

SELEP Revenue Skills COVID-19 Recovery Programme

Forward Plan reference number: FP/AB/299

Report title: SELEP Revenue Skills COVID-19 Recovery Programme	
Report to Accountability Board on 18th September	
Report author: Louise Aitken	
Date: 25th August 2020	For: Decision
Enquiries to: louise.aitken@southeastlep.com	
SELEP Partner Authority affected: East Sussex/ Essex/ Kent / Medway, Southend / Thurrock	

1. Purpose of report

- 1.1 The purpose of this report is to allow the Accountability Board (the Board) to agree to award £2m to the revenue Skills COVID-19 Recovery Programme (the Programme) and to delegate decision making authority to the SELEP Chief Executive Officer in respect of delivery of the Programme.

2. Recommendations

- 2.1 The Board is asked to:

- 2.1.1 **Agree** the award of £2m to the Programme, based on the case for investment set out in section 4;
- 2.1.2 **Agree** the proposed procurement approach for the delivery of £1,545,000 through a new training framework which can be divided into separate Lots
- 2.1.3 **Agree** to procure for the delivery of £375,000 Consultancy Services (covering innovative approaches to skills barriers) with authority delegated to SELEP Chief Executive Officer to determine the procurement route
- 2.1.4 **Agree** to £80,000 of the £2 million funding pot to be used for Project management, legal, procurement and contingency costs
- 2.1.5 **Agree** to delegate authority to the SELEP Chief Executive Officer, to sign off the award of grant funding and/or contracts, for the specific interventions included in the Programme; and
- 2.1.6 **Agree** to delegated authority to the SELEP Chief Executive Officer to amend the value of funding identified to each project by up to £100K, if so required, subject to:

- 2.1.6.1.1 The total value of investment remains within the total £2m budget allocated to the Programme;
- 2.1.6.1.2 minimum project benefits, set out in Table 1, still being achieved; and
- 2.1.6.1.3 Ensuring the maximum value of any of the projects included in the programme does not exceed £1m.

2.1.7 **Note** that the procurement of the projects included within the Programme will be completed in accordance with Essex County Council procurement advice and regulations.

3. Background

3.1 At the SELEP Strategic Board meeting in June 2020, SELEP Ltd agreed to repurpose £2million of Growing Places Fund to create a new Skills COVID-19 Recovery Fund Programme. The Programme is intended to provide support to the skills and employment landscape which has been significantly impacted by COVID-19.

3.2 On 4th September, SELEP Ltd agreed the focus, process and criteria for the Programme. The Programme includes the delivery of the following four projects:

- 3.2.1 Pathway to jobs in SELEP growth sectors;
- 3.2.2 Maximising jobs arising through the digital revolution;
- 3.2.3 Digital Skills for all – kit and training; and
- 3.2.4 Innovative solutions to skills barriers.

3.3 Further details about the Programme are set out in Appendix A.

4. Case for Investment

4.1 In the SELEP geography, as of July 2020, there are 160,000 people claiming out of work benefits compared to 63,785 in the same period last year. This represents a significant cost in terms of out of work benefits but also in lost productivity. Assisting individuals into jobs will support economic recovery and reduce public expenditure.

4.2 The standard Universal Credit Allowance is £342.72 per month for a single person under 25, or £409.89 for a single person aged 25 and over. Some individuals are eligible for extra amounts, for example if they have children. Therefore, considering the 160,000 current claimants and age differentials outlined in section 4.1, this is a public cost of at least £63 million per month for the SELEP area.

- 4.3 The delivery of the Programme is intended to reduce the number of claimants, through the four projects, increasing access to employment opportunities. The average work based weekly salary for the SELEP area is £571.10, or £2,475 per month. This roughly five times higher than current out of work benefits, clearly illustrating the economic case. Additionally, this would represent a contribution rather than deficit to the economy.
- 4.4 The economic value of the benefits for each of the specific projects included in the Programme have not been quantified, to enable a Benefit Cost Ratio to be calculated. However, based on the minimum benefits detailed for each project listed in Table 1, it is expected that the Programme will deliver value for money.
- 4.5 In direct benefits, the Programme will support a minimum of 400 people into work. It will also enable the purchase of 750 devices to support people into work or training. At least 1,000 people will receive basic digital training. Over 1,000 people will be supported through additional services commissioned such as online learning and virtual work experience.
- 4.6 The specific activities and minimum expected benefits per project intervention are set out in Table 1 below. Note that £80,000 is proposed for Project management and contingency as outlined in 6.1.

