

Proposed Decision to be Made by the Deputy Leader (Finance & Property) on or after 18 January 2019

Approval to extend the term of the Dynamic Purchasing System in order to award contracts for Apprenticeship Training to Approved Training Providers

Recommendations

That the Deputy Leader (Finance and Property) :

- (1) approves the extension of the established Dynamic Purchasing System for a further 2 years, from 1 May 2019 to 30 April 2021 which is the mechanism for the award of contracts for Apprenticeship Training for the Council to Approved Training Providers.
- (2) approves and authorises the Joint Managing Director (Resources) to award contracts to Providers accepted onto the DPS and to award all subsequent contracts for the provision of apprenticeship training via the Dynamic Purchasing System on terms and conditions satisfactory to him.

1.0 Background

- 1.1 The Apprenticeship Levy came into force on 6th April 2017 and the Council is required to pay 0.5% of its pay bill, (currently approximately £1.2 million per annum), into the levy. The Council has been able to recoup funds from the levy to invest in apprenticeship training from May 2017.
- 1.2 Apprenticeship training provision purchased via the levy is not just intended for young Apprentices, it can also be directed towards the Council's existing employees who wish to undertake a recognised qualification as part of their continuing professional development.
- 1.3 The Government has stipulated that all UK employers, from May 2017, can only spend the levy with apprenticeship training providers and apprenticeship assessment organisations that are on the Education and Skills Funding Agency's Registers¹. Additionally for public sector employers, the contracts that are let for apprenticeship training and assessment must comply with the Public Contract Regulations 2015 (PCR).
- 1.4 The Council therefore established a Dynamic Purchasing System (DPS) in June 2017 as a method of contracting with the apprenticeship training providers and apprenticeship end-point assessment organisations on the Registers in a way that is compliant with the PCR in order to access Apprenticeship Levy funds.

¹ The Register of Apprenticeship Training Providers and The Register of End-point Assessment Organisations

- 1.5 The Council engaged Coventry City Council, Solihull Metropolitan Borough Council and Warwick District Council to use the DPS as a collaborative solution to contracting with apprenticeship training and end point assessment providers across the region. This gives the opportunity to aggregate apprenticeship training requirements in mini-competition processes for call off contracts and to drive additional value from the market. The Council remains the lead authority for the DPS.
- 1.6 The Council has placed many call-off contracts via the DPS for the following apprenticeship standards: Data Analyst, Software Developer, Paralegal, Health and Social Care, Adult Care Worker, Children and Young People Worker, Legal Administration, Accounting Taxation Professional, Vehicle Maintenance, Business and Administration, HR consultant, Facilities Services, Leadership, Management, Supporting Teaching and Learning, Customer Service, Infrastructure Technician, Project Management, Associate Project Manager and Construction Technical & Professional.
- 1.7 The DPS Agreement between the Council and the DPS contractors will expire on 30th April 2019 (the initial DPS term). The Council may, by giving contractors a minimum of 3 months' notice in writing, extend this DPS agreement by 2 years beyond the Initial DPS Term.

2.0 Options Appraisal

- 2.1 There are other Frameworks for Apprenticeship Training (and end-point assessment available for use, such as:
 - 2.1.1 Crown Commercial Service Apprenticeship Opportunities Framework Agreement RM3823. This agreement provides for apprenticeship qualifications in leadership and management, project and delivery management, HR, finance and tax, business administration, digital and property. However these don't provide for all the Council's apprenticeship training requirements, eg Social Work apprenticeships, etc.
 - 2.1.2 YPO (Purchasing Consortium) Apprenticeship and Associated Training Framework. Like the CCS Framework, this doesn't currently cover all Apprenticeship Standards. The Framework is refreshed every 3 months or between 3 months and 7 months.
 - 2.1.3 New providers on these frameworks have to wait until the frameworks are re-advertised (quarterly or less often). The potential time lag to access new provision from these frameworks has resulted in these options being discounted.
 - 2.1.4 Nottingham City Council have established a Directory of Approved Training Providers (the DAAP) that can be accessed by other public sector organisations free of charge, subject to completion of an Access Agreement. Nottingham City Council charge Training Providers a 1% Management Fee for all call off contracts awarded through the DAAP. They currently have 60 training providers on the DAAP with service agreements until 30th September 2019 with a possible annual extension of 2 further years.

- 2.1.5 The above option has been discounted as the Council currently has 103 approved training providers on their DPS, offering more choice and provision from tried and tested local suppliers (and possibly at less cost as the Council does not charge a 1% Management Fee).
- 2.2 The Council could extend its own Dynamic Purchasing System (DPS) for a further 2 years. This will offer the following benefits:
- 2.2.1 The extension of the DPS would be seamless, allowing call-off contracts to be awarded as before.
- 2.2.2 The Council's sub regional partners (Coventry City Council, Solihull Metropolitan Borough Council and Warwick District Council) would benefit from a 2 year extension to the DPS, as they find the ability to procure on a collaborative basis via the DPS to be effective and efficient.
- 2.2.3 There will be minimal cost in the form of officer time to extend and maintain the DPS over its life and there are no other associated costs.
- 2.2.4 The DPS is a recognised procurement solution which is compliant with the Public Contract Regulations 2015.
- 2.2.5 The DPS is always open to new applicants and therefore potential apprenticeship training organisations can apply to join at any time. Applicants tend to be locally based (as opposed to large national organisations on the other Regional/National Frameworks). The joining process is relatively simple and can take less than a week to conclude. Once approved on the DPS, organisations can bid for apprenticeship training contracts and apprenticeship assessment contracts immediately as they become available.
- 2.2.6 A further benefit of extending the DPS is that the Council can cancel it should it no longer be required. This flexibility will allow the duration of the DPS to correspond with the duration of the Education and Skills Funding Agency's Registers, respond to any changes in Government approach to the apprenticeship levy or to meet the ongoing business needs of the Council.

3.0 Proposal

- 3.1 Warwickshire County Council seeks approval to extend the Dynamic Purchasing System (DPS) by a further 2 years from 1 May 2019 and to subsequently award contracts to apprenticeship training providers and apprenticeship assessment organisations, via the DPS. During this extension period, the Council expects to award apprenticeship training and assessment contracts up to the value of approximately £2.4million (i.e. the amount of levy that could be recouped over the 2 year period).

4.0 Timescales associated with the decision/Next steps

Notice given to DPS Contractors of the DPS extension (3 month's notice to be observed).	By 31 st January 2019
Contract Notice Corrigendum issued to inform OJEU that the DPS is extended until 30 th April 2021.	1 st February 2019
Council continues award of contracts via the DPS	From May 2019

Background Papers

None

Supporting Papers

Portfolio Holder report requesting permission to establish the DPS, dated 17 March 2017, and the Decision Notice granting approval, dated 17 March 2017.

	Name	Contact Information
Report Author	Daniel Nash, Apprenticeship Hub Manager	danielnash@warwickshire.gov.uk Tel: 01926 418040
Assistant Director	Sarah Duxbury	sarahduxbury@warwickshire.gov.uk
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk
Portfolio Holder	Cllr Peter Butlin	cllrbutlin@warwickshire.gov.uk

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