

Report of Head of Projects and Programmes

Report to Chief Officer Employment & Skills

Date: 29 September 2017

Subject: Leeds City Council Apprenticeship Training providers Framework Awards.

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: Appendix 1 CONFIDENTIAL Apprenticeship Training Framework Awards, rule 10.4 (3)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of Main Issues

- 1 The Government introduced a levy of 0.5% on employers to fund apprenticeships with effect from April 2017. It is collected monthly from employers with a pay bill in excess of £3 million through the Pay-As-You-Earn system (PAYE) and applies to both the public and private sectors across the UK.
- 2 The Levy amount of 0.5% of the Council's pay bill equates to c£2.6m per year. This is taken at source by HMRC and returned with an additional 10% top-up into a digital account which can only be used to pay for approved apprenticeship training and assessment. The national programme is managed by the Education and Skills Funding Agency (ESFA).
- 3 In addition to the Levy, the government have also introduced legislation that states that all public sector organisations will be required to ensure that 2.3% of their workforce are apprentices at any one time. This presents the council with a significant challenge. For the Council this target equates to around 300 apprenticeships, plus another 150-200 for maintained schools and can be applied both to new joiners and to upskill existing staff where there is a demonstrable business need. Levy funds can be used on apprenticeship training and end-point assessment for up to 2 years after they are initially raised.
- 4 The Council undertook a commissioning exercise to procure a framework of training providers to support delivery of apprenticeship training in Leeds. This decision concerns the appointment of the successful bidders to the framework.

5 Recommendations

5.1 The Chief Officer Employment and Skills is asked to authorise:

- the award of framework contracts for the delivery of apprenticeship training for Council employees, funded through the Apprenticeship Levy
- that each provider appointed to the Framework will be eligible, but not entitled, to receive annual call-off contracts to deliver training for specific Lots as set out in Confidential Appendix 1.

1 Purpose of this report

- 1.1 This report seeks authorisation to appoint providers onto the Council's Apprenticeship Training Framework
- 1.2 The recommended appointments of providers, and the Lots they are eligible to receive future call-off orders for, are set out in the Confidential Appendix 1.

2 Background information

- 2.1 The Government introduced a levy of 0.5% on employers to fund apprenticeships with effect from April 2017. It is collected monthly from employers with a pay bill in excess of £3 million through the Pay-As-You-Earn system (PAYE) and applies to both the public and private sectors across the UK.
- 2.2 The Levy amount of 0.5% of the Council's pay bill equates to c£2.6m per year. This will be taken at source by HMRC and returned with an additional 10% top-up into a digital account which can only be used to pay for approved apprenticeship training and assessment..
- 2.3 In addition to the Levy, the government have also introduced legislation that stipulates that all public sector organisations will be required to ensure that 2.3% of their workforce are apprentices at any one time. For the Council this target equates to around 300 apprenticeships, plus another 150-200 for maintained schools. This can be applied both to new joiners and to upskill existing staff where there is a demonstrable business need and presents the council with a significant challenge. Levy funds can be used on apprenticeship training and end-point assessment for up to 2 years after they are initially raised.
- 2.4 The Council's Apprenticeship Training Programme comprises of the following 11 Lots:
 - Lot 1 Business Administration.
 - Lot 2 Construction
 - Lot 3 Customer Service.
 - Lot 4 Health and Social Care
 - Lot 5 ICT
 - Lot 6 Legal
 - Lot 7 Sport and Leisure
 - Lot 8 Professional Support Services
 - Lot 9 Leadership and Management
 - Lot 10 Facilities and Services
 - Lot 11 Schools.

2.5 Future call-off orders will be allocated according to the Council Apprentices Training needs and capacity, and will be awarded based on the ability to deliver the appropriate level of training and the ranking of the providers bids in the procurement process.

3 Main Issues

3.1 The procurement of providers to deliver Apprenticeship training involved the following stages.

- Pre- Qualifying Questions (PQQ). Comprising the Councils Standard due diligence questions on organisational contact details, qualifications, staffing, group or consortium structure, financial probity, safety, eligibility to deliver apprentice training, and relevant prior experience. There were 186 PQQ questions requesting information, wherein four concerned relevant experience were scored out of 100. The rest were scored pass/fail that the requested information was provided and relevant.
- Method Statement, comprising 2 sections wherein the first section (Questions 1.1 to 1.11) concerned the specialist delivery expertise specifically about each respective Lot the provider was bidding for. The second section (Questions 2 through 11) concerned the general organisational capacity, capability, experience and quality systems common to all Lots.
- Those bidders that passed PQQ and exceeded the minimum 60% method statement threshold for each Lot they bid for were shortlisted as suitable to appoint to the framework.
- The highest scoring providers in each Lot were then invited to interview with a panel consisting of staff from Employment and Skills, HR and the respective services.
- All results were collated and processed for each lot and the providers ranked against their total method and interview scores for the respective Lot as set out in the Confidential Appendix 1.

3.2 Appointment to Framework

3.2.3 This report seeks approval to appoint providers to the Council's Apprenticeship Training Framework, for the next three years year commencing in October 2017 as set out in the Confidential Appendix 1 and summarised below.

3.2.4 24 out of the 34 organisations who applied to join the framework passed all required PQQ, method statement quality questions (for at least 1 Lot) and interview minimum scores thresholds and are recommended to receive framework contracts following the evaluation panel meeting in September 2017.

3.2.5 10 out of the 34 organisations failed to make it onto the framework, either at PQQ stage or failing to meet the minimum scoring criteria within the method statement.

3.3 Compliance with the ESFA's Conditions of Funding

- 3.3.1 Providers must be registered on the register of Apprenticeship Training Providers (RoATP) in order to deliver authorised training under Apprenticeship Standards.
- 3.3.2 The Council must manage its digital account to ensure providers valid claims are paid monthly.

