

**BIRMINGHAM CITY COUNCIL**
**APPENDIX 1 - NEGOTIATED PROCEDURE REPORT**

<b>Report to:</b>	<b>Cabinet</b>
<b>Report of:</b>	<b>Sue Harrison, Executive Director Children and Families</b>
<b>Date of Decision:</b>	<b>13 February 2024</b>
<b>SUBJECT:</b>	<b>GRANT AGREEMENT FOR PROVISION OF CWGL FUNDED 'ALL-AGE JOBS &amp; SKILLS HUB IN DEPRIVED LOCALITIES WITH A MULTI SERVICE ETHOS'</b>

<b>1. Purpose and Decision(s) recommended:</b>
<p>That the Chief Officer (in accordance with Directorate Scheme of Delegation approval level) and the Assistant Director – Procurement:</p> <p>1.1 Under the Council’s Procurement and Contract Governance Rules approves the commencement of a negotiated procedure and concludes the award of contract by Sue Harrison with Witton Lodge Community Organisation for the provision of CWGL funded ‘all-age Jobs &amp; Skills Hub in deprived localities with a multi service ethos’ activity for the estimated sum of £324,167.14 over a period of 18 months, commencing 1 October 2023.</p>

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## 2. Relevant background/chronology of key events

### 2.1 Details of Requirement and Background

2.1.1 The Commonwealth Games Legacy Enhancement Fund is funded by the Department for Digital, Culture, Media, and Sport (DCMS) and is double devolved via the WMCA to Birmingham City Council, to deliver activity and enhance the legacy of the Birmingham 2022 Commonwealth Games.

The Commonwealth Games legacy activities are divided into 4 pillars:

- Economy, trade, and tourism
- Culture and heritage
- Inclusive communities; and
- Wellbeing and sustainability.

2.1.2 The Jobs & Skills and Wellbeing projects are aligned to the Economy Trade and Tourism pillar which aims to add to the benefits that the Games have already delivered for the region by converting the inward investment pipeline, developing the West Midlands' strategic tourism offer, attracting other major events, and delivering targeted jobs and skills training focusing particularly on disadvantaged communities.

2.1.3 The Jobs & Skills and Wellbeing projects bring together two elements of the legacy funding to deliver employment support projects that include mental health and wellbeing as an integral part of their activity. Delivery will build on the projects delivered as part of the 2022 Commonwealth Games, addressing barriers for residents who do not benefit from the economic prosperity that major events bring to the region and supporting the response to the regional Mental Health Commission recommendations.

2.1.4 In April 2023, the WMCA advised that each Local Authority would be allocated £801,714.28 of Commonwealth Games Legacy Enhancement Funds in relation to Jobs and Skills Projects. The funding needs to be spent across two financial years, from 1 September 2023 to 31 March 2025: to deliver against one or more of six WMCA defined priority employment, skills and careers activities. In addition, the WMCA requested that £125,485.71 of the £801,714.28 funding should be specifically spent against the Mentoring programme (mental health) support priority activity.

2.1.5 This negotiated procedure relates to: funding provision of **£324,167.14** for an '**all-age Jobs and Skills Hub sitting in deprived localities with a multi-service ethos**' run by community boards and resident governance. It is an 'all age Hub' and it also builds on Jobs Centre Plus partnership and connecting communities' activity.

2.1.6 BCC can acknowledge that only one exists in each Local Authority area. The sole Community Organisation led 'All-age Jobs and Skills Hub' has been identified as the only pilot JCP All Age Hub and JCP Youth Hub in Birmingham ('all Age').

2.1.7 The WMCA indicated that no funding carryover will be allowed from Year 1 to Year 2, therefore three projects have been developed to reflect an overall funding split of 30:70 for the activities in 2023/24 and 2024/25 years. Thereby reducing risk of loss of funding by the inability to carry over unspent funding from year to year.