Table 1 Specific projects included in the Programme

Project	Funding allocation	Activities	Minimum benefits
Following categories to be included within first £1,545,000 framework			
Pathway to jobs in growth sectors	£945,000	<p>Training aligned to growth recruiting sectors (construction, care, health, engineering logistics, rural economy to get recently unemployed / redundant individuals into jobs. With an ability to adapt if government sector support funding is launched.</p> <p>To be targeted in areas of need (e.g. coastal)</p> <p>To include wrap around support for the individual</p>	<p>Up to 3 Lots to focus on different sectors</p> <p>Minimum of 300 people supported into jobs</p>

Maximising jobs arising through the digital revolution	£300,000	Training for digital roles in any sector and for jobs such as coding, software development, web design and video production	Minimum of 100 people supported into jobs
Digital Skills for all – kit and training	£300,000	Supporting individuals with kit and basic digital skills where this is a barrier to work or training	Minimum of 1,000 people to receive basic training Minimum of 750 people supported with kit and connectivity
Following categories to be included in second £375,000 framework.			
Innovative solutions to skills barriers	£375,000	Examples of potential programmes: <ul style="list-style-type: none"> • Online learning solutions for growth sectors • Virtual training and work experience • Supporting employers to access quality training provision and navigate the skills landscape 	Minimum of 1000 people supported through activities commissioned

- 4.7 In addition to the direct benefits of the Programme, the indirect benefits include raising awareness of key sectors recruiting, enabling greater access to existing online learning, leveraging additional funding where possible and illustrating SELEP's ability to commission effective local programmes.

5. Procurement and management of the Programme

- 5.1 Based on the options presented by the Procurement team of the Accountable Body, as outlined in Appendix 1, it is proposed to split the Programme into two

frameworks with different categories (Lots) to cover the core subject matters [as described in section 4.6]. Establishing a framework will enable the Programme to be delivered effectively. The criteria for all procurements are recommended as follows and will be incorporated into specifications:

Table 2 – Eligibility Criteria

Eligibility Criteria	Notes
Scope must be pan-LEP	Projects must demonstrate impact in all federated areas and proportionate benefits
Programmes must respond to COVID-19	Projects must demonstrate a response to COVID-19 challenges and the short- and medium-term impact of these
Projects must illustrate understanding of the local skills landscape and economy	In order to ensure effectiveness, projects should illustrate clear understanding of the local skills landscape and economy including existing work with and support from local employers for the proposed approach.
Projects must not duplicate existing or forthcoming local and national programmes	In order to ensure maximum impact and value, projects should not duplicate existing programmes and should illustrate a good knowledge of the existing offer. Programmes should address gaps, such as industry qualifications.
Projects are not required to provide match but should illustrate added value	Match will not be a requirement given that this can often be a barrier to funding. However, projects should outline where they can bring added or increased value, whether financial or in-kind.
Projects should deliver against SELEP's objective to build an inclusive economy	Projects will be asked to outline how they will support specific cohorts and increase diversity as well as addressing issues such as digital exclusion.
Funding will be to support revenue spending only	Capital bids will not be accepted (with the exception of the purchase of kit to address digital exclusion).
Programmes should deliver within one-year of funding award	Projects will be asked to demonstrate an ability to mobilise efficiently and effectively in order to address challenges at speed.

- 5.2 There will be general principles for all procurements which will include a SELEP wide approach, evidence of local employer support and collaboration and a good understanding of the local landscape in terms of the labour market, SELEP Economic Strategy Statement and also existing programmes. Provision should not duplicate national mainstream or local funding but should cover gaps (e.g. industry qualifications). Support to specific cohorts will be included, for example to address issues such as gender and ethnic diversity in certain sectors and support for particular age cohorts.

