

Report of Head of Projects and Programmes

Report to Chief Officer Employment & Skills

Date: 21 August 2018

**Subject: Apprenticeship Levy End Point Assessment Leadership & Management - 2018-26
Provider Contracts**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number: CONFIDENTIAL Appendix 1 DPS Cat 1 EPA Lot 9 Contracts 2018-26, rule 10.4 (3)		

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 introduced legislation that states that all public sector organisations are required to ensure that 2.3% of their workforce are apprentices at any one time. For the Council this target equates to around 330 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 successfully registered as an apprenticeships Employer-Provider in February 2018 with the ESFA, and in May 2018 the Employment and Skills Dynamic Purchasing System (DPS) Category 1 for Apprenticeships End Point Assessment was established.
5. In October 2018, a DPS Category 1 Apprenticeships End Point Assessment mini-competition was published to all 5 providers registered on the DPS Category 1 to procure multiple apprenticeship End Point Assessment providers under the Employer-Provider model.
6. This report seeks authorisation to award eight year £0 value contracts to those providers listed in Confidential Appendix 1, commencing on 1 November 2018 and running through to 31 December 2026.
7. The proposals set out in this report contribute to the Best Council Plan 2018/19 priorities around supporting economic growth and access to economic opportunities, providing skills

programmes and employment support. The Apprenticeships programme will also contribute to the Council's ambitions set out in the Council's Inclusive Growth Strategy and the Leeds Talent and Skills Plan.

Recommendations

The Chief Officer Employment and Skills is asked to approve:

- The award of eight year contracts for £0 value to deliver apprenticeships End Point Assessment to Council staff under the Council Apprenticeship Levy Employer-Provider Programme 2018-26 to three providers as set out in the Confidential Appendix 1.
- The recommended maximum annual Apprenticeships levy draw-down set out in Confidential Appendix 1 allowing individual End Point Assessment provider orders to be raised on demand and in accordance with Contract Procedure Rules to enable effective programme management to maximise Council apprenticeships outcomes.

The Head of Projects and Programmes, Employment and Skills Service will be responsible for the implementation of the recommendations set out in this report and, the management of the Apprenticeship Programme on behalf of the Council.

1. Purpose of this report

- 1.1 This report seeks authorisation to award eight year £0 value contracts to three providers on the Council's Employment and Skills Dynamic Purchasing System (DPS) established in March 2018 to deliver Levy funded Apprenticeships to Council and Local Authority (LA) schools staff.
- 1.2 The recommend providers and their maximum annual levy draw down are set out in the Confidential Appendix 1.

2. Background information

- 2.1 The Apprenticeships 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).
- 2.2 In addition to the Levy, the government 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. For the Council this target equates to around 330 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.
- 2.3 The Council Apprenticeships programme is now programme managed by the Employment and Skills Service in close liaison with the Human Resources workforce planning service area and comprises a range of apprenticeships across all the Council directorates delivered under the following sector specialisms or "Lots" covering Business Administration, Construction, Customer Service, Health and Social Care, ICT, Legal, Sport and Leisure, Professional Support Services, Leadership and Management, Facilities and Services and Schools.

3. Main Issues

3.1 Award of Contracts

- 3.1.1 This report seeks approval to award of eight year £0 value contracts to three providers that bid in the Council's DPS mini-competition for Category 1 Lot 9 Leadership and Management Apprenticeships End Point Assessment delivery commencing 1 November 2018 to 31 December 2026, Two providers that had previously joined DPS category 1 elected not to submit a bid for Lot 9 End Point Assessment delivery.

3.2 Provision and Coverage

- 3.3 The list of three training providers is set out in the Confidential Appendix 1 and coverage by Lot and qualification Levels are summarised in the table below:

Count of EPA Providers by Specialism	Level 2	Level 3	Level 4	Level 5	Level 6 (Degree)	Level 7 (Masters)
Lot 9 Leadership & Management	N/A	3	2	3	1	1

- 3.3.1 To enable the Council to maximise grant expenditure and programme impact, recommended allocations can be over-programmed by up to a maximum of 10% for each provider. This is compliant with Contract Procedure Rules and supports effective programme management to enable orders to be raised within the total Levy funding available.
- 3.3.2 Leadership and Management apprenticeships offers were cascaded across Council Directorates in July and October 2018 and the level of interest has been high.
- 3.3.3 Council and LA schools staff were also invited to express interest in other apprenticeship standards for qualifications that sit outside of Leadership and Management which are relevant to their role and service area.
- 3.3.4 Apprenticeship provider contracts terms and conditions have been updated to ensure compliance with May 2018 GDPR legislation and also July 2018 ESFA funding rules.

