



Mayor and Cabinet

Report title: Approval for award of apprenticeship training contract 2020

Date: 7 October 2020

Key decision: Yes.

Class: Part 1

Ward(s) affected: All

Contributors: Kwabena Kimathi - Apprenticeship Programme Manager

Outline and recommendations

Following approval of Mayor and Cabinet in July 2020, to procure an apprenticeship 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 using the Yorkshire Purchasing Organisation (YPO) purchasing framework 000833, this report presents a summary of the findings of the procurement exercise.

The report recommends WhiteHat Group Limited be awarded the contract as outlined above. It is recommended that their submission totalling £510,000 is accepted and approved.

Timeline of engagement and decision-making

Activity	Date
M&C Approval to procure a contract for apprenticeship training	Thursday 09/07/20

1. Summary

- 1.1. This report seeks permission from Mayor and Cabinet to award a contract to deliver three cohorts of apprenticeship training to a training provider starting at the end of October 2020 over a period of 18 months at a total value of £510,000, following completion of the approved procurement exercise via the Yorkshire Purchasing Organisation (YPO) purchasing framework 000833
- 1.2. Three cohorts of up to 20 Apprentices per cohort in autumn 2020 in the following subjects.
 - Data Analyst Level 4,
 - Project Management Level 4
 - Leadership and Management Level 3.

It is expected that these 3 cohorts will therefore contribute to the target of 100 Apprentices

- 1.3 This report sets out the results of the procurement process and seeks approval from Executive Director for Housing, Regeneration and Environment the appointment of WhiteHat Group Ltd who returned a bid of £510,000.

2. Recommendations

- 2.1. Approve award to WhiteHat Group Ltd to deliver 3 cohorts of apprenticeship training starting in autumn 2020 over a period of 18 months at a total value of £510,000.

3. Policy Context

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

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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 UK's economic recession. 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.

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5. Tender evaluation

- 5.1. Using the YPO framework 000833, all four training providers who were listed as delivering the three standards requested were invited to tender.
- 5.2. Two bids were submitted.
- 5.3. Two providers did not submit bids.
- 5.4. The following criteria were assessed during the evaluation process:

The contract award is on the basis of 70% quality and 30% price.

The main criteria for quality scoring was as follows (detailed sub criteria in appendix):

- Sufficiency of staff 5%
- Delivery model 15%
- End Point Assessment 5%
- Contract review and relationship management 5%
- Learner support 15%
- Measuring success 15%
- Social value 10%

The scoring was awarded on a scale of 1 – 10 (see appendix). 1 being inadequate and 10 being perfect.

- 5.5. Tenders were assessed by three officers:
 - Apprenticeship Programme Manager
 - Social Value Officer
 - Professional Qualification Coordinator
- 5.6. Although the bids were evaluated on MEAT (Most Economically Advantageous Tender) principles the final decision was made on the basis of quality as both providers were evenly matched on actual cost. This is not uncommon amongst apprenticeship training providers as the ESFA has set the maximum funding bands for apprenticeship standards and training providers usually use this maximum as their guide price.
- 5.7. Credit Safe reports were obtained by the Council's procurement team for both providers which identified no significant causes for concern.
- 5.8. The tender price maximum was £510,000 for the delivery over an 18 month period

The following provides a synopsis of the successful bids:

- 5.9. Overall WhiteHat Group demonstrated a simple clean approach to delivery with a clear and concise tender submission meeting all the selection criteria to a good or very good standard. As a start up with a digital focus in their apprenticeships they exhibit the kind of cutting edge, well-rounded experience that we want for our programme as an employer.
- 5.10. Detailed information regarding the evaluation of the tenders are confidential and therefore contained in the Part 2 report relating to this procurement.

6. Financial implications

- 6.1. 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.

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7. Legal implications

- 7.1. The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV) and have been followed with the guidance of the Council's procurement team and the relevant advice from the Council's legal team. Some of the requirements in those Rules are based on the procurement Regulations (PCR 2015) with which the Council must comply.
- 7.2. Mayor and Cabinet's approval is sought to award the successful bid as a result of the procurement exercise approved in July 2020.
- 7.3. 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.
- 7.4. The report is recommending a training provider contract for apprentices, for over a period of 18 months at a total value of £510,000. The value of the contract 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. Equalities implications

- 8.1. 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.
- 8.2. 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.
- 8.3. 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 London².
 - 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

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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.

9. Climate change and environmental implications

- 9.1. There are no immediate climate change and environmental implications arising from this report.

10. Crime and disorder implications

- 10.1. There are no immediate crime and disorder implications arising from this report.

11. Health and wellbeing implications

- 11.1. There are no immediate health and wellbeing implications arising from this report.

12. Social Value implications

- 12.1. Whilst the contract value is fixed at the cost of delivery in line with Council policy we have included 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

13. Background papers

- 13.1. Report to July 2020 Mayor and Cabinet meeting Authored by Charlotte Rowley

14. Conclusion and Decision

- 14.1. Officers consider that appointing WhiteHat Group Limited represents the best value to the Council as their submission was of a very high quality and hereby seeks Mayor & Cabinet approval to award the contract to WhiteHat Group Limit..

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15. Report author and contact

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