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South Lakeland District Council

Delegated Executive Decisions

Thursday, 26 August 2021

Procurement Exemption Requests and Contract award Kendal College and Ginger Dog OD Ltd

Portfolio: Cllr Dixon Customer and Commercial Services
Decision Maker: Director of Strategy, Innovation and Resources
Report Author: Dawn Bradley – Organisational Development Specialist
Wards: (All Wards);
Forward Plan: Not applicable

Links to Council Plan Priorities:

Working across boundaries – N/A

Delivering a balanced community – N/A

A fairer South Lakeland – N/A

Addressing the climate emergency – N/A

1.0 Expected Outcome

1.1 To agree two exemptions and Direct Award's relating to Kendal College and Ginger Dog OD Ltd.

2.0 Proposed Decision

2.1 **It is recommended that the Director of Strategy, Innovation and Resources:-**

(1) Approves the exemptions for Kendal College and Ginger Dog Ltd and contracts awards. Delegates the terms and signing of the contracts to the Lead Specialist Legal Governance and Democracy.

3.0 Background and Proposals

3.1 This report requests exemptions from the Contract Procedure Rules for two procurements where it is expedient to award contracts directly rather than awaiting the outcome of procurement exercises but where the value and nature of the awards are such that a transparent decision making process is desirable.

Apprentices – Kendal College

3.2 Apprenticeships are a great way to help organisations to 'grow their own' talent, providing on-the-job training with off-the-job learning in a real life paid job context. The council has an excellent track record of developing apprentices into highly skilled and successful council employees.

3.3 The Human Resources Team, with the support of the Leadership Team, has committed to maximising spending of Apprenticeship Levy funding. The council is required to pay 0.5% of the total pay bill into a levy pot (currently around £3,500 per month), which then can be spent on apprenticeship training and assessment, but not salary costs. The current levy fund is around £80,000, but funds expire after 24 months if they have not been used.

- 3.4 Apprenticeships were put on hold at SLDC in 2019 due to the requirement to focus on the Customer Connect project, but it has now been agreed that the time is right to start again and invest time in developing new recruits. It was therefore agreed that four 'early career' apprentices would be appointed across the council and they would be trained and developed using the apprenticeship levy funding route.
- 3.5 Apprenticeship Levy funding can only be used for training from approved training providers delivering approved Apprenticeship Standards, and the Standards have a fixed cost. For the four early careers apprentices, three will undertake a Level 3 Business Administration standard (£5,000 each) and the fourth will undertake a Level 3 Customer Services standard (£4,000). Further, an existing employee has been identified to also undertake a Level 3 Business Administration standard (£5,000). The total spend request is therefore £24,000.
- 3.6 A local partnership with Kendal College is being set up and it is the intention that training for the four new recruits will be delivered by Kendal College. The benefit of this is that local organisations are supported, the reputation of the council is promoted through the college and tutors are available locally to support apprentices. This is in line with the council's Procurement Strategy.
- 3.7 Kendal College is registered to deliver the standards identified and have committed to joining the YPO procurement framework, which will allow a direct award to be made. This procurement exemption has been requested as there have been some complications with Kendal College's application being delayed due to some version changes to the framework. It is likely that the arrangement will not be in place until November 2021, and this will be too late to sign up the new apprentices onto the courses.
- 3.8 This procurement exemption request is therefore to award a contract to Kendal College to provide apprenticeship standard training for £24,000 using existing funding from the Apprenticeship Levy, pending Kendal College's inclusion as a YPO training provider.

Leadership Development programme – Ginger Dog

- 3.9 An exemption is sought for team leader development – the Council has a population of 42 people managers who are not part of the senior leadership team. Many of the people were newly appointed during the Customer Connect transformation project and for many it is their first role in people management. There is therefore an identified learning need and a training requirement to develop this population in order to make the transformation a success. Ginger Dog has been identified as a supplier with a unique insight into the ambition of the leadership team, helping to shape the purpose and values, and has extensive knowledge of the strategic direction of the organisation and in turn the culture.
- 3.10 The proposed supplier, Ginger Dog will be able to replicate much of the developmental journey that the leadership team has been on with the population of team leaders to meet their training needs, and it would not be possible to find an alternative supplier who would have that insight without a significant investment of time to align their knowledge to that already held by Ginger Dog. Continuing with Ginger Dog will also ensure a consistent leadership and management approach across the organisation.
- 3.11 The programme was due to start in Autumn 2020 but was postponed due to the Covid-19 pandemic. It is now due to start in Autumn 2021. Funding the programme using the Apprentice Levy has been explored, but this option has been rejected due to the time and cost involved in delivery using this stream. The programme will therefore be funded by the Customer Connect budget.

4.0 Consultation

- 4.1 CMT and Portfolio Holder.

5.0 Alternative Options

- 5.1 Apprenticeships: other options include sourcing a different training provider who can make a direct award to, but this would involve the apprentices not having a local tutor on hand and the requirement to travel longer distances to other colleges.

5.2 Leadership development: : use of the apprenticeship levy was explored, where a relationship would be established between Ginger Dog and Kendal College, but this was rejected due to the costs involved. This was agreed by the two Directors.

