



<b>Subject:</b>	<b>Employment Academies Procurement Framework</b>
<b>Date:</b>	22nd January, 2021
<b>Reporting Officer:</b>	John Greer, Director of Economic Development
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Sometime in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report</b>
1.1	At the Strategic Policy and Resources Committee meeting on 18th December, it was agreed that a report be submitted to a future meeting outlining the legal and other implications associated with restructuring the current Employment Academy framework. The framework opened for applications in November 2020 and closed on 15th January, 2021.
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to: i. note the update on the current procurement exercise to appoint delivery agents for the council's Employment Academies; and

	<p>ii. agree to continue with awarding the contracts as planned, with a review of impacts to be carried out and reported back to the Committee within 6 months, so that any adjustments to future plans can be made.</p>
<b>3.0</b>	<b>Main Report</b>
3.1	<p>Members will be familiar with the increasing importance of the Council’s engagement in employability and skills activity. In the last financial year, engagement in council-supported employability activity included:</p> <ul style="list-style-type: none"> <li>• around 2,400 participants on ESF match-funded programmes, with around 580 moving into employment (average 24% into-employment rate)</li> <li>• 530 participating in Employment Academies with 398 finding a job at the end of the programme (75% into-employment rate);</li> <li>• over 1,500 young people supported through youth initiatives including 200 receiving additional revision support at GCSE, 90 young people undertaking work placements, and 100 accessing 1-2-1 mentor support through our Youth Support Programme; and</li> <li>• almost 7500 participants engaged through career events and job fairs.</li> </ul>
3.2	<p>While the current financial year has been particularly challenging operationally, officers have maintained a focus on working with employers that continue to have employment opportunities. This includes the health and social care sector and transport and logistics sector. There has also been significant development work undertaken with public sector employers – including Belfast City Council – to create ring-fenced employment opportunities for those from specific target groups (those identified through the Inclusive Growth Framework). The other major area of development work has been to establish new pathways into digital and tech roles – given that these sectors have remained relatively resilient in the current climate and are likely to see further growth in the future. The investment in City Deal and initiatives such as the Innovation District present significant opportunities for long-term employment growth. However, it is clear that many individuals either don’t have the required technical skills or don’t have the confidence to pursue employment opportunities in this sector. It is essential that we develop these supported pathways to ensure that these developments move forward in a way that supports our commitments to inclusive growth.</p>

3.3	<p>As outlined above, Employment Academies are just one mechanism through which the Council is investing to support employability and skills development. However, they have, arguably, been the most successful not only in terms of employment outcomes but also in terms of providing a mechanism for engaging with the key government departments to demonstrate the added-value role that councils can provide in this space. Employment Academies are generally short interventions. Typically, they last around two weeks and comprise a series of activities including employability skills training, technical/vocational training relating to the specific role and work insight sessions/work tasters as well as in-work support for those who get a job at the end of the Academy session. ESF and other community-based training support provides a critical pipeline to the Academy support and officers have built up very good working relationships with these organisations to create a planned approach to the Academy programme, ensuring that they have sight of the timetable for emerging opportunities and are able to provide the necessary development and support to potential candidates.</p>
3.4	<p>As the Council's role in delivery of Employment Academies has evolved over time, we have had to evolve our procurement approach. Initially, we started out with quotations (value under £30k). These were useful when we were testing new approaches but they were limited in scope and could not be extended. The administrative burden of managing a large number of small interventions was also disproportionate to the impact that these were able to have on the ground. It also meant that we were unable to be agile in responding to emerging employer opportunities. We then set up a number of tenders by sectoral area. These had a larger value and have enabled us to grow the interventions, particularly over the last number of years. However, we have found that a number of these tenders have now been coming to the end of their lifespan, so we recognised the need to put in place a procurement approach that would give us flexibility to respond to employer needs, creating sustainable employment opportunities for individuals. This flexibility is all the more important given the massive changes that have taken place in the labour market over the last year and the need to react and flex to areas of demand in line with opportunity.</p>
3.5	<p>Finally, we recognised that there were a number of sectors that were likely to create new employment opportunities but which we had no delivery partners in place to service them. Of critical importance were the emerging opportunities in green construction and green technology as well as financial and professional services and digital and tech sectors.</p>

**Current Position**

3.6 The current delivery of our Employment Academy interventions is as follows:

Employment Academy Contract	Max. Value	Contractor	Start Date	End Date
Hospitality	£210,000	Workforce	Jan-18	Dec-20 Expired
Construction	£65,000	Workforce	Jan-18	Dec-20 Expired
Logistics & Transport	£115,000	ACT	Mar-18	Mar-20 Expired
Care Sectors - Childcare & Playwork - Social Care - Health	£600,000	People 1 <sup>st</sup>	Mar-19	Mar-21
Logistics and Transport	£30,000	People 1st	Sep-20	Mar-21
Leisure	£200,000	GLL	Aug-19	Aug-21
Digital	No contractor in place			
Financial Services	No contractor in place			
Green Economy	No contractor in place			

3.7 Without access to the delivery agents appointed through the procurement exercise, the ability of the Council to deliver Employment Academies across all sectors will be severely curtailed.