3.3.5 Any relevant future ESFA funding rules amendments will be cascaded to providers orders T&C's to ensure compliance.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Executive Member for Learning, Skills and Employment has been consulted on this decision. The Procurement Manager has been consulted on the approach to the contract.

4.1.2 HR Business Partners have worked closely to engage with leads in each directorate to identify and coordinate workforce development and succession planning needs across the Council as well as identifying key skills gaps.

4.1.3 The mix of providers, types of standards available and target groups will enable the Council to continue to provide a broad and balanced programme for a range of apprenticeship types across the Council. It is envisaged that the achievements of staff on the Apprenticeship programme will inspire and motivate other existing members of staff to take the opportunity to improve their skills to better meet business needs.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 All providers were required to submit Equality Diversity and Community Cohesion (EDCC) information as part of their applications to join the DPS and in subsequent mini competitions. Providers will continue to report on and demonstrate that equality issues have been considered and will be embedded in the planning, delivery and review of provision.

4.2.2 The provision is also subject to Ofsted requirements through the Common Inspection Framework which are 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 and narrowing any gaps in participation and achievement.

4.2.3 An equality screening was carried out on 24 October 2018 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 contracts to providers on the Council's Apprenticeship Programme.

4.3 Council Policies and Best Council Plan

4.3.4 The proposals set out in this report contribute to the Best Council Plan 2018/19 priorities around supporting economic growth and access to economic opportunities, providing skills programmes and employment support.

4.3.5 The proposals will also contribute to the Council's ambitions set out in the Council's Inclusive Growth Strategy and the Leeds Talent and Skills Plan.

4.4 Resources and Value for Money

4.4.1 In February 2018, the Council attained Employer-Provider status on the Register of Apprenticeship Training Organisations (RoATP) and the Council will start delivery of Levy funded apprenticeship training from 1st November 2018.

4.4.2 The Employment and Skills Projects and Programmes team will programme manage Council and LA schools staff apprenticeship training and ensure all ESFA levy funding compliance is met.

4.4.3 The Employment and Skills' Finance Manager has been consulted on the proposed awards to ensure financial integrity of the Levy funding available.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Following a mini-competition three providers were selected from the Council's Employment and Skills DPS and will be awarded eight year £0 value contracts, commencing on 1 November 2018 and running through to 31 December 2026 in accordance with the Council's Contract Procedure Rules.

- 4.5.2 The Council Procurement Manager advises this decision to award contracts is an officer delegated Significant Operational Decision subsequent to the previous Key Delegated Decision in December 2017 to establish the DPS, and is not subject to “call-in”.
- 4.5.3 Subject to approval, processing of orders for Apprenticeships End Point Assessment provision will be undertaken by officers in the Employment and Skills Service in conjunction with PPPU.
- 4.5.4 The information contained in 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 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 contracts has been sought from The Council Procurement Manager.
- 4.6.2 Advice on maximum annual amounts for contracts has been sought from the Finance Manager.
- 4.6.3 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 regulations of the Council and ESFA.
- 4.6.4 A privacy impact assessment was carried out on 24 October 2018 and the analysis is detailed at Appendix 3.

5. Conclusions

- 5.1 Following an open tender process in May 2018, five organisations were appointed to a ten year Dynamic Purchasing System for Apprenticeships End Point Assessment Provision. In October 2018 those organisations bid in a mini-competition for eight year contracts to deliver the Council’s Apprenticeship Programme training provision.
- 5.2 This report deals with the award of contracts starting on 1 November 2018. The Levy funding available for apprenticeship delivery is £2.6 million per year.

6. Recommendations

- 6.1 The Chief Officer Employment and Skills is asked to approve:
- The award of eight year contracts for £0 value to deliver apprenticeships End Point Assessment to Council staff under the Council Apprenticeship Levy Employer-Provider Programme 2018-26 to three providers as set out in the Confidential Appendix 1.
 - The recommended maximum annual Apprenticeships levy draw-down set out in Confidential Appendix 1 allowing individual End Point Assessment provider orders to be raised on demand and in accordance with Contract Procedure Rules to enable effective programme management to maximise Council apprenticeships outcomes.
- 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 and, the management of the Apprenticeship Programme on behalf of the Council.

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.