

## Cambridgeshire Skills 2024 Procurement

To: Communities, Social Mobility and Inclusion Committee

Meeting Date: 11 January 2024

From: Executive Director: Strategy and Partnerships, Sue Grace

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2024/009

Executive Summary: This report outlines the recommendations for the Committee to agree to the procurement of providers to deliver adult skills on behalf of the Council.

The Committee is asked to consider the proposal to engage providers on a Pseudo Dynamic Purchasing System, with contracts starting from August 2024.

The predicted outcome if that procurement will begin once proposals are agreed by the Committee, with a view to a framework being in place by August 2024.

Recommendation: The Committee is recommended to:

- a) Agree to Cambridgeshire Skills running a procurement to engage providers on a Pseudo Dynamic Purchasing System;
- b) Delegate authority to award and execute contracts for the provision of Adult Education starting on 1 August 2024 to the Executive Director of Strategy and Partnerships, in consultation with the Chair and Vice-Chair of the Communities, Social Mobility and Inclusion Committee.
- c) Delegate authority to agree extension periods to the Executive Director of Strategy and Partnerships, in consultation with the Chair and Vice-Chair of the Communities, Social Mobility and Inclusion Committee, when deciding which providers meet the criteria to join the Pseudo Dynamic Purchasing System.

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# 1. Creating a greener, fairer and more caring Cambridgeshire

- 1.1 By using a Pseudo Dynamic Purchasing System (PDPS) to identify learning providers that can offer high quality adult education that targets those learners most in need will enhance the local availability of courses, with more agreed outputs being delivered. Additionally, a call off can be carried out if a learning provider were to close at short notice and a new provider is required urgently to prevent a gap in the delivery of adult education. A full explanation of how the PDPS operates is attached at Appendix 1.
- 1.2 This procurement exercise will seek providers who are able to deliver provision in local communities, thereby making it more accessible for residents of Cambridgeshire (Ambition 2 of the Council).
- 1.3 Officers will work towards the Council's Ambition 3 by seeking providers who deliver courses that will support improvements in residents' health and wellbeing. Courses will be commissioned that provide residents with the essential skills that enable them to access information and activities that improve their health.
- 1.4 The majority of courses that will be sought for procurement will be targeted to those that are unemployed or in low skilled work, with the specific aim of helping them gain employment or secure promotions, so they are helped out of poverty (Ambition 5 of the Council).
- 1.5 Officers will work with providers to achieve the Council's Ambition 7 by targeting parents and carers with courses to help them support their children's education, so families have the opportunity to thrive and fulfil their potential.

## 2. Background

- 2.1 The Council's adult skills service, Cambridgeshire Skills (the service), has contracted a number of providers with funds awarded by the Cambridgeshire and Peterborough Combined Authority (CPCA) and the Education and Skills Funding Agency (ESFA) for the delivery of adult and community learning. The current contracts with providers close at the end of this academic year on 31 July 2024.
- 2.2 Over the current two-year contract cycle (2022/23 and 2023/24 academic years), the council contracted twelve providers and operated within the 25% limit on the amount of CPCA funds that can be sub-contracted (£638k per year at current funding levels). The service has been allocated the following funding for the next academic year and what would be the first year of the new arrangements:

Funding stream	2024/25
CPCA Adult Education Budget	£2,000,000
CPCA Free Courses for Jobs	£200,000
CPCA Multiply	£200,000
ESFA AEB	£154,155
Total	£2,554,155

- 2.3 This report seeks approval to continue these arrangements, but in order to add more flexibility and responsiveness to these arrangements, to adopt a PDPS for four years, with six-monthly windows where additional new providers can apply to join the PDPS, instead of going through a one-off procurement process and issuing of a two-year contract. An Equalities Impact Assessment will be completed as part of the procurement process.
- 2.4 All contracts issued under the PDPS would be for an initial 12-month term, with the ability to extend if terms are met and funding secured

### 3. Main Issues

- 3.1 The Council will work with its contracted providers to optimise the impact and effectiveness of adult and community learning within Cambridgeshire.
- 3.2 Using the Contract Procedure Rules and the Cambridgeshire County Procurement Guide to implement PDPS, officers will undertake fair and transparent procurement activities, conduct robust due diligence procedures on potential subcontractors to ensure compliance with the guide at all levels and to ensure the highest quality of learning delivery is made available, demonstrating value for money and a positive impact on communities and learners' lives.
- 3.3 Cambridgeshire Skills complies with the ESFA/CPCA Subcontracting Standard, and any subcontracted provider must comply with the ESFA/CPCA's specific Funding Rules. Only providers that are able to satisfy these requirements and which have passed due diligence will be accepted on to the PDPS.
- 3.4 The funding that is retained by the Council will be relative to the costs of the services provided, as outlined in its Fees and Charges Policy. Where disputes with subcontracted partners cannot be resolved through mutually agreed internal resolution procedures, the Council will submit to independent outside arbitration or mediation and abide by its findings.

