

Report to CABINET

UKSPF – Inclusive Employment and Skills

Portfolio Holder:

Councillor Fida Hussain

Cabinet Member for Business, Employment and Enterprise

Officer Contact: Emma Barton, Deputy Chief Executive, Place

Report Author:

Jonathan Phillips, Head of Service Employment and Skills

Jon Bloor, Assistant Director Economic Growth

13th November 2023

Reason for Decision

To approve the appointment of the Council as a sub-contractor of the Prime Contractor appointed by the Greater Manchester Combined Authority (GMCA) in relation to the delivery of the UKSPF (UK Shared Prosperity Fund) - E33 – Employment support for economically inactive people.

Recommendations

Cabinet is requested to:

- Note that due to the short contract lifetime (approximately mid November 2023 to 31 March 2025), that it is a requirement of GMCA's commission that Prime Contractors must mobilise and commence delivery of the commissioned activity within 28 days of contract award.
- Authorise the Council via GOW to accept and act in the role of sub-contractor to whichever Prime Contractor is appointed by GMCA to deliver the UKSPF (UK Shared Prosperity Fund) - E33 – Employment support for economically inactive people, subject to advice being taken from Legal Services on the terms and conditions of any appointment and from Information Governance and Information Security.

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- Delegate authority to the Deputy Chief Executive (Place) and Director of Economy to agree and authorise the form of sub-contract proposed by the appointed Prime Contractor, subject to due diligence from a legal, information governance and information security point of view which will be assessed once a contract has been provided.
 - Delegate authority to the Director of Legal Services or his nominees to carry out all legal formalities.

UKSPF – Inclusive Employment and Skills**1 Background**

- 1.1 The purpose of the report is to request approval for Oldham Council to act in the role of sub-contractor (via the Get Oldham Working service) in relation to part of the UKSPF Employment and Skills Programme.
- 1.2 A Prime Contractor is currently being commissioned by GMCA to deliver the UKSPF Employment and Skills programme to support those residents that are economically inactive described as “E33 – Employment support for economically inactive people”. The provision is part of the wider UKSPF programme to increase life chances of GM residents, with the economically inactive element to increase participation in activity, which could then lead to progression in education, skills, and employment.
- 1.3 The commission is out to tender and due to be awarded mid October 2023, with a requirement for the Prime Contractor to begin delivery of the programme within 28 working days.
- 1.4 The Council is aware that the following organisations are likely to submit a bid for the role of Prime Contractor: Seetec, The Growth Company, Ingeus and Serco. It is anticipated that one of these organisations will be successful.
- 1.5 The Council’s Get Oldham Working service has been in negotiation with each of the above-mentioned organisations to be part of their supply chain should they successfully be appointed by GMCA. If one of the four organisations is appointed and the Council is offered a sub-contract to deliver part of the programme, officers will need to act quickly.
- 1.6 Therefore, the Council needs to be in a position to agree to enter into a sub-contract with the appointed Prime Contractor for the delivery of part of the programme, subject to advice from Legal Services, Information governance and information security approval. The programme will complete c. March 2025 which is forcing a short mobilisation period.
- 1.7 Each of the potential Prime Contractor has, in principle, offered a sub-contract to the Council to deliver support to 350 residents that are economically inactive, and the Council would be paid approximately £500k for such delivery. GOW is well placed to deliver the service, as it is already engaging with many economically inactive residents, has qualified and experienced staff and implements its delivery in line with Council values and behaviours putting residents first. Accepting a role as sub-contractor to the Prime Contractor will also provide contingency for staff at GOW who currently work on other contracts that are coming to an end, ensuring no redundancies are required next financial year.
- 1.8 A paper detailing UKSPF has already been tabled at senior leadership / board and can be found at Appendix I for more detail / context on GM USKPF programme.

2 Current Position

- 2.1 The bidding process is currently underway, and results are due on 16th October 2023. Oldham Councils Get Oldham Working programme has agreements in place for the preferred supply chain partner in Oldham with four of the prime contractors bidding for the contract across GM. Once the announcement has been made, there is a ten day cool off

period and then mobilization to deliver will begin. Estimated start date is anything from 1st November to 15th December. Oldham Council have staff that can begin working on delivery from 1st November.

3 Options/Alternatives

- 3.1 Option 1: not accept a role as sub-contractor and leave other partners to deliver- not preferred as would have reputational damage to the Council, GOW brand and delivery with partners. Also, not aware of another local provider well placed to deliver leaving a risk that Oldham may not get its fair share of resource and activity across the GM commission.
- 3.2 Option 2: Agree to accept a sub-contract for the Council through GOW to deliver the services detailed in this report as part the supply chain of the winning Prime Contractor. This will support our residents first approach, enable GOW and the council to not make redundancies for exiting staff working on other contracts coming to an end and ensure we can work towards exceeding on contractual volumes and get more for Oldham residents across the GM commission.

