

Report to Cllr. Lanzer, Cabinet Member for Economy and Corporate Resources

January 2021

Extension of the Dynamic Purchasing System for Learning & Development (L&D) Service Providers

Report by Director of Human Resources & Organisational Development

Electoral divisions: N/A

Summary

The purpose of this report is to seek approval to extend the Dynamic Purchasing System (DPS) which is used to procure learning and development (L&D) provision. The DPS was given an initial period (known as the period of validity) of 4 years, commencing 1.4.2017, with the ability to extend this period at any point.

Recommendations:

That the Cabinet Member endorses:

- (1) That the current Dynamic Purchasing System for the provision of learning and development (including apprenticeships), due to expire, on 31 March 2021 is extended for a further period of 2 years to 31 March 2023 with the option to extend its validity further pending its review at the end of the two years; and that
 - (2) authority is delegated to the Director of Human Resources & Organisational Development to agree the further extension to 31 March 2025 if required. A further decision report would be published at that time.
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Proposal

1 Background and context

- 1.1 The County Council shares a Dynamic Purchasing System (DPS) for learning and development service providers with East Sussex, Brighton & Hove and Surrey County Councils. The DPS was implemented in April 2017 following key decision CR05 16-17 in September 2016, with a validity period of 4 years which ends in April 2021.
- 1.2 The County Council provides learning and development opportunities to its own staff, partners and the private, voluntary and independent (PVI) sector. This is to ensure all staff employed have the skills, knowledge and capabilities to undertake the work that is required of them to deliver valued services to the residents of West Sussex.

- 1.3 The Early Childhood Services (ECS) budget figure for 2019/20 to provide these services was £82,200 – excluding venue and other costs.
- 1.4 The Learning & Development Service (L&DS) budget figure for 2019/2020 financial year to provide these services was approximately was £470,700. An additional £3,657,500 was allocated to the Apprenticeships category during the 2019/2020 financial year using the Council's Apprenticeship Levy account with most contracts set for a 2- and 4-years period extending up to 5 years. The average annual value of the total apprenticeship spend is £731,500.
- 1.5 Training provision is provided using a blend of internal and external providers. For apprenticeships, training is provided using external providers only.
- 1.6 The DPS currently covers 7 categories of learning and development: Information Technology, Health & Safety & Wellbeing, Adult, Children, Early Years Services, Corporate & Management and Apprenticeships. Some of the training events are a statutory requirement.
- 1.7 The County Council currently has 307 suppliers on the DPS across all categories compared with 64 in September 2016.
- 1.8 The Procurement and Learning & Development team has reviewed the L&D DPS as per the 2016 Key Decision. The review found that the DPS is meeting its objectives and has revealed itself to be a valuable tool especially within the apprenticeship category which has a high volume of tenders with ever evolving requirements from the government.
- 1.9 The market for most training requirements is defined as one of monopolistic competition with a variety of large organisations, Small or Medium Enterprises (SMEs) and Independent Trainers. Spend is largely low risk, low value. The DPS allows suppliers to join at any time which increases accessibility and choice.
- 1.10 The level of competition created by the DPS indicates the process is driving some cost saving out and improving contract compliance.
- 1.11 Some measures need to be taken over the next 2 years to improve the DPS' efficiency and effectiveness. The DPS has not yet unlocked its full potential in terms of driving equality of opportunities, particularly for SMEs, diversity and in supporting social and economic value goals. This is due primarily to the lengthy documentation potential providers are required to complete.

2 Proposal details

- 2.1 The proposal is to extend the DPS for a further 2 years, continuing to offer a more dynamic and flexible engagement route to market, for the Council, with the option to extend further its validity pending a performance review.
- 2.2 The DPS continues to be made available to other permitted public bodies in accordance with the Public Contract Regulations 2015 within the geographical boundaries of East and West Sussex, Brighton & Hove and Surrey.

- 2.3 The DPS will also continue to include early year's childcare settings, including childminders, independent and maintained nursery schools, supported by the Early Childhood Services (ECS) in West Sussex.
- 2.4 Within the next two years, 2021-2023, the DPS will be reviewed and operational improvements made, which will not impact on the terms and conditions of the existing contract and, the best solution for procuring L&D moving forwards will be decided.