#### Rationale for Contracting and provision required

- 3.5 The Council delivers its adult and community learning provision in partnership with a range of subcontracted providers across Cambridgeshire to better meet local, national, and Council priorities for learning and skills. Contracting enables the Council to be more responsive to local need and work with organisations which can engage with learners who are furthest away from the labour market and/or have the fewest skills.
- 3.6 The reasons for this include:
- Improved access to learning in rural land deprived locations across Cambridgeshire, with a focus on those areas with greatest need.
  - Improved provision that supports individuals and communities that experience higher levels of unemployment/poverty to find work and/or better paid work.
  - Learners with specific needs are better supported as the service works in partnership with organisations that have the expertise to support their specific client groups' needs.
  - Improved value for money, as partnership organisations often supply the learning

- venue for free and provide additional support staff.
- Support community and voluntary organisations to develop their capacity and capability to meet the needs of learners.
- Respond quickly to learner or community needs.

- 3.7 Providers will be asked to demonstrate how they are able to deliver high quality learning that support those in identified need with specific and targeted qualifications and/or meet one of the Department for Education's seven purposes for Community Learning:
1. Engaging and/or building confidence
  2. Preparation for further learning
  3. Preparation for employment
  4. Improving essential skills (English, including English for Speakers of Other Languages, maths and digital provision)
  5. Equipping parents/carers to support children's learning
  6. Health and well-being
  7. Developing stronger communities

## Quality Assurance

- 3.8 The service will remain responsible for the quality of the provision. The quality is monitored and managed by Cambridgeshire Skills through existing quality assurance management processes and frameworks, and is subject to Ofsted inspection. Subcontractors will have to meet the Council's quality assurance standards.
- 3.9 Market engagement will take place with existing subcontracting partners, Cambridge Council for Voluntary Service, Hunts Forum, the CPCA's provider network, and open information events which will be advertised locally.

## Procurement Timeline

- 3.10 Meetings have already taken place with the Procurement team to discuss the content of this paper:
- (i) October 2023 - Cambridgeshire Skills Advisory Board supported a new tendering process being requested.
  - (ii) January 2024 – request made to the Communities, Social Mobility and Inclusion Committee for approval to proceed with procurement.
- 3.11 If the Committee approves the procurement, the following process will be followed:
- (i) January 2024 - Produce tendering documents with the Council's Procurement team.
  - (ii) February 2024 – Issue tender and invite bids.
  - (iii) May 2024 – Review and evaluate bids.
  - (iv) May 2024 – Award contracts, subject to due diligence.
  - (v) June/July 2024 – On board providers.
  - (vi) August 2024 – Contracts commence.

## 4. Alternative Options Considered

- 4.1 The Council could consider moving away from contracting and look to deliver all provision in house. This would require the service to undertake recruitment, as it does not have the

capacity to deliver an additional 25% of provision which is currently delivered by subcontractors. There is a national shortage of post-16 teachers, and the service might not be able to recruit the number required to deliver the whole contract.

- 4.2 Current contracted providers are made up of local organisations including charities and community interest companies. Removing this option may affect their financial viability, potentially destabilising the organisations moving forward.
- 4.3 If it is decided not to continue with the subcontracting model, there would be a significant risk that the Council would not be able to meet the requirements of its contract with the CPCA and ESFA, and potentially face financial clawback.
- 4.4 The CPCA funding rules prohibit the Council from subcontracting more than 25%, so increasing the amount of the funding that is put out to tender is not an option.

## 5. Conclusion and reasons for recommendations

- 5.1 Contracting to new and existing delivery partners through a PDPS would ensure that the residents of Cambridgeshire with the greatest need will have access to learning, and therefore it is recommended that permission is given to proceed as outlined above.

## 6. Significant Implications

### 6.1 Finance Implications

Subcontracting 25% of funding (approximately £638K per year) has been fully budgeted and accounted for in the current financial envelope.

### 6.2 Legal Implications

If agreed, new contracts would be required to be drawn up by Pathfinder Legal.

### 6.3 Risk Implications

Risks relating to subcontractors failing to deliver are mitigated within the Delivery Contingency Plan (Subcontractors) detailed in Appendix 2.

### 6.4 Equality and Diversity Implications

N/A

### 6.5 Climate Change and Environment Implications (Key decisions only)

As part of the due diligence and the application process, providers are required to submit their Environment and Sustainability Policies for review to ensure they meet the Council's requirements. Source Documents

## 7. Source Documents

### 7.1 [Cambridgeshire Skills Supply Chain Fees and Charges Policy 2023 – 2024](#)