

BIRMINGHAM CITY COUNCIL
APPENDIX 1 - NEGOTIATED PROCEDURE REPORT

Report to:	Cabinet
Report of:	Sue Harrison, Executive Director Children and Families
Date of Decision:	13 February 2024
SUBJECT:	GRANT AGREEMENT FOR PROVISION OF CEC ENTERPRISE CO-ORDINATOR SERVICES

1. Purpose and Decision(s) recommended:
<p>That Cabinet:</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 Birmingham Education Partnership for the provision of CEC Enterprise Co-ordinator Services in Birmingham for the estimated sum of £518,900 over a period of 12 months, commencing 1st September 2023</p>

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2. Relevant background/chronology of key events

2.1 Details of Requirement and Background

- 2.1.1 The Careers and Enterprise Company (CEC) delivers employer focused careers support within schools and colleges. This is done through a network of Enterprise Coordinators and engaged Cornerstone Employers. Since 2018/19 in Birmingham, this provision was delivered through Birmingham Education Partnership (BEP), with them holding the direct CEC contract and match funding being provided by GBSLEP. Following the Local Enterprise Partnership (LEP) Review process in 2022/23, the CEC contracts in the West Midlands are now held by the WMCA.
- 2.1.2 The WMCA made the decision to deliver some CEC contract regionally and to sub-contract most of it to Local Authorities to deliver in each appropriate geography in 2023/24. The sub-contracted allocations are based on CEC engaged schools in each local authority area, accordingly Birmingham has been assigned a share of WMCA CEC funding for 119 schools.
- 2.1.3 The CEC funding is intended to provide all Secondary Schools and Colleges with support to achieve a series of targets and KPIs related to the Gatsby Framework for Careers Education. This will be achieved by working with Senior Leaders within institutions and the business community to create opportunities for all students to experience the world of work and gain encounters with local and national employers. Additional funding has been allocated to provide targeted support to those schools with a high percentage of students on Free School Meals (FSM).
- WMCA has provided Birmingham City Council with £347,355 grant funding in the school year 2023/24 to mainly employ appropriate careers hub leadership and enterprise Co-ordinator roles and to administer and delivery activity from a flexible pot of funding. Some of these 7.5 roles are fully funded while others are 50% funded.
 - The remaining £171,545 match funding for salary roles is requested from the grant recipient: in this case Birmingham City Council. A decision has been made to allocate this match funding from the theme: 'regional careers activity for 14–19-year olds' in the Commonwealth Games Legacy Enhancement Fund (CWGL) external grant funding (also from the WMCA), to relieve budget pressures on the Council.
- 2.1.4 Therefore, the total revenue value of the Council's subsequent back-to-back Agreement for 'Provision of Enterprise Co-ordinator Services' from 1 September 2023 to 31 August 2024 will be **£518,900**.
- 2.1.5 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.
- 2.1.6 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 has caused considerable delay with completing the back-to-back Agreement for the Provision of CEC Enterprise Co-ordinator Services.
- 2.1.7 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.

- 2.1.8 Birmingham Education Partnership (BEP) are the only organisation able to provide this service in Birmingham and have been delivering the Enterprise Co-ordinator Services and Birmingham Careers Hub since 2018/19 on behalf of the CEC. BEP provide a team of 7.5 staff and have delivered well against the CEC KPI's and contractual expectations on a yearly basis; increased the educational establishment involvement to almost all schools and colleges in Birmingham. The Local Hub Fund is relatively new, and BEP are working closely with BCC support to identify suitable and varied activity that makes optimum use of this funding with the young people and schools that are in most need.
- 2.1.9 BEP have been delivering the Enterprise Co-ordinator Services in Birmingham 'at risk' since the 1 September 2023, due to not having an Agreement in place. BEP chose to do this to ensure that there was continuity of the Enterprise Co-ordinator Services provision to schools and colleges in the 2023/24 education year.
- 2.1.10 If BCC does not appoint a contractor to deliver the Enterprise Co-ordinator Services, there will be a loss of income for this provision and careers hub and enterprise service provision to young people in education and to the schools Careers Leaders.
- 2.1.11 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 CEC Enterprise Co-ordinator Services grant funding supports employer involvement in careers activity to young people and with schools.
- 2.2.2 The CEC Enterprise Co-ordinator Services grant funding supports careers support targeting interventions at schools and for economically disadvantaged young people (Free School Meals (FSM)) and those who face barriers.
- 2.2.3 The negotiated procedure consideration will enable the services to continue to be provided and be achieved in the delivery timescale.

2.3 Value for Money Assessment:

- 2.3.1 BCC has assessed that the negotiated contract provides value for money when compared to the contract values provided to the other West Midlands Local Authorities delivering (either directly or via back-to-back Agreements) the Agreement for Provision of Enterprise Co-ordinator Services.
- 2.3.2 The value provided is a proportionate share of WMCA CEC funding based on the staff delivery roles and number of schools involved in the provision.

2.4 Options Appraisal

2.4.1 Alternative Options:

- No other contract currently exists in Birmingham that delivers similar CEC services.
- There is not sufficient available staff in BCC for this activity to be undertaken in-house and the skills, experience and knowledge acquired for this delivery sit with the staff employed by BEP.
- 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 academic delivery years.

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 Birmingham Education Partnership have been the sole provider of the Careers & Enterprise Company (CEC) Enterprise Co-ordinator Services to schools and colleges in the Birmingham area, with delivery in place since 2018/19. The CEC model only allows for one provider in each Local Authority area.

4. Financial and Legal Implications

4.1 Financial Implications

4.1.1 The estimated cost of the 'Provision of Enterprise Co-ordinator Services' is £518,900 in total.

4.1.2 This is comprised of £347,355 WMCA grant funding for the delivery of the Birmingham Careers Hub and Enterprise Co-ordinator Services and £171,545 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 September 2023 to 31 August 2024.

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 exceeding £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 with the sub-contractor has been considered, however the optimum arrangement which was agreed in August 2023 was that of WMCA contracting the services to the Local Authorities.
- Value for money is based on set and capped salary costs for each distinct delivery role; availability of Local Hub Funds to assist with careers and enterprise activity that is otherwise not available and contributes to support young people in alternative provision and potentially at risk of NEET.

4.1.5 The cost will be funded from the approved budget for (1) Provision of Enterprise Co-ordinator Services and (2) Provision of the Commonwealth Games Legacy (CWGL) Enhancement Fund - wider Jobs & Skills & Wellbeing activity grant awards 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 received in relation to CEC Enterprise Co-ordinator Services Funds on 26 September 2023 and Commonwealth Games Legacy (CWGL) Enhancement Fund – 'wider Jobs & Skills & Wellbeing activity' (including match funding element for CEC Funds) 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 to careers and to young people in education, 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 and skills issues.
 - Social Value/Good Employment: a key part of the project relates to 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 EATeam to ensure involvement of key employers and work opportunities in the CEC project activity.
 - Levelling Up: pilot project activities are being developed to support young people and schools in the East Birmingham North Solihull Levelling Up Zone and help to identify activities that make a strong influencing difference to careers support.
- 5.2 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.