

Decision Pathway Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 28 April 2020

TITLE	Bristol Apprenticeship Service Procurement 2020-25		
Ward(s)	ALL		
Author:	Jane Taylor	Job title:	Head of Employment, Skills & Learning
Cabinet lead:	Cllr Anna Keen	Executive Director lead:	Jacqui Jenson
Proposal origin: BCC Staff			
Decision maker: Officer			
Decision forum: Officer Meeting			
Purpose of Report:			
<ol style="list-style-type: none"> To seek Cabinet approval for the procurement of apprenticeship training services using a dynamic purchasing system for 3-years from September 2020 with the option to extend for 2 more years. Total estimated value £1.2 million per annum or £6 million in total. To seek approval to extend current procurement arrangements by 6-months to allow time to refresh specification, ensure continuity of service (underpinning existing provider base to avoid destabilisation) and support a well-managed, improved procurement process incorporating BCC Social Value Policy and changes driven by learnings from existing scheme and Education and Skills Funding Agency (ESFA) provider registration improvements. 			
Evidence Base:			
<ol style="list-style-type: none"> Existing procurement arrangements that were approved by Cabinet in June 2017 will cease in March 2020. This procurement has enabled the development of 50 responsive apprenticeship programmes for new and existing staff enabling over 424 colleagues to participate and progress their learning and skills. This report is proposing that current procurement arrangements are extended for six months whilst a new and improved procurement framework is developed. ESFA funding rules applicable to Bristol City Council as an Employer/Provider require that BCC comply with Public Contracts Regulations 2015 where we are a contracting authority – confirmed by Legal Services (June 2017). The Council currently invests circa £1 million each year in its apprenticeship levy and we need effective mechanisms to attract and retain good quality delivery partners to fully utilise available funds. Current levy spend is approximately £560,000 per annum and needs to increase to £1million to prevent levy funds expiry; this equates to circa 250 new apprentice starts per annum when our current starts are only circa 154 per annum. The Apprenticeship Team is currently taking part in the LGA Apprenticeship Acceleration programme and early recommendations include improvements in Bristol processes, including: governance, workforce planning, learning and development, and school engagement as part of a refreshed apprenticeship strategy. Using an in-house dynamic purchasing system has enabled the Apprenticeship Team to sustain and develop the ESFA funded On Site programme, building on our successful model to manage the Council's levy scheme e.g. fully funding the Apprenticeship Manager, Team Leader and support staff, and also expanding our traded offer e.g. we are currently piloting a joint initiative with Port of Bristol Authority to deliver Port Operative apprenticeships. The Covid-19 'lock down' has resulted in revised remote working arrangements and suspension of recruitment activities affecting circa 25 potential posts and 26 staff having apprenticeship starts deferred with further marketing of opportunities ceased. This means overall levy spend and starts will be affected. External partners are reporting FE sector-wide risks of training provider collapse and widespread apprenticeship failure requiring close attention and a coordinated response for the City which this exercise could underpin. 			

Officer Recommendations:

That Cabinet: -

1. Approve a 6 month extension of the current apprenticeship contract to 30th Sept 2020 at a cost of circa £500K
2. Approve the procurement of a new contract using a dynamic purchasing system for 3-years from September 2020 with the option to extend for 2 more years at a cost of £6m in total.
3. Authorise the Executive Director People in consultation with the Cabinet Member Education and Skills to take all steps necessary to procure and award the contract.

Corporate Strategy alignment:

Empowering and Caring: the apprenticeships service targets Bristol citizens who face barriers to employment and are under-represented in our workforce including young people aged 16 to 18, care leavers and disabled people; *Fair and Inclusive:* maximising BCC investment in apprenticeships with locally procured partners supports sustainable economic growth and the development of higher level skills for local people supporting career progression; *Well Connected:* apprenticeships offer a range of transferrable skills to support our workforce as we introduce new systems and methods of working; *Well Being:* the development of new skills, knowledge and behaviours linked to employment can improve wellbeing and mental health.

City Benefits:

The effective management of Bristol Apprenticeship Levy funding and utilisation of a robust dynamic purchasing system achieves many benefits: diversification of BCC workforce; creation of opportunities for Bristol citizens to become city leaders of future and compete effectively for future jobs; reinvestment of BCC funds into city economy; providing strategic opportunities e.g. the ongoing redevelopment of the city, public sector workforce development, careers education; strengthens Learning City Partnership working with local schools, FE and HE partners.

Background Documents:

1. Apprenticeship Funding Rules

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856824/1920_Employer-Provider_Rules_Version_2.0_FINAL.pdf

2. Cabinet Decision 26 June 2017(Item 9)

<https://democracy.bristol.gov.uk/ieListDocuments.aspx?CId=135&MId=2556&Ver=4>

3. Public Sector Duty working paper- reporting requirements for public bodies in England

<https://www.gov.uk/government/publications/public-sector-apprenticeship-target-reporting-research-brief>

Revenue Cost	£1.2 million per annum	Source of Revenue Funding	The funding cost is being met through HMRC levy contributions and those funds are held 'virtually'
Capital Cost	£nil	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input checked="" type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice: The apprenticeship levy is deducted from our payroll and held in a virtual account, this report is looking to extend the current procurement process for spend against this levy and then enter into a new arrangement. Spend on apprenticeships will be contained within the amount held in the virtual account, but needs to increase as any underspend will be lost. It is hoped that the new procurement solution will enable us to fully utilise the apprenticeship fund held ensuring best value is achieved.

Finance Business Partner: Graham Booth, People Finance Director, 10/02/20

2. Legal Advice: It is recognised that the extension of the contract places the Council in a situation where it may breach the procurement regulations. The fact that the extension is required to allow time for the Council to follow a fully compliant procurement process will help mitigate the risk of challenge. Legal services will advise and assist officers with regard to the conduct of the proposed procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Solicitor/Team Leader, 11 February 2020

3. Implications on IT: No anticipated impact to IT Services.		
IT Team Leader: Simon Oliver, Director Digital Transformation, Resources – IT, 03/02/2020		
4. HR Advice: It is essential that high quality training from good providers is available to all employees accessing apprenticeship training. The proposal to commission a new Dynamic Purchasing System for apprenticeship training will benefit new joiners and existing staff at all levels in Bristol City Council		
HR Partner: Mark Williams, Head of HR, 10th February 2020		
EDM Sign-off	Dr Jacqui Jensen, Executive Director (People)	24 th February 2020
Cabinet Member sign-off	Councillor Anna Keen	24 th February 2020
For Key Decisions - Mayor's Office sign-off	Mayor's Office	9 th March 2020

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO