

REPORT OF: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

DATES: 26th MAY 2022

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PENDLE YOUTH EMPLOYABILITY SERVICE HUB: SERVICE PROCUREMENT OUTCOME

PURPOSE OF REPORT

To inform Policy and Resources Committee on the outcome of the Youth Employability Service (YES) Hub service procurement exercise and to seek approval for the future YES Hub Service Provider.

RECOMMENDATIONS

- (1) That Policy and Resources Committee note the outcome of the procurement exercise and the resulting selection process for the YES Hub Service Provider
- (2) That Policy and Resources Committee PRC agree to appoint Active Lancashire as the YES Hub Service Provider from August 2022- March 2026.

REASONS FOR RECOMMENDATIONS

- (1) To ensure the project delivers within the requirements set out in the YES Hub Nelson Town Deal Business Case.
- (2) To prevent a gap in service delivery between the pilot project and the main delivery phase, enabling a seamless transition of the service.

Introduction

1. The Pendle YES Hub is one of 8 strategic projects to be delivered through the Town Deal. The project will support Pendle's 16-24-year olds to overcome barriers to employment. It provides a 'one stop shop' (located on Scotland Road) where young people can go to access a range of information, advice and guidance alongside a breadth of learning, training, health improvement and employment opportunities.

2. The YES Hub builds on the success of the Nelson's existing youth employment hub which has been piloted through Department for Work & Pensions (DWP) funding (YES Hub Phase 1 February 2021- Jan 2022) and Accelerated Towns Fund investment. Phase 1 costed £335,300 and focused on building acquisition, refurbishment and piloting of activity. Phase 1 has enabled key successes and lessons of the project to be identified and applied to Phase 2.
3. For Phase 2, Town Deal funding to the value of £420,000 has been secured, the total project cost being £539,654. Pendle Council is providing £41,885 of the match funding over the duration of the Town Deal project.
4. Pendle Council is the lead organisation for the YES Hub with a third party procured to deliver the service. Active Lancashire was commissioned as Service Provider for the DWP pilot phase and were allocated a 12 month Service Agreement. Given the timings for Town Deal funding, the Active Lancashire Service Agreement was extended for 6 months (February – July 2022), as agreed by Policy & Resources Committee in November 2021, to ensure continuation of the service while a procurement exercise was undertaken to secure the provider for the next delivery phase (August 2022- March 2026, subject to a probation period in year 1).
5. In line with Pendle Council's Procurement Strategy and Contract Procurement Rules, the service went out to tender via the e-procurement platform, CHEST, with the process commencing in April 2022. The Phase 2 Service Provider is to be in place by August 2022.

Procurement Outcome

6. Pendle Council established a multi-agency panel consisting of DWP, Lancashire Adult Learning and In-Situ to oversee the procurement process, determine criteria and develop the service specification. A draft Grant Agreement and Terms of Lease for occupancy at Scotland Road were also produced so potential providers were aware of the requirements of the service provider, along with the financial costs associated with delivery.
7. Although 9 Expressions of Interest (Eoi) were registered, only one tender submission was received by the 12 May deadline and this was from the existing Service Provider, Active Lancashire.
8. It should be noted that the Phase 2 Terms of Lease places certain occupier liabilities for the property and requires financial commitment for facilities management. Nelson & Colne College Group took on this responsibility during Phase 1 but this is to be transferred to the Service Provider in Phase 2. This would have been a consideration for those who submitted an Eoi and is likely to have been the reason for the low Eoi/ tender ratio.
9. The Active Lancashire submission was assessed by the Panel against the following criteria:

Award Criteria:

70% Method Statements/Quality Questions

Price Award Criteria:

30% Pricing

10. The average Panel score for the Active Lancashire Award Criteria was 63%. It was a strong submission, scoring highly against the questions in the Method Statement. They evidenced ability to deliver employability schemes supporting mental health improvements, working well with partners in Pendle and engaging businesses. Panel members suggested that the Active Lancashire offer could be improved by understanding the extent of staff skills and expertise both within the YES Hub team and wider partner organisations.

- 11. Active Lancashire propose to deliver the detached youth work function in partnership with Positive Action in the Community (PAC), an organisation highly regarded in Pendle for their youth work provision and approach. Active Lancashire also has a sound track record of managing facilities and are able to meet the financial commitments of the Terms of Lease.
- 12. Active Lancashire’s YES Hub staff pricing schedule is within the Town Deal grant allocation, and they are able to commit £38,500 facilities management costs over the duration of the project. Their total pricing schedule for Phase 2 is £403,448, including their match funding contribution. The Town Deal funding for the project duration (February 2022- March 2026) is £420,400, with £371,500 remaining from August 2022.

Proposed YES Hub Service Provider

- 13. It is proposed that Active Lancashire is awarded the contract for the YES Hub service from August 2022- March 2026, subject to a probation period in year 1 and a workforce skills analysis, as outlined in para 10.
- 14. The Active Lancashire pricing schedule is within the Town Deal financial envelope, with a Phase 2 staff budget of £364,948. Their budget is £6,500 less than the Phase 2 Town Deal allocation (£371,500 from August 2022) but does not take account of wider project costs. It is thus proposed that Active Lancashire revise their costings to take account of other project costs, utilising the £6,500 and fully aligning their YES Hub budget with the YES Hub Town Deal grant.

IMPLICATIONS

Policy: The YES Hub supports delivery of the strategic objectives in the Corporate Plan.

Financial: £420,000 Town Deal funding has been secured for Phase 2 of the YES Hub, with Pendle Council contributing match funding of £41,885 over the period of the grant.

Legal: None arising directly from this report.

Risk Management: Delay in approving the Service Provider will impact on service delivery

Health and Safety: None arising directly from this report.

Sustainability: None arising directly from this report.

Community Safety: None arising directly from this report

Equality and Diversity: None arising directly from this report.