3.4 Alignment with Council Priorities

- 3.4.1 The Apprentice Levy will contribute to the achievement of the Best Council Plan objectives to support sustainable and economic growth by supporting young people into jobs, improving their skills and supporting local economic growth as well as meeting the Council's workforce development and skills needs.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Members for Resources and Strategy; and Employment, Skills and Opportunity were consulted in September 2017 on the proposed procurement and also on proposals set out in this report.
- 4.1.2 Due to the Council-wide nature of Apprenticeships, senior managers from all directorates were engaged in this procurement and a report was presented to Corporate Leadership Team on 19 September 2017.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 All providers appointed to the framework will be required to submit Equality Diversity and Community Cohesion (EDCC) information as part of their contractual reporting to demonstrate that equality issues have been considered and will be embedded in the planning, delivery and review of provision.
- 4.2.2 Apprenticeship training provision is also subject to Ofsted requirements through the Common Inspection Framework which will be built into the contract monitoring and quality assurance processes. This includes a key focus on equality and diversity including providing quality inclusive services, identifying and removing barriers to all Apprentices participation and achievement.
- 4.2.3 An equality screening was carried out on 29 Sept 2017 and is detailed in Appendix 2. The findings from this assessment are that equality, diversity, cohesion and integration issues have been appropriately considered in relation to the proposed allocation of appointment to providers on the Council's Apprenticeship Training Framework.

4.3 Council Policies and Best Council Plan

- 4.3.1 The proposals set out in this report contribute to the Best Council Plan 2017-18 priorities around supporting economic growth and access to economic opportunities, supporting communities and raising aspirations, providing skills programmes and access to employment opportunities. The proposals will also support the Council's ambitions to build a Child Friendly City by helping to improve

the progression and achievement of children at school into employment through Apprenticeships.

4.4 Resources and Value for Money

4.4.1 The activities proposed will be funded through the Apprentice Levy on the Council by the ESFA. A total amount of £2.6 million per annum will be levied.

4.4.2 The awarding of year call-off contracts to providers will be managed by a robust contract management process led by the Employment and Skills Service which assessed factors such as quality of provision, training outcomes and risk to ensure the programme delivers value for money.

4.4.3 Tariff rates for training provision under Apprenticeship Standards are controlled nationally, as is the digital account payment method to providers.

4.4.4 The Council Finance Manager was consulted on the levy to ensure financial integrity of the 2017-18 budget.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Those providers proposed in Appendix 1 were selected in accordance with the Council's Contract Procedure Rules and Financial Procedure Rules. Providers appointed to the Framework will be eligible, but not entitled, to receive call-off orders to deliver training provision required by the Council.

4.5.2 This is an officer delegated key decision which was notified in August 2017 on the Forward Plan for September 2017 and is subject to "call-in".

4.5.3 Officers in Legal Services were consulted on the proposed contract terms and the ESFA's Levy Conditions.

4.5.4 Subject to approval, processing of future call-off contracts will be undertaken by officers in the Employment and Skills Service in conjunction with HR, Legal Services and PPPU.

4.5.5 The information contained in the Confidential Appendix 1 relates to the financial or business affairs of provider organisations and is therefore considered to be commercially sensitive. This information has been obtained through the framework contract management process which is still subject to negotiation in some areas. It is therefore considered that this element of the report should be treated as exempt under rule 10.4 (3) of the Access to Information Procedure Rules.

4.6 Risk Management

4.6.1 Advice on the terms and conditions, award methodology and criteria to award framework contracts has been sought from the Procurement Governance and Regulation Manager.

4.6.2 All contracts awarded will be subject to robust financial and quality monitoring procedures led by officers in the Employment and Skills Service and in accordance with the Council's and the ESFA's regulations.

- 4.6.3 Provision will be closely monitored throughout the year and where necessary, adjustments will be made to ensure the programme is delivered to the required quality and that apprentice trainee targets are achieved.
- 4.6.4 A privacy impact assessment was carried out on 29 September 2017 to ensure that the Council and its external providers on the Apprentice Training Framework remain compliant with information governance policies and statute. The Privacy Impact Analysis is detailed at Appendix 3.

5 Conclusions

- 5.1 The recommendations contained in this report will ensure the Council can meet its Apprenticeship Levy obligations through the appointment of specialist training providers to a three year framework to deliver Apprenticeship training Lots.
- 5.2 The Government introduced a levy of 0.5% on employers to fund apprenticeships with effect from April 2017. It is collected monthly from employers with a pay bill in excess of £3 million through the Pay-As-You-Earn system (PAYE) and applies to both the public and private sectors across the UK
- 5.3 The government levy is taken at 0.5% of the Council payroll bill (c2.6m per annum). The levy will be returned to a digital account that providers on the framework will access to fund training subject to successful delivery and end point assessment.
- 5.4 In addition to the Levy, the government have also introduced legislation that stipulates that all public sector organisations will be required to ensure that 2.3% of their workforce are apprentices at any one time. For the Council this target equates to around 300 apprenticeships, plus another 150-200 for maintained schools.

6 Recommendations

- 6.1 The Chief Officer Employment and Skills is asked to authorise:
- the award of framework contracts for the delivery of apprenticeship training for Council employees, funded through the Apprenticeship Levy
 - that each provider appointed to the Framework will be eligible, but not entitled, to receive annual call-off contracts to deliver training for specific Lots as set out in Confidential Appendix 1.
- 6.2 The Head of Projects and Programmes, Employment and Skills Service will be responsible for the implementation of the recommendations set out in this report in conjunction with HR.

7 Background documents¹

- 7.1 There are no background documents

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.