6.0 Implications

Financial, Resources and Procurement

- 6.1.1 The estimated cost of the apprentice training is £24,000 in total, over 21 months. This can be accommodated within the Apprentice Levy annual budget of £39,695 for 2021/22 (which also has a further £40,000 of funds available). The cost of the training is fixed so the cost would be the same if the training were provided by an alternative supplier.
- 6.1.2 The estimated cost of the leadership development programme is £43,512 for running three cohorts due to the number of people managers in the organisation. This is included in the budget carried forward from 2020/21 to 2021/22 approved by Council in July 2021.
- 6.1.3 Under the Contract Procedure Rules, there would be delegated approval to accept these proposals if the exemption requests were included in the Procurement Schedule. The Procurement Schedule is being updated to include these requests but will not be considered by Cabinet until 1st September 2021 and approved by Council until 5th October 2021. Both these requests required approval before this date.

Human Resources

7.1 There are no Human Resources implications.

Legal

7.2.1 The Contract Procedure Rules give a number of circumstances under which an exemption from the standard procurement processes can be considered:

Exemptions

- 3.1 Nothing in these Rules shall require written quotations or tenders to be invited if:-
- (a) the total estimated value is less than £10,000 although obtaining quotes to ensure best value is encouraged. Where quotations have been sought they should be retained in a format agreed by the Procurement and Contracts Manager; or
 - (b) the goods, services or works are proprietary or of such a specialised nature that they can only be obtained from one particular supplier; or are sold only at a fixed price and no reasonably satisfactory alternative is available; or
 - (c) the prices of the goods or materials are wholly controlled by trade organisations or Government Order and no reasonably satisfactory alternative is available; or
 - (d) a purchase is to be made at a public auction, provided that the person bidding is satisfied that the cost of the purchase is reasonable compared to the cost of alternative methods of purchase; or
 - (e) the purchase is through an alternative contract or Framework Agreement available to the Council and which has been put together as a result of a lawfully tendered competition; or
 - (f) the contract is with professional persons for the provision of services where the personal skill of those persons is of primary importance; or
 - (g) for other reasons certified by the relevant Director there would be no genuine competition; or
 - (h) the contract is for the execution of work, the supply of goods, or services certified by the relevant Director as being required so urgently as not to permit the invitation of quotations or tenders; or
 - (i) the works to be executed or the goods, works or services fall within the scope of the existing contract; an extension of an existing contract as stated in the initial contract agreement; or

- (j) the works to be executed or the goods, works or services fall within the scope of an existing contract where there is a genuinely justifiable case to use the existing contract to maintain continuity of supply. Extensions will not be considered where to do so would breach EU Procurement legislation.

The Procurement Specialists and the Chief Finance Officer must be consulted before an exemption is agreed by the relevant Director under clauses (b) to (j). These exemptions will be included in the Procurement Schedule or, if issued under clauses (b) to (j), will be reported by the relevant Director as part of the Corporate Financial Monitoring process.

7.2.2 Apprentices: an exemption is requested under clause (b) the goods, services or works are proprietary or of such a specialised nature that they can only be obtained from one particular supplier; or are sold only at a fixed price and no reasonably satisfactory alternative is available. The rationale for this is the close proximity of the provider in geographical location and the staff engaging on the apprenticeships are also local.

7.2.2 Leadership Development Programme: an exemption is requests under clause (f) the contract is with professional persons for the provision of services where the personal skill of those persons is of primary importance This is a continuation of training and development for Senior Leaders and this particular training will ensure that the training is aligned with previously delivered Leadership training.

7.2.3

In accordance with paragraph 16 of the Access to Information Procedure Rules in Part 4 of the Constitution the Chairman of the Overview and Scrutiny Committee (Cllr Hughes) has agreed that the taking of the decision was urgent and could not reasonably be deferred because of the timescales required to protect the public interest and due to the reasons provided.

In accordance with paragraph 16(j) of the Constitution The Chairman of the Council (Cllr Coleman) has exercised powers that the call-in procedure should not apply this being an urgent decision and any delay likely to be caused by the call-in process would, for seriously prejudice the Council's and/ or the public's interests.

The reasons for urgency are the commencement of the term and the need to deliver the management training.

Health, Social, Economic and Environmental

7.3 Have you completed a Health, Social, Economic and Environmental Impact Assessment?

7.4 If you have not completed an Impact Assessment, please explain your reasons: This is not considered to be applicable.

Equality and Diversity

7.5 Have you completed an Equality Impact Analysis? No

7.6 If you have not completed an Impact Assessment, please explain your reasons: It is not considered applicable.

Risk

Risk	Consequence	Controls required
Apprenticeships will not commence and they will lose the opportunities for training and experience.	The apprenticeships will not commence the apprenticeships.	The DED and the appropriate waivers for urgency are in place.

Contact Officers

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Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	25/08/2021	25/08/2021
Section 151 Officer	25/08/2021	25/08/2021
Monitoring Officer	25/08/2021	25/08/2021
CMT	26/08/2021	26/08/2021

Circulated to	Date sent
Lead Specialist	25/08/2021
Human Resources Lead Specialist	25/08/2021
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

Note – Report authors must consult the relevant Portfolio Holder, members of the Corporate Management Team, the Monitoring Officer, and any other interested parties before a decision can be taken. If any objections are received, they must be reported at the meeting before the decision is taken.

Signed by:-	Title:-

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