- 5.3 There will be two frameworks for these procurements and continued consultation will take place with relevant government departments and local partners to ensure no duplication.
- 5.4 Procurements will be drawn up in consultation with the SELEP Skills Advisory Panel, Skills Working Group and Digital Skills Partnership. To ensure no conflicts of interest, the SELEP Secretariat with Accountable Body support will make final decisions on the content.
- 5.5 Evaluation Panels will be formed in accordance with the set criteria in the procurement Lots to provide input to the evaluation of bids with SELEP Secretariat members and including local authority representation and representatives from key stakeholders such as the Skills Advisory Panel and Digital Skills Partnership, where there are no conflicts of interest. Evaluations will be in accordance with the procurement rules.
- 5.6 The Board is asked to agree that following the Evaluation Panel recommendations, final sign off to award the contracts should be delegated to the SELEP's Chief Executive Officer.
- 5.7 Based on the market interest in delivering the specific projects included in the overall Programme, it may be necessary to amend the specific amount of funding invested in each of the Projects. The Board is therefore asked to agree delegated authority to the SELEP Chief Executive Officer to amend the value of funding identified to each project by up to £100K, if so required, whilst ensuring the total value of investment remains within the total £2m budget allocated to the Programme and the minimum project benefits are still achieved.

6. Programme Management

- 6.1 A project management cost has been incorporated to ensure regular and effective reporting and monitoring of projects against targets and outcomes, as per the table 3 below. This will be shared with the SELEP £2.4 million Business Support COVID-19 Recovery Fund. This will enable the appointment of a one-year contract for a Project Manager to oversee the projects and ensure join up and alignment with the Business Support Fund. It also allows for legal and procurement costs incurred through the programme and a contingency as match for related government funding.

Table 3 – Programme Management

Project Management / contingency - £80,000	<p>A shared project manager post with the Business Support COVID-19 Recovery Fund (£35,000). To cover legal and procurement costs also.</p> <p>An additional £45,000 as contingency for attracting additional government</p>
--	--

	funding by utilising as match – e.g. the Digital Skills Partnership work with the Department for Digital, Culture, Media and Sport.
--	---

- 6.2 Monitoring will include regular reports on project outputs and progress to the Skills Advisory Panel, Digital Skills Partnership and main LEP Board. Reports will also be required to capture learning, case studies and best practice for the benefit of future programmes and to help make the case for further government investment. Reporting will also cover any challenges or risks to delivery.

7. Risks

- 7.1 The main Programme risks are set out in Table 3 below.

Table 3 – Programme Risks

Risk	Mitigation
A delay with the procurement process meaning that programmes are not up and running in October	Work is underway with Essex County Council's procurement team to prepare paperwork and ensure that procurement can commence in October. Due to the level of demand, slight slippage in the timetable would not be problematic to programme delivery.
Insufficient or poor applications for funding	SELEP has highlighted the £2million Skills pot overall since it was agreed in June 2020 and therefore there is good awareness of the opportunities and likely focus. This will help to ensure a good number and quality of bids. Further rounds of procurement would be possible if there are no successful applications.
Non delivery against targets and outputs	Payments will be staged to ensure delivery takes place and to reduce the risk to funding
Failure to appoint a project manager to oversee programme	Recruitment processes will be commenced as soon as possible. Preliminary monitoring can be carried out by the SELEP Secretariat in the event a Project Manager isn't in post.
Duplication of focus with government funding	There has been ongoing consultation with government departments to avoid any duplication of approach. Given the scale of need, this is a minimal risk.

8. Financial Implications (Accountable Body Comments)

- 8.1 In July 2020 the Board agreed to repurpose GPF to support the Covid-19 recovery through the establishment of a number of measures including the implementation of a Skills fund £2m.
- 8.2 The Accountable Body is currently holding the funding to support this scheme.
- 8.3 Value for money will need to be a key consideration through the establishment of the frameworks, alongside the other criteria in Table 2. The Accountable Body will support in ensuring this process if followed in accordance with the Procurement Regulations.
- 8.4 As this fund has been implemented in exceptional circumstances, the Assurance Framework has been updated to reflect the management of this programme. This amendment to the Assurance Framework is subject to final approval by the Strategic Board (see agenda item X).

9. Legal Implications (Accountable Body Comments)

- 9.1 A framework agreement will allow several suppliers to be pre-approved for certain types of contracts. In addition, a framework will allow SELEP to buy quickly and flexibly from the suppliers appointed to the framework agreement.
- 9.2 Any call-off from the Framework Agreement for services will be carried out in accordance with the provisions set out in the Framework and the services will be subject to the terms and conditions set out in the Framework Agreement.

10. Staffing and other resource implications (Accountable Body Comments)

- 10.1 None at present.

11. Equality and Diversity implications (Accountable Body Comments)

- 11.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when a public sector body makes decisions it must have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 11.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

- 11.3 In the course of the development of the project business case, the delivery of the Project and their ongoing commitment to equality and diversity, the promoting local authority will ensure that any equality implications are considered as part of their decision making process and were possible identify mitigating factors where an impact against any of the protected characteristics has been identified.

