

Contracts & Commissioning Board (CCB)

Contract Variation Report

Date of meeting	
By	Wumi Alejo, Category Manager, Procurement on behalf of Grace Addy, Head of Learning and Organisational Development
Title	Managed Service Training Provider (Premier Partnership Ltd)
Project Sponsor	Sue Moorman, Director of Human Resources
Lead Member	Councillor Carlton Young, Resources and Financial Governance
Key Decision	N/A

1. Recommendations

The Leader of the Council has delegated to the Cabinet Member for Resources and Financial Governance the power to make the decisions set out in the recommendations below:

RECOMMENDATIONS

1.1 The Cabinet Member for Resources and Financial Governance and in consultation with the Leader is recommended to approve, pursuant to Regulation 30 of the Tenders and Contracts Regulations, the extension via variation of the contract with Premier Partnership Ltd for the provision of Manages Training Services, for a further period of 1 year from 01/08/2021 to 31/07/2022 resulting in a further increase to the contract value by £200,000 (£700,000 in aggregate).

2. Background & strategic context

- 1.1 An award report was approved in April 2016, REF CCB1123/16-17, to appoint Premier Partnership LTD under a call off following mini competition from Framework [ESPO Framework 383)for a term of 2 years to provide managed training services to the Council for a value of up to £500K. In 2019 an extension to the contract was approved to extend the contract for 2 years until the 31/07/2021.
- 1.2 This request is to extend the contract for a further 1 year from August 2021, as an interim measure, to allow time for a more flexible approach to learning and development procurement and to support the wider review and design of a learning and development procurement framework for the Council, under the scope of the Council's Cultural Transformation priorities and Workforce Strategy.

3. Financial implications

L&D budgets have now been centralised and approval for L&D spend will now be approved through an L&D Board which will be chaired by a senior manager at a director level from one of the directorates and this role will be rotated quarterly. Additional members of the board will include a senior representative from all directorates, director of HR, Head of Learning & organisational development. The L&OD Board should be operational by the end of April 2021.

This extension meets the following essential spend criteria to enable essential training to be delivered to support statutory services and meet statutory obligations

- **expenditure required to deliver the councils statutory services at a minimum possible level**
- **urgent expenditure to safeguard vulnerable residents**

Any one requiring training spend must now provide a business case on a template providing justification pursuant to the following categories to the Board:

- Statutory/essential spend
- Directly facilitates achievement of the Croydon renewal plan i.e. budget management training
- Required to achieve competence to fulfil role
- Legally bound and cannot be exempted

All seeking funding from the centralised pot must also ensure they have explored and are planning to utilise the appropriate procurement processes of which firstly considering our MSP route.

Details	Internal Capital	Revenue	Period funding of	External		Period of funding
				Capital	Revenue	
Spend to date (2016-2021)		£350,000.00 (£500,000.00 original contract value)	5 years (Aug 2016 – Jul 2021)			
2021/22 Budget estimate		£350,000	1 year (Aug 21 – July 22)			
Impact of 1 year variation on the original contract value (Aug 21 – Jul 22)		£200,000.00				
Total contract value (including the variation)		£700,000.00				

4. Supporting information

4.1 Proposed extension value & term value of the original award

Current spend to date through the contract with Premier Partnership Ltd is £348,559.60 and budget for 2021/22 is at £350,000.00. The extension that took place in 2019 was an extension of time only and did not affect the original contract value of £500,000. This will result in a further increase of £200,000.00 under this recommendation to maximum contract value of £700,000.00.

Expenditure is not committed through this contract and requirements are to be called off under this contract where budget exists, thus any reduction or change to budget will not commit the Council to expenditure through the remainder term of this contract.

4.2 PCR analysis and risk of challenge

The Public Contracts Regulations 2015 (PCR) sets out circumstances in which a contract may be modified without the need for re-procurement. The value of the extension does not exceed 50% of the original award value and furthermore due to the combined impact of Covid-19 and S114 affecting resources required to undertake a full commissioning review, it is not a viable option to re-procure at this time. The extension will give sufficient time for project teams to be formed across the Council to feed into the design of the new training delivery model and procurement strategy in alignment with changes to the Council's training arrangements and priorities within the Croydon Renewal Plan. Therefore the variation is considered to meet the requirements Regulation 72 1 (c) PCR which states:

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement

The risk of procurement challenge is expected to be low.

4.3 Options Considered:

The future commissioning strategy for training to meet requirements across Learning and Development, Apprenticeships, Economic Growth and Employability and Skills is to be taken forward in FY 2021/22 to establish a procurement strategy and most suitable route to market. As a result of this wider corporate intention, the recommendation to extend the existing contract is deemed the most suitable option.

4.4 Why re-procurement is not recommended / not possible now

The re-procurement intention is to streamline all requirements across the Council through a compliant procurement route. Due to current restructuring across Services, it is not viable to take forward a full commissioning review at this time, due to changes to internal structures and available resources to input into the review.

4.5 Risks

Performance Risk

Feedback from Service Users across the Council relate to the performance and standard of Premier Trainings sub-contractors, which has been regarded as poor. To mitigate this risk, work can be taken forward with Premier Training to improve the selection and evaluation of suitable sub-contractors.

Risk of challenge

The risk of challenge is deemed low, as the variation is compliant with PCR regulation 72 (c) Modification of contracts during their term;

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

4.6 The contractual impact / consequences of proposed variation and whether contractor agreed in principle

The intention is discuss saving opportunities with Premier Training Ltd in negotiation to extend the contract.

4.7 The future commissioning plan and timescales

The commission review of training requirements across Learning and Development, Economic Growth and Employment and Skills will commence in Q2 of 2021/22. The route to market will depend on the chosen delivery model following this review with the intention to award a new contract(s) by Q1 2022/23.

5. Conclusion and reasons for recommendations

The extension by variation of the current contract with Premier Partnership Ltd is to ensure there is provision in place to support the corporate learning and development strategy and cultural transformation priorities, to ensure there is sufficient provision to provide essential training to staff across the Council.

The current contract has not been utilised to the maximum potential, as training has historically been managed by budget holders and procured through several routes. Extending this contract, will support the centralisation of essential training requirements under a single contract. To mitigate risk associated with standard and quality of training delivered through Premier's sub-contracting network, work will be undertaken with Premier Training to ensure that sub-contracted provision meets the standards of the council.

The long term strategy is to streamline requirements across the Council and explore a single route to market that will meet the different training requirements. This commissioning review is planned to commence in Q2 of 2021/22.

6. Outcome and approvals

CCB outcome	Date agreed	
	Finance	22/04/2021
	Legal	14/4/2021
	Lead Member <i>(for values over £500k, +25% contract value or +£1m)</i>	N/A
	CCB	CCB1683/21-22

7. Comments of the Council Solicitor

There are no additional legal considerations directly arising from this report

Approved by Sonia Likhari on behalf of the Director of Law and Governance

8. Chief Finance Officer comments on the financial implications

There is sufficient budget availability for the provision of the training contract by this provider for 2021/22. However, any subsequent savings in future years agreed as part of the MTFS programme may impact on the centralised training budget to deliver mandatory training to staff. The inherent risk of the contractor to deliver a satisfactory training programme would need to be mitigated by ensuring the training providers subcontracted to provide the training to LBC is vetted by the contractor thoroughly and its track record to deliver a high standard of training is without dispute.

Approved by Geetha Blood, Interim Head of Finance, Place and Resources