

Proposed Decision to be made by the Portfolio Holder for Finance & Property on or after 17 March 2017

Approval to set up a Dynamic Purchasing System in order to award contracts for Apprenticeship Training to Approved Training Providers

Recommendations

- i) The Portfolio Holder (Finance & Property) approves the commencement of a procurement process to establish a Dynamic Purchasing System (DPS) for the award of contracts for Apprenticeship Training for the Council to Approved Training Providers.
- ii) The Portfolio Holder (Finance & Property) approves the Council being the lead organisation in the development and award of a collaborative DPS involving other Councils within the West Midlands region
- iii) The Portfolio Holder (Finance & Property) approves and authorises the Strategic 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 DPS.

1.0 Background

- 1.1 The Apprenticeship Levy will come 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 will be able to recoup funds from the levy to invest in apprenticeship training from May 2017.
- 1.2 This report does not relate to the Council's internal approach to managing the Apprenticeship Levy from April 2017. This report relates to the establishment of a mechanism that will allow the Council to secure apprenticeship training from approved providers and recover funds from the apprenticeship levy from May 2017 in accordance with Skills Funding Agency (SFA) requirements.
- 1.3 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.
- 1.4 The Government has stipulated that all UK employers, from May 2017, can only spend the levy with apprenticeship training providers that are on the SFA Register. Additionally for public sector employers, the contracts that are let for apprenticeship training and assessment must comply with the Public Contract Regulations 2015 (PCR).

- 1.5 The Government has made the same stipulation about apprenticeship assessment organisations, i.e. that levy-paying employers can only use assessment organisations on a Register currently being established via a tender process by the SFA and that the contracts let for apprenticeship assessments must be with organisations on the SFA's Register and must comply with the PCR.
- 1.6 The SFA's tender process to select apprenticeship training providers for their Register (the RoATP¹) is near conclusion. The results will be known by May 2017. The SFA have indicated that they will refresh their Register on an on-going basis (no less than annually and no more frequently than quarterly), to allow new entrants onto the Register.
- 1.7 The Council therefore needs to establish a method of contracting with the apprenticeship training providers and apprenticeship assessment organisations on the SFA's Registers from May 2017 in a way that is compliant with the PCR in order to access Apprenticeship Levy funds going forwards.
- 1.8 The Council is currently in discussion with Coventry City Council (CCC) and Solihull Metropolitan Borough Council (SMBC) and potentially other West Midlands Councils about the opportunities to let a collaborative solution, which may afford an opportunity to aggregate apprenticeship training requirements to drive additional value from the market and generate a small income stream to the Council for allowing access to our contract.

2.0 Procurement Options Appraisal

- 2.1 A group of East Midlands Authorities, led by Nottingham City Council (NCC), are looking to establish a Framework contract of Registered Apprenticeship Training Providers. There is a proposed charge to other Council's (up to a maximum of £5,040) to secure apprenticeship training from their framework. NCC plan to refresh the framework quarterly which will mean a potential time lag of several months between a Provider being accepted onto the RoATP and being accessible to deliver Apprenticeship training via the Framework. The potential time lag to access new provision plus the cost to access the framework has resulted in this option being discounted.
- 2.2 Warwickshire County Council could establish its own Framework of Registered Apprenticeship Training Providers. Whilst this option would benefit from the removal of the access fee that would be applicable should the Council join the NCC Framework contract, the same issues in relation to time lag associated with new Providers being accessible would still apply and therefore this option has been discounted.
- 2.3 The Council could create its own Dynamic Purchasing System (DPS). This approach offers the following benefits:

¹ The Register of Apprenticeship Training Providers

- 2.3.1 Whilst there will be initial cost in the form of officer time to establish the DPS, and some officer time to maintain the DPS over its life, primarily within the HR business unit, there are no other associated costs.
- 2.3.2 A DPS is a recognised procurement solution which is compliant with the Public Contract Regulations 2015.
- 2.3.3 A DPS is always open to new applicants and therefore potential providers and assessment organisations can apply to join at any time. 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 or apprenticeship assessment contracts immediately as they become available.
- 2.3.4 A further benefit of a DPS is that the Council can determine the length of it and cancel it should it no longer be required or extend it for a further period if appropriate. This flexibility will allow the duration of the DPS to correspond with the duration of the SFA'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 establish a 2 year Dynamic Purchasing System (DPS) and to subsequently award contracts to apprenticeship training providers and apprenticeship assessment organisations, via the DPS. During the 2 years of the DPS, the Council expects to award apprenticeship training and assessment contracts up to the value of approximately £2.4 million (i.e. the amount of levy that could be recouped over the 2 year period).
- 3.2 The Council is discussing a sub-regional approach with SMBC, CCC and possibly other Councils to procure on a collaborative basis via the DPS. Assuming these discussions prove successful, the proposal is for the Council to lead and award a collaborative DPS solution which will be accessible to sub regional partners and potentially other Councils within the West Midlands.

4.0 Timescales associated with the decision/Next steps

Contract Notice advertising the DPS placed	27 th March 2017
Initial closing date for applications to the DPS	27 th April 2017
Council commences award of contracts via the DPS	From May 2017

5. Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): N/A – Countywide

Other members:

Councillor Kam Kaur – Portfolio Holder (HR)

Councillor Alan Cockburn – Portfolio Holder (Finance & Property)