**Overview of Procurement Framework**

3.8 Given the pending conclusion of a number of tenders last year, the Employability and Skills team engaged with our Corporate Procurement Service to explore opportunities for developing a procurement framework that would allow us to future-proof our employability support provision in keeping with the ambitions set out by the council. We wanted to find a solution that would deliver on a number of objectives, namely:

- is tailored to address the specific needs and circumstances of each training market
- leverages market capacity and capability to plan, manage and deliver interventions

<p>3.9</p>	<ul style="list-style-type: none"> <li>• provides opportunities for local SMEs, SEs and NfPs (i.e. helps to build capacity in those markets, rather than reducing opportunities)</li> <li>• will optimise outcomes for participants (in terms of both training and aftercare) and for employers in terms of demand and effective matching</li> <li>• will deliver value for money for the council(s) and for employers / buyers.</li> </ul> <p>Officers sought technical assistance from KPMG in developing the scope of the procurement approach. In recognition of the need to seek feedback from the market, we undertook extensive pre-market engagement. This included:</p> <ul style="list-style-type: none"> <li>• an initial engagement session in August 2020 with a comprehensive range of local Employability &amp; Skills providers in Belfast where ideas for the structure, content and delivery model within the framework were presented and feedback sought from local suppliers (in excess of 30 organisations in attendance).</li> <li>• officers then followed up with individual E&amp;S providers who wished to discuss in more detail and/or did not attend the initial engagement session.</li> <li>• a pre-market engagement questionnaire was then sent to these local providers and their responses helped form the structure of the framework.</li> </ul>
<p>3.10</p>	<p>Following the engagement, the following structure was established for the framework:</p> <ul style="list-style-type: none"> <li>• Four “lots” created <ol style="list-style-type: none"> <li>1. Care Sector Academies</li> <li>2. Customer Service Academies</li> <li>3. Practical/Vocational Sectors Academies</li> <li>4. Office-based Academies</li> </ol> </li> <li>• Establishment of one preferred supplier for each “lot”</li> <li>• No supplier can be awarded more than two of the four lots.</li> </ul>
<p>3.11</p>	<p>Given the commitment to support inclusive growth in our approach to programme delivery, we took a number of decisions to support access by local companies, social enterprises and not for profit organisations. These included:</p> <ul style="list-style-type: none"> <li>• removing any reference to a ‘financial assessment’, including any requirement for a minimum turnover threshold by the delivery agent</li> <li>• removing any specific stipulations around the need to have experience in a certain volume of delivery</li> </ul>

	<ul style="list-style-type: none"> <li>• reinforcing our commitment to target those inclusive growth cohorts (as identified in the Inclusive Growth Framework) – including a requirement for the delivery agent to have knowledge of local employers and community conduits to access local employment opportunities and participants, in an environment where mobility is often a challenge</li> <li>• while we have pulled together a number of sectors under each of the lots, we have only asked that applicants demonstrate experience of delivery in half of the sectors – recognising that some providers will need time after award to begin working in sectors that are new to them or bring in partners who have experience within those areas.</li> </ul>
3.12	<p>These tenders were issued in late November, with a closing date of 15th January 2021. Responses are currently being assessed and, given that many of the existing contracts have expired, there is a risk that the ability of the council to respond to the economic recovery challenges in the field of employability support will be significantly inhibited if we are not able to have providers in place for February 2021. There is also a risk of significant reputational damage with bidders if we are not able to proceed with the process as initially proposed, given that we have been involved in pre-market engagement discussions for more than six months.</p>
3.13	<p>The tenders issued in November 2020 represent just one tier of a two tier approach. The second tier involves the establishment of a “Dynamic Purchasing System”. This will go live in April 2021. The Dynamic Purchasing System is a structure that remains open to new bidders throughout the entire lifetime of the procurement framework. The intention of having this system is to allow the council to respond to opportunities arising in a flexible way:</p> <ul style="list-style-type: none"> <li>• where the Preferred Supplier does not have capacity to deliver</li> <li>• where there is a specialist need identified, for example provision of an Employment Academy to meet the needs of a specific target group such as those with low level of vocationally-specific English</li> <li>• for the delivery of wider Employability &amp; Skills interventions around issues that emerge and where gaps exist within existing provision.</li> </ul>
3.14	<p>The DPS will provide opportunities, in particular, for those working in niche areas or providing specialist input. The system also enables us to issue these opportunities in a totally transparent manner, making the opportunity available to all potential bidders on a merit-based approach. Finally, given that the DPS remains open for new companies to join at any stage</p>

	<p>during the lifespan of this programme, it means that new start and early stage companies don't become "locked out" of the opportunity to join at any point over the next four years.</p> <p><b><u>Financial and Resource Implications</u></b></p> <p>3.15 Officers have been working on the basis of an indicative allocation of up to £500k per financial year across the four lots. This has been factored into the Employability and Skills budgets, as part of the estimates process. We have named a number of other councils on the procurement exercise but they will be responsible for their own budget allocations and will only be able to access the contract where there is delivery capacity within the appointed contractor.</p> <p><b><u>Equality implications/Rural Needs Analysis</u></b></p> <p>3.16 The Employment Academies are predominantly focused on those furthest from the labour market. With support from QUB's GIS insights team, we are able to track the impact on local areas and enhance the effectiveness of programme delivery in targeting specific groups.</p>
4.0	<b>Documents Attached</b>
	None