



## Mayor and Cabinet

### **Report title: Approval for the Procurement of Apprenticeship Training 2020**

**Date:** 9 July 2020

**Key decision:** Yes

**Ward(s) affected:** All

**Contributors:** Apprenticeship Manager & Head of Economy & Partnership

### **Outline and recommendations**

This report seeks permission from Mayor and Cabinet to use part of the existing Apprenticeship levy funds to procure a training provider to deliver 3 cohorts of Apprenticeship Training starting in Autumn 2020 over a period of 18 months at a total value of £510,000.

Recommendations are for the Mayor and Cabinet to:

- Approve a procurement exercise to secure the Apprenticeship Training Provider starting in Autumn for a period of 18 months at a total value of £510,000
- Approve the use of the Yorkshire Purchasing Organisation purchasing framework to appoint the Training Provider.

## Timeline of engagement and decision-making

Activity	Date
M&C Approval	Thursday 09/07/20
Tender Issued	Monday 13/07/2020
Clarification Deadline	Wednesday 29/07/2020
Clarification Response Deadline	Wednesday 05/08/2020
Tender Return Deadline	Wednesday 12/08/2020
Tender Evaluation Period	12/08/2020 – 21/08/2020
Moderation Date	Thursday 27/08/2020
Earliest Award Decision	16/09/2020
Earliest Contract Commencement	October 2020

### 1. Summary

- 1.1. This report seeks permission from Mayor and Cabinet to use part of the existing Apprenticeship Levy Funds to procure a Training Provider to deliver three cohorts of Apprenticeship Training starting in Autumn 2020 over a period of 18 months at a total value of £510,000

### 2. Recommendations

- 2.1 It is recommended that the Mayor and Cabinet
- Approves a procurement exercise to secure the relevant training provider to deliver 3 cohorts of Apprenticeship Training starting in autumn 2020 over a period of 18 months at a total value of £510,000.
  - Approves the use of the Yorkshire Purchasing Organisation purchasing framework to appoint this training provider.

### 3. Policy Context

- 3.1. The Mayors Apprenticeship Programme also supports the 2018-2022 Lewisham Corporate Strategy priority “Building an inclusive local economy” as it would support to access work and to progress.
- 3.2. The Enterprise Act 2016 requires public sector organisations to provide apprenticeship opportunities within their organisations.

## 4. Background

- 4.1. The Mayor's Apprenticeship Programme was set up in 2009 as a response to the challenges our residents, in particular young people, were facing as a result of the Credit Crunch. Mayor and Cabinet agreed to establish an Apprenticeship scheme in public services (with the potential to work across public sector partners and in conjunction with other London Local Authorities) on 19th November 2008.
- 4.2. Over the last eleven years a total of 570 residents have participated in the programme working either at the Council or in one of our partner organisations. Our outcomes continue to be very impressive with:-
  - 74% of our apprentices going on into a permanent role
  - 82% of Council apprenticeships progressing into permanent employment
- 4.3. The Apprentice Levy was introduced in 2017 under the Enterprise Act 2016; any employer with a UK pay bill of over £3million, either private or public sector, is required to pay 0.5% of their pay bill into a Levy. The Levy payment made is then ring-fenced in a digital account held by the government and can be used to fund apprenticeship training. The monies cannot be used towards apprentices' salary or on council roles to manage and administer schemes set up.
- 4.4. The Apprentice Levy contribution is paid monthly to HRMC and is allocated to a digital account that the Council can access to pay for Apprenticeship training – on average £80,000 is paid into the account each month. Any monthly funds not used after 24 months will expire. Unused levy funds started to expire in May 2019; currently £70,000 expires and is returned to central government on a monthly basis.
- 4.5. Each year the number of Apprentices recruited via the Mayors Apprenticeship Programme contribute to a number of internal and nationally set targets.
  - The Public Sector Target was introduced in 2017 and applies to public bodies with 250 or more employees and will require public bodies to have regard to the duty to have apprenticeships to account for a minimum of 2.3% of the workforce on average over a four period by March 2021. These Apprenticeship numbers can be achieved either by employing new Apprentices to the organisation or by upskilling existing staff via Apprenticeship training paid for with Levy funding. Whilst there are no penalties for not achieving this target, all Councils are required to report and publish this data annually.
  - In February 2020, EMT were presented with a paper titled "A new approach for the Mayor's Apprenticeship Programme". Within this paper it was proposed and agreed that a directorate target of a minimum of 30 Apprentices be recruited internally by the Council each year.
  - The Lewisham Corporate Strategy 2018 - 2022 set a target to support an additional 250 people through the Mayor's apprenticeship scheme during this period.
- 4.6. Progress against the targets can be found in the following table. The programme outlined in section 5 aims to support the achievement of this targets.

<b>Achievements to date</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21 to date</b>	<b>21/22</b>	<b>Total</b>
<b>Corporate Strategy Target 2018 - 22</b>		34	61	27		<b>122 / 250</b>
<b>Public Sector Target</b>	29	25	28	12		<b>94 / 663</b>
<b>Internal Directorate Target</b>				2		<b>2 / 60</b>

Nb – please note the numbers towards the Public Sector Target do not include the Apprenticeships achieved using Apprenticeship Levy to upskill existing staff, as this falls under the workforce development scheme in the Corporate (6 starts to date) and Schools Human Resources departments (18 starts to date).

