2 Equality and Diversity

- 4.2.1 There are no equality and diversity considerations arising from this extension. The contract is available to all services and training embeds the council values and is checked for quality and content.

4.3 Council policies and City Priorities

- 4.3.1 The Learning and Development contract supports the People Plan priorities to ensure 'everyone develops the right skills and knowledge to do their job' and the council values. All the manager and personal development courses embed the council values and more recently link to the manager habits.

4.4 Resources and Value for Money

- 4.4.1 The Learning and Development contract represents good value for money for the Council. This is evident from the high quality of provision, the savings on ICT development, an agreement to not increase costs by RPI, and the proposed variance in contract to increase maximum numbers on courses.
- 4.4.2 The extension request is for a 12 month period. This will still enable us to monitor performance and value. Following this extension we intend to start a full option appraisal in 2015 to determine whether to extend for a further 12 months or start a full tender process.

4.5 Legal Implications, Access to Information and Call in

4.5.1 Due to the value of the contract extension (approx. £300K) it is a Key Decision and is subject to call in. It is therefore to be placed on the list of forthcoming key decisions.

4.6 Risk Management

4.7 The Learning and Development contract is the largest training contract within the council. It is proposed to extend the contract for a further year to enable us to support the learning and development needs for the council. The initial review has shown it is value for money and the time required to complete a full tender would mean we would be without a training provider for critical skills, especially within ICT.

5 Conclusions

5.1 The Deputy Chief Executive is recommended to approve the extension of the Council's Learning and Development Contract with QA until 30 June 2015 and to approve the proposed variance of contract.