

28 September 2022

<b>Report Title:</b>	<b>WORKLESSNESS SUPPORT SERVICE PROCUREMENT OUTCOME</b>
<b>Report of:</b>	<b>HEAD OF ECONOMIC GROWTH</b>

## **REPORT SUMMARY**

This report details the outcome of the procurement process for selection of the Worklessness Support Service supplier and seeks authorisation to proceed to contract.

The value of the procurement exercise is £1,360,000 for 17 months, with the option to extend for a further 31 months. In the event that a subsequent decision were made to exercise the option total contract value would be £3,840,000.

The Ways to Work Programme provides services that support adults and young people into employment and training and therefore successfully supports the Inclusive Economy theme of the Wirral Plan 2021 - 2026.

This is a key decision and this matter affects all Wards within the borough.

Appendix 1 of this report is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains commercially sensitive information.

## **RECOMMENDATION/S**

The Director of Regeneration and Place is recommended to approve the award of a contract to Involve Northwest as the Most Economically Advantageous Tenderer from 1 November 2022 to 31 March 2024, to the value of £1,358,720 for the delivery of the Worklessness Support Service, with the option to extend for a further 31 months.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Ways to Work Programme is helping to address worklessness in Wirral. Wirral is an area which has had persistent levels of worklessness far exceeding regional and national averages for many years. The Worklessness Support Service is the largest element of the Wirral Ways to Work programme and the service has been identified as an essential activity in the Economic Strategy 2021-2026 to tackle the level of worklessness across the borough. The service delivers accessible community-based services which ensures that out of work residents are provided with the relevant 1:1 support to compete both for jobs currently available in the labour market and for future opportunities created through the wider regeneration programme. This service is directly designed to focus on those furthest away from the labour market and in the most deprived communities in Wirral, complementing the mainstream services provided by the Department of Work and Pensions.
- 1.2 The recommended supplier represents the Most Economically Advantageous Tender (MEAT).
- 1.3 A decision will need to be made in due course regarding whether to pursue the option to extend the contract for a further 31 months in accordance with the Council's Constitution.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 **Do Nothing:** The Council takes no action and does not extend the Worklessness Support Service contract which ends on 31<sup>st</sup> October 2022. This option would significantly impact the delivery of the Wirral Ways to Work programme as a whole and the worklessness support service element of the programme would cease to operate. This would further impact on the delivery of the wider Ways to Work Programme managed by the Liverpool City Region ("LCR") Combined Authority.
- 2.2 **Reduce the contract value and scale of delivery:** The wider Ways to Work Programme is delivered by the six constituent Local Authorities within the LCR. The allocation of European Social Fund (ESF) resources and resultant output achievement targets per area were determined through evidence of need and formalised through Grant Funding Agreements between the LCR Combined Authority and each Local Authority. A reduction in scale and value of this contract would reduce Wirral Council's ability to achieve contractual targets, reduce the level of ESF funding contribution to the borough and impact the performance of the wider Ways to Work Programme across the LCR.
- 2.3 **Selection of Supplier:** Two tender submissions were received and scored as part of the tender evaluation exercise. The other submission scored lower than Involve Northwest in accordance with the MEAT criteria.

### 3.0 BACKGROUND INFORMATION

- 3.1 The Wirral Ways to Work Programme is part of the LCR Combined Authority Ways to Work programme. The programme is designed to engage eligible workless young people and adults and support their progression into education, employment, and training via a suite of flexible, tailored employment support services.

- 3.2 The Ways to Work programme supports a number of key pledges in the Wirral Plan. The current programme has been delivering since April 2016 and has achieved the following outcomes as of 30<sup>th</sup> March 2022:
- Engaged 8,551 Wirral residents onto the programme;
  - Supported 4,649 Wirral residents back into employment or training; and
  - Positive outcome rate of 54%.

This level of performance is extremely successful for a programme of this size and the nature of clients the programme engages with being furthest away from the labour market. The LCR Ways to Work Programme achieves a positive outcome rate of securing employment or training of 41% which shows Wirral is outperforming the city region average.