2.1.8 The WMCA Agreement for Commonwealth Games Legacy Enhancement Fund (CWGL) Provision of Wider Jobs & Skills in Birmingham was received by Birmingham City Council on 12 December 2023. This is 3 months later than BCC originally

expected and will cause considerable delay with completing the back-to-back Agreement for the provision of CWGL funded 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' in Birmingham.

2.1.9 This has created significant pressure to undertake procurement regulated activity swiftly and put in place back-to-back Agreements to enable delivery of the activities and outputs in the reduced timescale.

2.1.10 Legal Services have been reviewing the WMCA Agreement for Provision of CEC Enterprise Co-Ordinator Services since early Sept & liaising with WMCA legal services. This Agreement requires a back-to-back Agreement to sub-contract the services.

2.1.11 Due to the urgency to provide a back-to-back Agreement to the sole organisation that can deliver these services, BCC is looking to negotiate on the timescales involved in the Procurement and Contract Governance Rules and ideally reduce this timescale considerably to enable provision of the back-to-back Agreement as soon as is reasonably possible and urgently.

2.1.12 If BCC does not hastily appoint a contractor to deliver the 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' in Birmingham, there will be:

- a loss of income for this provision,
- BCC will not be able to carry forward underspend between fiscal years,
- and a potential under-performance risk and contractual outputs/outcomes may not be met due to the reduced delivery timescale involved.

2.1.13 The value of this contract is above the threshold for the Birmingham Business Charter for Social Responsibility to apply. The supplying organisation already commits to salaries that exceed the capped salary costs set out and provided in the Agreement provision and they increase these with their own funding.

## **2.2 Benefits Appraisal:**

The following are the key benefits that result from the negotiated procedure:

2.2.1 The Commonwealth Games Legacy Enhancement grant funding supports the delivery of an 'All Age Hub and a JCP Youth Hub' in the area that builds on JSA & UC (fitting to the activities in the CWGL programme). Success of this delivery will help to inform current plans by WMCA to develop a blueprint for more employment & skills Hubs across the West Midlands.

2.2.2 The negotiated procedure will reduce the potential need for the Council to identify other funding sources to use to provide the required service provision.

2.2.3 The negotiated procedure consideration will enable the services to be provided and achieved in the delivery timescale.

## **2.3 Value for Money Assessment:**

2.3.1 BCC has assessed that the negotiated contract funds committed to this 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' project will provide value for money, when compared to market value rates that other community hubs cost in the Birmingham area.

2.3.2 The value provided is a similar to that provided by other Local Authorities providing this same 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' in their localities.

## **2.4 Options Appraisal**

2.4.1 Alternative Options:

- No other contract currently exists in Birmingham that delivers exactly the required 'all-age Jobs & Skills Hub' services.
- There is not sufficient available staff in BCC for this activity to be undertaken in-house.
- The staff in Employment and Skills and the Programme Team provide project management services, ensuring claims and compliance, outputs achievement and delivery timelines are being met, not the direct delivery required in this service.
- A formal procurement process would take too long within the timescale BCC currently faces. This reduced timescale is due to the delay with an Agreement reaching BCC (this was caused by the need for additional S.151 assurances required that it would be possible to meet the delivery needs of the WMCA Agreement for Commonwealth Games Legacy Enhancement Fund (CWGL) Provision of Wider Jobs & Skills)

2.4.1 Future Options:

In the future, full procurement and agreement compliance for the services will be undertaken in accordance with Procurement and Contract Governance Rules. This will be undertaken well in advance of any future Agreements being provided for subsequent similar funding being provided.

## **2.5 Consultation**

2.5.1 The relevant Cabinet Member, Heads of Service in CSLT and the Interim Head of Service for Employment & Skills have been consulted with during 2023 and agree with the content of the report and the decisions recommended.