12. List of Appendices

12.1. Options provided by Essex County Council Procurement (option 2 recommended as outlined

OPTION	Pros	Cons
1) Individual tenders for each requirement	<ul style="list-style-type: none"> • Ability to stagger tenders • As and when approach attractive to service providers • Training falls under Light Touch Regime so in some circumstances can dictate length of procurement process 	<ul style="list-style-type: none"> • Heavy impact on resources across the Organisation • Multiple tenders to manage and evaluate • No market leverage to obtain best value • Some elements a mix of training and consultancy where consultancy may be prime so unable to use light touch approach
<p>2) Recommended – Simplify by pulling together in new framework with categories (e.g. training and consultancy) and separate for procurement purposes, e.g. Lot 1 Digital, Lot 2, Construction, Lot 3 Logistics, Lot 4 online learning. The specification would reflect the various subject matters and delivery models</p> <p>For innovative solutions to skills barriers, SELEP will work with ECC procurement to explore whether a similar approach is suitable or whether suitable existing consultancy frameworks are available (as per option 3)</p>	<ul style="list-style-type: none"> • Simplified one stop tender process • Simplified contract management • Option to stagger call-offs • Could award to more than one supplier (e.g. different suppliers for different Lots) • Can use same framework for similar work undertaken • Can go back out for a specific Lot if not awarded first time • if existing framework, simplified efficient process 	<ul style="list-style-type: none"> • Possibility that suppliers less likely to engage with framework
3) Similar to option 2 but for consultancy Services the option will be to use an existing framework	<ul style="list-style-type: none"> • If existing framework, simplified one stop tender process reducing resource impacts 	<ul style="list-style-type: none"> • Possibility that suppliers less likely to engage where a framework is used • Third party management costs

	<ul style="list-style-type: none"> • Simplified contract management • Option to stagger call-offs • Could award to more than one supplier under each Lot • Consultancy purchasing via a simplified process 	could be prohibitive, generally a % fee imposed on the supplier
4) Sole supplier framework agreement where a third party is contracted the services from a supply chain. As with a standard framework call-offs can either be by direct award or mini-competition, with the third party carrying out this process	<ul style="list-style-type: none"> • Ability to direct award • Reduced resource impact 	<ul style="list-style-type: none"> • Loss of key supplier engagement when sourcing requirements • Higher costs due to additional management fee • Potential administrative bottlenecks • Supply chain is insufficient to meet needs
Considerations flagged by Essex County Council Procurement <ul style="list-style-type: none"> • Option 1 will have the greatest impact in terms of resources in terms of both time and staff costs • Options 2 and 3 have the lesser impact in terms of resources, ongoing contract management and delivery • Option 4 will reduce resource impact but may not be best value 		

12.2 Appendix 2. Draft procurement timeframe pending Accountability Board approval

Stages	Date
Governance	09/2020
Draft ITT Documents: ITT Evaluation Matrix, Specification of requirements, T&C's, Pricing Matrix, policies, TUPE	01/09/2020 – 28/09/2020
Final documents signed-off	30/09/2020
ITT Published	02/10/2020 – 12 noon
ITT Clarification Closing Date	16/10/2020
ITT Closing Date	30/10/2020 – 12 noon
SSQ Compliance	02/11/2020 – 10/11/2020
Finance Price Evaluation	02/11/2020 – 10/11/2020
ITT Evaluation	02/11/2020 – 10/11/2020
ITT Consensus Meeting	11 – 18/11/2020

Preferred Bidder Notification	19/11/2020
Alcatel Standstill Period (subject to call-in) – min 10 days	30/11/2020
Contract Award	01/12/2020
Contract start date	08/12/2020

12.2. List of Background Papers

As per section 3.2. the proposed focus for this funding was approved to the SELEP

Strategic Board on 4th September. The relevant Board paper is available at https://www.southeastlep.com/app/uploads/2020/08/SELEP-Strategic-Board-Agenda-Pack_Sept-2020.pdf and the meeting recording is available at <https://www.southeastlep.com/meetings/strategic-board-3/>

(Any request for any background papers listed here should be made to the person named at the front of the report who will be able to help with any enquiries)

Role	Date
Accountable Body sign off	
Peter Shakespear (On behalf of Nicole Wood)	