- 3.3 Wirral Ways to Work has provided immense benefit to residents who have been supported into local and regional employment and training opportunities. This not only supports a more inclusive Wirral economy, but also improves the health and wellbeing and life chances of individuals and their families through increased household incomes, improved mental and physical health, personal confidence, social networks and aspirations.
- 3.4 Wirral's Ways to Work Programme is currently made up of three services delivering against two ESF priorities. This contract award relates to the Worklessness Support Service which is delivered under Priority Axis 1.1 which is aimed at adults aged 16-64. The Council's 14-19 team deliver an Intermediate Labour Market programme and Career Connect deliver a Careers Information Advice and Guidance Service through Priority 1.3 Axis which is aimed at disadvantaged young people aged 16-29.
- 3.5 This contracted service has been delivered continuously since July 2016 from the commencement of the ESF Ways to Work Programme in Wirral. On 17 March 2021 Policy and Resources Committee resolved (amongst other matters) to authorise a contract extension with Involve Northwest and updated members that any new commission beyond the legal limits of the current OJEU notice would be competitively tendered as per Public Contracts Regulations 2015.
- 3.6 The current contract is due to reach its available OJEU Award level on 31 October 2022, thereby necessitating the need to retender for services through an open and competitive process. Policy and Resources Committee was updated regarding the requirement for this commission to be competitively tendered in a report to its meeting of 4 March 2021 regarding the Wirral Ways to Work Programme.

#### **Tender Publication**

- 3.7 On 27<sup>th</sup> June 2022, an Invitation to Tender was published via the Northwest Procurement Portal, The Chest, with a closing date of 27 July 2022.

#### **Tender Evaluation**

- 3.8 The tender evaluation panel was made up of suitably experienced officers from the Council's Regeneration and Place directorate with oversight from the Council's Procurement Team.
- 3.9 The panel reviewed two submissions and concluded that the tender submitted by Involve Northwest was the most economically advantageous to Wirral Council.
- 3.10 In reaching its decision the Council considered the following criteria for the award of the contract.

- I. Price (with a weighting of 10%)
- II. Quality (with a weighting of 75%)
- iii. Social Value (with a weighting of 15%)

3.11 Involve Northwest scored higher than the other tenderer. Appendix 1 of this report sets out the specific weightings and scorings for Involve Northwest and the other tenderer against the criteria for award. Appendix 1 of this report is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains commercially sensitive information.

## 4.0 FINANCIAL IMPLICATIONS

- 4.1 Wirral Council has secured £832,954 of match-funding to support the delivery of the Worklessness Support Service contract from 1 November 2022 to 31 March 2024. This match funding is sourced from Contain Outbreak Management Fund monies and Ringfenced Reserves. This match funding enables the Council to draw down £527,406 of additional ESF grant, providing a total contract value of up to £1,360,000. The total secured resources provide funding for the initial 17-month contract period.
- 4.2 The UK Shared Prosperity Fund (UKSPF) is the Government's successor programme for European Funding. As part of the LCR UKSPF Investment Plan submitted to Government, funding for this type of activity is identified from 1<sup>st</sup> April 2024. This tender for the Worklessness Support Service contract specified extension provisions within the contract, with the appropriate break clauses, to ensure that Wirral Council has an effective delivery model in place in readiness to deliver.
- 4.3 The Economic Growth Team will continue to source all available external funding routes wherever possible to minimise the level of Council investment throughout the lifetime of the contract.
- 4.4 The Economic Growth Team will also continue to review the level of investment needed in terms of the scale and scope of this service using intelligence on local worklessness data and by reviewing the availability of Government led replacement interventions, delivered in the main by the Department of Work & Pensions.
- 4.5 Table 1 outlines the secured budget to date for the Worklessness Support Service contract.

<b>Worklessness Support Service</b>				
<b>Contract</b>	<b>Dates</b>	<b>Contract Value</b>	<b>Secured Funding</b>	<b>Source</b>
<b>Initial Contract Period</b>	1 Nov 22 to 31 Mar 24 (17 months)	£1,360,000	£362,666	COMF
			£527,406	ESF Grant
			£469,928	Ringfenced reserves*
<b>Maximum Possible Extension(s)</b>	01 Apr 24 to 31 Oct 27 (up to 31 months)	£2,480,000	Nil	Exploring the availability of UKSPF
<b>Total Programme</b>	1 Nov 22 to 31 Oct 27 (up to 48 months).	£3,840,000	£1,360,000	As per initial contract period

\*The ringfenced reserves have previously been committed to Wirral Ways to Work programme and are not a new risk to the Council.

- 4.6 All grant funding agreements with the LCR Combined Authority on the award of ESF funding are approved and no financial asks are needed from Committee in respect of this report.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The recommendation to award the Worklessness Support Service contract for 17 months, with the option to extend for 31 months in total is in line with the provision for the maximum contract length within the original Official Journal of the European Union (OJEU) limit.
- 5.2 This contract has been procured in accordance with the Public Contracts Regulations 2015. Following a standstill period, no legal challenges or representations were received from competing bidders.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 Securing grant funding from ESF funds enables the Council to fund the relevant compliance and support roles that are needed to ensure successful delivery of the Worklessness Support contract.