2.5.2 Officers from Finance, Procurement and Legal and Governance have been involved in the preparation of this report.

## **3. Justification for Negotiated Procedure:**

3.1 A negotiated procedure without competition is requested to commence in accordance with the Procurement and Contract Governance Rules by reason of circumstance:

vii) The activities are of a specialised nature which, are carried out by only one supplier, and it can be evidenced that there is no reasonably satisfactory alternative available.

3.2 Witton Lodge Community Organisation are the sole provider of a Hub that meets the criteria and requirements set out by the WMCA. They are the one Community

Organisation led 'All-age Jobs and Skills Hub' that has been identified as the only pilot JCP All Age Hub and JCP Youth Hub in Birmingham - by definition ('all Age').

#### **4. Financial and Legal Implications**

##### **4.1 Financial Implications**

4.1.1 The estimated cost of this 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' is £324,167.14.

4.1.2 The activity will be delivered across two financial years: 2023/24 and 2024/25 and be utilising funding from the WMCA Grant Funding for the delivery of Commonwealth Games Legacy (CWGL) Enhancement Fund - wider Jobs & Skills & Wellbeing activity'.

4.1.3 The Agreement delivery period is from 1 October 2023 to 31 March 2025.

4.1.4 The financial negotiations will be undertaken within the following specific commercial and financial parameters:

- adhering to the prescribed authorisation requirements to enter into the Agreement based on the value being between £200k to £500k revenue.
- negotiating the on the timescales involved in the Procurement and Contract Governance Rules and ideally reduce this timescale considerably to enable provision of the back-to-back Agreement as soon as is reasonably possible and urgently.
- WMCA directly contracting directly with the provider has been considered and discounted as the WMCA wish to provide the funding to the Local Authorities.
- Value for money is based on a comparison to market value rates that other community hubs cost in the Birmingham area.

4.1.5 The cost will be funded from the approved budget for Provision of the Commonwealth Games Legacy (CWGL) Enhancement Fund - wider Jobs & Skills & Wellbeing activity grant award within Childrens & Families Service Directorate. The exact cost will be confirmed at Contract Award stage and recorded at the end of this report.

4.1.6 Section 151/spend control approval was received in relation to Commonwealth Games Legacy (CWGL) Enhancement Fund – 'wider Jobs & Skills & Wellbeing activity' on 03 November 2023.

##### **4.2 Legal Powers and Implications**

4.2.1 The legal powers that underpin and confirm the services being supplied are provided within a back-to-back Agreement from BCC to the sole delivery organisation. This legal Agreement will require signatures from both parties and deed of execution.

## 5. Compliance Issues

5.1 As the proposal is essentially adding value to BCC provision for employment, skills careers and wellbeing support to residents, it is designed to be consistent with strategies, plans and priorities. These include:

- **Breaking Down Barriers:** in overcoming those barriers faced by young people in addressing careers, employment, skills and mental health issues.
- **Social Value/Good Employment:** a key part of the funding provides £171,545 match funding requirement for the CEC Enterprise Co-Ordinator Services' salary costs. This activity will support employer engagement and the Cornerstone Employer Group involvement and activity to support knowledge of careers to School Career Leaders and economically disadvantaged young people (Free School Meals (FSM)) and those who face barriers. Social value and good employment support are being developed via the EA Team to ensure involvement of key employers and work opportunities in project activity.
- **Levelling Up and Disadvantaged Areas:** The 'all-age Jobs & Skills Hub in deprived localities with a multi service ethos' activity was chosen to provide much needed support in areas of need.

The proposals contribute to the delivery of the Council's core vision and priorities in the Council's Corporate Plan 2022 – 2026 of:

- **A Bold Prosperous Birmingham:** Tackle unemployment
- **A Bold Inclusive Birmingham:** Support and enable all children and young people to thrive

## 6. Public Sector Equality Duty

6.1 Entering into a negotiated procedure and concluding the award of this contract does not revise, amend or review Council policies of functions and therefore an Equality Impact Needs Assessment is not required.