4 Preferred Option

- 4.1 Option 2.

5 Consultation

- 5.1 Portfolio holders and senior council staff have been consulted about the approach and agree to the preferred option. As have staff who may be delivering on the contract.

6 Financial Implications

- 6.1 This report is seeking approval to accept the contract with UKSPF Employment and Skills programme being commissioned by GMCA.
- 6.2 The commission of this contract is out to tender and a decision is expected to be made mid-October and the contract will run from November 2023 to March 2025.
- 6.3 Oldham Councils Get Oldham Working Service has been offered, in principle, an allocation to deliver the contract in Oldham, to a monetary value of approximately £500k to support 350 residents that are economically inactive for the anticipated 17 month contract duration.
- 6.4 The money will cover staff time, oncosts, overheads etc plus participant budgets. It is understood that existing fixed term staff would have their contracts extended from 31/03/2024 to cover this contract and would be funded 100% from the contract.
- 6.5 The exact contract income will, if successful, be confirmed on contract award and would be paid via monthly self-bills which the Get Oldham Working Head of Service would arrange to complete, sign off and return.
- 6.6 Delivery of the contractual requirements will be managed within the resources being made available, based on the experience of managing similar contracts over a number of years the risk of any adverse financial implications for the Authority are considered minimal, any pressure arising would need to be managed within the wider resources available to the service.

Catherine Dunkerley – Accountant

7 Legal Services Comments

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- 7.1 The Contract Procedure Rules do not apply in a scenario where the Council is acting in a contractor role (rather than commissioner). Therefore, whether or not it is appropriate for the Council to act as a sub-contractor to the successful Prime Contractor in relation to the delivery of part of the programme is a corporate and commercial decision.
- 7.2 The power for the Council to charge for its delivery of discretionary services stems from section 93 of the Local Government Act 2003. Under this section, the Council can recover any costs it will incur in delivering the services. If the Council wishes to trade commercially for profit in respect of function related activities, section 95 of the LGA 2003 requires that it do so through a company.
- 7.3 In this report, approval to act in the role of sub-contractor is sought in advance of the appointment of a Prime Contractor and in advance of a formal offer to the Council of a sub-contract; however, the timing of the request is based on the need to mobilise quickly following the appointment of a Prime Contractor. As detailed in the report, due diligence would be carried out and a report would be submitted to the Director of Economy prior to the Council entering into any contractual arrangements.

Sarah Orrell – Commercial & Procurement Solicitor

8. **Co-operative Implications**

- 8.1 The proposal set out in this paper aligns with the Council's Co-operative agenda as delivering the UKSPF Employment and Skills programme will support 350 residents who are currently out of work, become economically active. Economically active residents will also create growth in the borough. Furthermore, the programme will be delivered in partnership with a renowned employment and skills training provider which will strengthen partnership working for the future

Mahmuda Khanom, Policy Support Officer

9 **Human Resources Comments**

- 9.1 If this report is approved there will be no direct HR implications as staffing levels will remain the same. If not approved, the service will need to work closely with HR to understand staffing implications and agree consultation requirements.

Catherine Pearson, Strategic HR Lead

10 **Risk Assessments**

- 10.1 This report is presented that when a lead supplier is appointed by GMCA, in relation to the Economically inactive/complex needs programme, and if the Council's Get Oldham Working team is appointed as a subcontractor this can be agreed quickly due to a 28-day clause in any subcontractor agreement. The risks around this are ensuring appropriate due diligence is in place prior to agreeing to the contract. There are likely to be legal, data/ information and insurance risks that will need to be resolved prior to the contract and within a relatively short period. As the subcontract will aim to support 350 residents who are currently out of work, specifically in the over 50 age group consideration should be given to how the Get Oldham Working team can support this additional demand within its existing workforce.

Vicki Gallacher, Head of Insurance and Information Management

11 **IT Implications**

- 11.1 None.

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- 12 **Property Implications**
- 12.1 None.
- 13 **Procurement Implications**
- 13.1 There are no procurement implications as this relates to delivering services in Oldham as a supplier for the successful contractor, following the award of the tender process which is currently being managed by GMCA.
- Emily Molden, Senior Category Manager, Procurement
- 14 **Environmental and Health & Safety Implications**
- 14.1 None.
- 15 **Community cohesion disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**
- 15.1 None.
- 16 **Oldham Impact Assessment Completed (Including impact on Children and Young People)**
- 16.1 Yes, attached.
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 ESR-33-23
- 19 **Background Papers**
- 19.1 None.
- 20 **Appendices**
- 20.1 Equality Impact Assessment