## **7.0 RELEVANT RISKS**

### **Financial**

- 7.1 The risk of not commencing the contract means that the Council would not be able to defray enough funds to draw down the ESF grant funding therefore jeopardising the financial stability of the whole Ways to Work programme, both at a Wirral and wider LCR level. The secured match funding via COMF funds and Ringfenced Reserves as outlined in Table 1 of this report fully mitigates this risk.
- 7.2 There is no identified funding for the Worklessness Support Service following the initial contract period which ends on 31 March 2024. As outlined in paragraph 4.2 of this report the Council is working with the LCR Combined Authority to understand the opportunity and eligibility of the Worklessness Support Service contract to be funded via UKSPF from 1 April 2024 onwards. The appropriate break clauses were included to enable the Council to reserve the right not to extend the contract from April 2024 onwards should funds not be available, or if the eligibility criteria for UKSPF materially changes the service and requires a new tender to be procured.
- 7.3 The Finance team has reviewed Involve Northwest's financial standing and consider them to be a solvent and sound business and have advised that there are no financial reasons to prevent the award of the Worklessness Support Service contract.

### **Reputational:**

- 7.4 There is a risk of reputational damage to the Council of not commencing the contract on time, stemming from the negative impact on unemployed Wirral residents who rely on the support provided by the service.
- 7.5 Any delay to the commencement of the Worklessness Support contract would likely put the incumbent supplier Involve Northwest, a Wirral based charity who locally

employ 35 staff to deliver this valued service under significant financial stress and would risk an immediate commencement of staff redundancies. Other employees within their partnership delivery model which includes the Community Connectors Programme and Wirral Change, another local charity, could also potentially be put at risk.

#### **Operational/contractual:**

- 7.6 Any delay to the commencement of the Worklessness Support contract could jeopardise the Council's delivery of expected ESF outputs and results as profiled in the relevant grant funding agreement between the Council and the LCR Combined Authority.

### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 This project supports the Inclusive Economy theme of Wirral's Economic Strategy which was developed in full consultation with partner organisations and residents.
- 8.2 On 7 March 2019 an Executive Member decision was taken in respect of the Wirral Ways to Work as part of the European Structural and Investment Fund programme for England 2014-2020, authorising the Director with Portfolio in consultation with the Director of Governance and Assurance to progress and sign any new commissioned contracts or variations and/or extensions of existing contracts commissioned for this programme.

### **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment (EIA) is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 The potential impact of the Worklessness Support Service Contract has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Economic Strategy, which can be found here: <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>. No material changes to the EIA are required because of this report.

### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 Delivery of the worklessness support service will be based in a range of accessible community locations across the borough, therefore reducing the requirement for residents to travel to a central Wirral location to access the service. The procurement criteria for this contract included a social value assessment, with the recommended supplier providing some measures in relating to carbon savings from energy efficiency measures within their tender response. Involve Northwest has a full organisational sustainability plan for all employees to adhere to.

### **11.0 COMMUNITY WEALTH IMPLICATIONS**

- 11.1 Community Wealth Building is a people-centred approach to economic growth which reorganises local economies to be fairer and stops wealth flowing out of communities, towns, and cities, and instead places control of this wealth into the

hands of local people, communities, businesses and organisations. A key theme in the Council's Community Wealth Building Strategy is Fair Employment and Just Labour Markets and the Worklessness Support Service contract supports residents of Wirral back into the labour market via a community-based delivery model.

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## **APPENDICES**

**Appendix 1-** Weightings and scorings for Involve Northwest and the other tenderer against the criteria for award. (Appendix 1 of this report is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains commercially sensitive information.)

## **BACKGROUND PAPERS**

Liverpool City Region Employment & Skills Portfolio Holders meeting 13.01.2021 – Item 3  
ESF Update

DWP ESF/YEI Call guidance: <https://www.gov.uk/european-structural-investment-funds/youth-employment-initiative-oc50s21p1801>

Evaluation of Ways to Work Liverpool City Region (Draft) December 2018. Centrifuge Consulting

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Delegated Decision Report of the Portfolio Holder for Jobs and Growth - European Structural and Investment Fund Programme for England 2014-2020: Wirral Ways to Work Programme Extension	6 <sup>th</sup> July 2018
European Structural and Investment Fund programme for England 2014-2020: Wirral Ways to Work Programme	7 <sup>th</sup> March 2019
Economy Regeneration and Development Committee- European Structural and Investment Fund programme for England 2014-2020: Wirral Ways to Work Programme	4 <sup>th</sup> March 2021
Policy and Resources Committee European Structural and Investment Fund programme for England 2014-2020: Wirral Ways to Work Programme	17 March 2021