## 5. Programme Description

- 5.1. The Mayors Apprenticeship programme has been required to pause recruitment in response to lockdown precautions due to Covid 19. In order to restart recruitment and restart progress against the range of targets identified above, we are proposing launching '100 in 100 days' campaign.
- 5.2. This campaign aims to achieve commitments to advertise and recruit to 100 apprenticeship job opportunities in 100 days across the borough from 3rd August – 18th December 2020. We aim to achieve these commitments by working with internal council managers, local schools, our Lewisham Deal partners<sup>1</sup> and local employers. This is a great opportunity for both Council managers and local employers to reduce training and recruitment costs and have access to high-quality training and support whilst providing valuable work opportunities to Lewisham residents.
- 5.3. Whilst we will continue to respond to managers needs and recruit Apprentices to the most appropriate framework or standard available we plan to recruit to three distinct Apprenticeship areas. Following a mapping exercise where we matched the existing Apprenticeship frameworks and standards against Council departments we have identified 3 areas where we plan to run larger cohorts of recruitment. We believe these 3 subjects will offer the most flexibility and generate the most interest across the wide network
- 5.4. Alongside the normal procurement of individual training requirements, it is proposed that we run 3 Cohorts of up to 20 Apprentices per cohort in Autumn 2020 in the following subjects. Data Analyst Level 4, Project Management Level 4 and Leadership and Management Level 3. We are hoping these 3 cohorts will therefore contribute the majority of the starts against the 100 target.
- 5.5. Programme Costs: - There are set apprenticeship funding bands allocated by the Education and Skills Funding Agency for each level of program as referenced in the

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<sup>1</sup> Lewisham Deal Partners are Lewisham Homes, Phoenix Community Housing, Goldsmiths University, Lewisham Hospital and Lewisham College.

table below. These are fixed and therefore price will not differ between prospective providers.

5.6.

<b>Subject</b>	<b>Cost per Learner</b>	<b>Total Cost across the programme duration (max 20 Apprentices per cohort)</b>
Data Analyst	£15,000	£300,000
Project Management	£6,000	£120,000
Leadership and Management	£4,500	£90,000
<b>Total</b>		<b>£510,000</b>

## 6. Procurement Options

- 6.1. Procurement options available include the use of an Open Tender process or a number of existing Apprenticeship specific frameworks.
- 6.2. Open Tender is likely to extend the timescales of the procurement exercise and create a significant delay to the preferred start date. An Apprentice's contract must last a day longer than the qualification. Therefore any delays with procuring the training aspect will mean that we either have to delay recruitment which will impact the number of Apprentices recruited against this financial year or extend the contract term offered increasing the salary commitments and total cost to the manager.
- 6.3. Council approval had previously been given for joining two separate purchasing frameworks the Eastern Shires Purchasing Organisation and Yorkshire Purchasing Organisation. These are public buying organisations that create frameworks which all public sector organisations can use to procure their services, and apprenticeships is one of those services.
- 6.4. The use of either of these frameworks will simplify the procurement process and will allow the procurement process to be completed in line with the academic year and proposed programme start date.
- 6.5. From our initial research, ESPO had a smaller number of suppliers registered and also had a smaller number of 'local providers' registered.
- 6.6. We are therefore proposing using the purchasing framework run by Yorkshire Purchasing Organisation (YPO).
- 6.7. The reasons for using YPO;
  - Sub criteria for filtering such as Region, Ofsted Rating, Delivery Model, and In-take capacity etc. to filter training providers already included on YPO

- Existing Providers include a number of local suppliers which supports the councils objective to support local businesses
  - Method statements are already filled in by training providers
  - User friendly; access currently available to see the list of training providers delivering different standards
  - Offers a wide range of providers to select from
  - Existing Providers have already been assessed for quality
  - Was used successfully in May 2019 to procure a training provider for Workforce Development Apprenticeship Management training.
- 6.8. In light of the fact that Apprenticeship training costs are fixed and therefore not negotiable, we have requested approval from the Procurement team to use a 30% Price / 70% Quality weighing ratio instead of the council's standard 50% Price / 50% Quality to allow for further emphasis to be applied to the quality and social value expectations within the specification.

## **7. Financial implications**

- 7.1. This report recommends that the Mayor and Cabinet approves the procurement of a training provider with a maximum contract value of £510,000. This contract will be funded from amounts held in the Council's Digital Apprentice Account, which is made up of amounts contributed by the Council through the Apprentice Levy, plus the 10% Government top-up. Any unused funds in the Digital Apprentice Account expire after 24 months.