3 Other options considered (and reasons for not proposing)

- 3.1 Prior to the DPS, there was a Framework of Suppliers Agreement, which unlike the DPS, did not allow new suppliers to join at any time, but required the framework to be reopened at fixed points in the year. The re-opening of the Framework was cumbersome, time consuming and a highly resource intensive process and unsatisfactory to both suppliers and County Council staff.
- 3.2 The ability to allow new suppliers to bid for work, is particularly important in times of unprecedented change, as shown to date in the global pandemic, when training requirements can change at very short notice and the L&DS needs to be agile. It is not proposed to return to a Framework of Suppliers because this would:
- Restrict options and the ability to deliver a flexible L&DS which would be particularly problematic within the apprenticeship category which is a dynamic and evolving market
 - Limit competition amongst training providers
 - Limit access to new providers
 - Stifle diversity, creativity and innovation by limiting choice of suppliers
- 3.3 To do nothing is not an option because the end of the initial validity period is approaching, and, without a DPS, there would be a need to return to a process of individual competitions, which is more administratively burdensome.

4 Consultation, engagement and advice

- 4.1 External consultation has been undertaken with representatives in partner authorities of Brighton and Hove, Surrey and East Sussex Councils. They support the extension of the DPS.
- 4.2 **Internal** – subject matter experts in Legal, Finance and Procurement, CYPS (Early Years) & L&D were engaged for advice and a proposal to extend the DPS was taken to the internal Commercial Board (Legal, Procurement and Finance representatives) on 23 November for approval. The recommendation by the Commercial Board was to extend the validity period of the DPS by a further two years with the option to extend further its validity pending a performance review.
- 4.3 Proposed consultation to take place over the next two years (the review period) with external partners and DPS service users, guided by internal subject matter experts in Procurement, Legal and Finance.

4.4 Finance

The effect of the proposal:

Neither the 2016 Contract Notice nor the Contract Award Notice specify a value attached to the DPS. The DPS is a procurement tool to manage tendering with no financial implications. Each tender is managed independently.

How the cost represents good value –

- (a) The DPS is a tool to enable the tendering of L&D training provision in an agile way with pre-approved suppliers in a dynamic market. The associated costs of running the DPS are included in the cost of the WSCC's Procurement Team's Intend Licence which is currently used for all internal tendering processes across WSCC (not just L&D). There are no additional costs for the DPS.
- (b) Each mini competition for the provision of training has a competitive element.
- (c) It is expected that extending the DPS will realise several benefits including increased competition driving further opportunities for cost savings and/or cost avoidance; the continued provision of high quality and sometimes niche L&D provision; the development and delivery of L&D Strategies; the extension of WSCC's reach and its social impact on the wider West Sussex economy to meet Social Value objectives. It will also reduce inefficiencies, shifting resources towards value adding activities and enable WSCC to present itself as a Customer of Choice.

Future savings/efficiencies being delivered

Any future savings will be determined by mini competitions.

A DPS is a more efficient way of managing L&D procurement.

(d) Human Resources, IT and Assets Impact

The DPS is an IT system which links to WSCC's back office procurement systems.

There are no human resources or asset implications.

5 Risk implications and mitigations

- 5.1 The risks of reverting to the old Framework of Suppliers is covered in Section 3, Other Options Considered. Other risks are covered in the table below:

Risk	Mitigating Action
The DPS is technically supposed to be conducted fully online and therefore contracts should be executed electronically. The risk is that the DPS is	<ul style="list-style-type: none">• The likelihood of any challenge is extremely low, but there is an impact on efficiency. The mitigation strategy is that the PCR15 regs are under review following Brexit and

Risk	Mitigating Action
not 100% compliant with the PCR15 regulations.	the Council is considering the appropriate use of electronic contract.
The DPS is not GDPR compliant	<ul style="list-style-type: none"> <li data-bbox="724 367 1385 504">• The current DPS is up to date in terms of GDPR requirements having been updated by Legal Services along with other contracts across the Council.

6 Policy alignment and compliance

- 6.1 There are no legal implications as the proposal is to extend the DPS only and not change the terms and conditions of the original agreement that was made in 2017. All L&D suppliers to WSCC operate on one set of terms with each one resulting in its own contract.
- 6.2 Social value – The DPS encourages local provision of L&D and supports SMEs, charitable or community enterprises. The DPS contributes to the upskilling of the West Sussex population.

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Appendices

None

Background papers

None