## **8. Legal implications**

- 8.1. The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV). Some of the requirements in those Rules are based on the procurement Regulations (PCR 2015) with which the Council must comply.
- 8.2. The report proposes the procurement of a training provider contract for apprentices, for over a period of 18 months at a total value of £510,000. The potential value of the contract including the extension exceeds £500,000, which means that this procurement is for a Category A contract for the purposes of the Council's Contract Procedure Rules therefore Mayor and Cabinet's approval is needed.
- 8.3. It is proposed that this contract be procured through the use of a framework agreement. Under the Council's Contract Procedure Rules, the Council may use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Public Contracts Regulations 2015 and allows for the Council to use the Framework Agreement. The YPO framework agreement is EU compliant and the Council is entitled to use that framework.
- 8.4. The framework agreement has predefined terms and conditions for the call-off contract which the Council must use when entering into the contract with the training provider to be procured. If the proposal to procure through the use of the YPO framework is approved, an award notice must be published on OJEU and Contracts Finder in the prescribed form.
- 8.5. Procedures for tendering are to be determined by contracting authorities in accordance with PCR 2015 (regulation 76). These require procedures to be transparent and ensure equal treatment of suppliers. Time limits must also be reasonable and proportionate.
- 8.6. The report explains the evaluation approach and process to be applied, Mayor and

Cabinet's approval will be sought when recommending the successful bid as a result of this procurement exercise.

- 8.7. This decision is a Key Decision under Article 16.2 (b) and Article 16.2 (c) (xxiii) of the Constitution as it has a value of more than £200,000. It is therefore required to be contained in the current Key Decision Plan.
- 8.8. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 8.9. In summary, the Council must, in the exercise of its functions, have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and foster good relations between people who share a protected characteristic and those who do not.
- 8.10. It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for Mayor and Cabinet, bearing in mind the issues of relevance and proportionality. Mayor and Cabinet must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 8.11. The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.
- 8.12. The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.
- 8.13. The recommended action is to award the contract to the provider. The report also provides some detail about how the contract will function, in particular the possibility of taking positive action by way of giving first preference to BAME applicants for the first cohort of delivery of the service. The Equality Act 2010 and the relevant ACAS Guidance allows positive action in certain circumstances, including in relation to training where that action would be proportionate and can enable the disadvantaged group(s) to overcome or minimise their disadvantage. The report notes that further data analysis will need to be undertaken to determine if taking that positive action would be a proportionate response.

## 9. Equalities implications

- 9.1. The Council's Single Equality Framework (SEF) for 2020-24 provides an overarching framework and focus for the Council's work on equalities and helps ensure compliance with the Equality Act 2010.
- 9.2. The specific actions described in this reports make a specific contribution to the following equality objectives.
- Tackle socio-economic inequality affecting the most disadvantaged and vulnerable in the borough;
  - Promote Lewisham as a borough of inclusion for all;
  - Promote active citizenship and social responsibility.
- 9.3. This report addresses the Council's equality objectives as it includes measures to improve access to services (apprenticeships), close the gap in outcomes for all residents and increase citizen participation and engagement, the Council has due regarding to his statutory duty under section 146 of the Equality Act 2010..
- Under 25's are currently heavily over-represented on the apprenticeship programme in relation to the Council's workforce. This is because 50% of apprentices are under 25 years of age whereas only 2.7% of total workforce are under 25 years of age. This age group are also likely to be disproportionately affected by the economic impact of Covid 19. Lewisham has the largest youth disadvantage gap of any London borough. This means young people from disadvantaged backgrounds are more likely to be NEET, more so than anywhere else in London<sup>2</sup>.
  - Similarly BAME Apprentices account for 72.7% of apprentices whereas BAME employees 42.9% of total workforce. BAME Staff at Lewisham are under - represented at Senior Management level. To make the organisation more reflective of the community we serve and to make Council leadership more reflective of the wider workforce, there needs to be a focus on enabling BAME staff to progress into management positions. 2 of the 3 cohorts suggested above would provide the opportunity to increase diversity in Management and Project Management roles.
  - The proportion of women on the programme is not dissimilar to the proportion of women in our total workforce but recent cohorts have seen an increase in the appointment of female applicants including in traditional 'male' roles.
  - The Apprenticeship team do not hold data on other protected characteristics of apprentices as this is entered onto a sealed part of the recruitment system and is only accessible to Human Resources.

## 10. Climate change and environmental implications

- 10.1 No Implications

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<sup>2</sup> [https://impetus.org.uk/assets/publications/Research-Briefing-8-Report\\_AW\\_online-FINAL.pdf](https://impetus.org.uk/assets/publications/Research-Briefing-8-Report_AW_online-FINAL.pdf)



## **11. Crime and disorder implications**

11.1. No Implications

## **12. Health and wellbeing implications**

12.1. No Implications

## **13. Social Value implications**

13.1. Whilst the contract value is fixed at the cost of delivery in line with Council policy we intend to include a number of social value commitments within the specification including but not limited to:

- Support for specific initiatives in Lewisham - e.g. supporting Sugar Smart as an organisation and being a London Living Wage / Two ticks Employer. Having a Modern Slavery statement
- Provision of Work Experience Placements
- Provision of Work Placements
- Mentoring and Information and guidance sessions for Job Centre Plus and youth services
- Engaging with schools to deliver assemblies talking about apprenticeships
- Attendance at Lewisham based Job Fairs

## **14. Background papers**

14.1. None

## **15. Report author and contact**

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