

## Committee: Cabinet

Date: 8 February 2021

Wards: All

## Subject: Award of Main Services Contract – Merton Adult Learning

Lead officer: Anthony Hopkins; Head of Library, Heritage & Adult Education Service

Lead member: Councillor Caroline Cooper-Marbiah; Cabinet Member for Culture, Leisure and Skills

Contact officer: Anthony Hopkins; Head of Library, Heritage & Adult Education Service

### ***Exempt or confidential report***

*The following paragraph of [Part 4b Section 10 of the constitution](#) applies in respect of information within appendix A to D and it are therefore exempt from publication:*

*Information relating to the financial or business affairs of any particular person (including the Authority holding that information).*

*Members and officers are advised not to disclose the contents of the appendices.*

### **Recommendations:**

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1. That Cabinet approve the award of the main contract for Merton Adult Learning services to Supplier E, on an initial 3 year term from 1 August 2021, with extension provision of up to a further 2 years. The identities of the preferred and unsuccessful bidders are set out in Appendix A. The contract values for the proposed term are set out in Appendix B.
  2. That the authority to exercise the extension provision is delegated to the Director of Community & Housing, in consultation with the Cabinet Member for Culture, Leisure and Skills, and subject to continued funding and satisfactory supplier performance.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to recommend that the Director of Community and Housing and the Director of Corporate Services in consultation with the Cabinet Member for Culture, Leisure and Skills approve the award of the Main Services contract for the provision of Adult Learning Services in Merton.
- 1.2. Since the Cabinet decision to move to a commissioned model of service for adult learning in 2016 the service has achieved its aims of becoming financially sustainable and in improving the quality and choice of course provision for Merton residents. This was highlighted in November 2019 when the service was Ofsted inspected and awarded a 'Good' rating, recognising the significant improvements made over the last few years.

- 1.3. The main services contract is integral to the delivery of the service and accounts for approximately 80% of course delivery. The provider awarded will provide high class learning facilities that will use a variety of different learning resources both for accredited and community learning courses. The provider will also ensure that learner numbers on courses are increased and that they provide provision that is adapted to the skills needs of residents in light of the current Covid-19 pandemic. The award of this provision will build on the strategic objectives of the service that were agreed by Cabinet on 27 January 2020.

## **2 DETAILS**

- 2.1. The London Borough of Merton (LBM) receives funding from the Greater London Authority (GLA) and the Education and Skills Agency Fund (ESFA) to deliver adult education services in the borough. This is in recognition of the crucial role that the skills agenda plays in supporting our residents to play a wider role in our local economy and by contributing to the Community Plan aim of promoting economic wellbeing and narrowing the equality gap between the east and the west of the borough.
- 2.2. In addition, adult learning contributes to the health and wellbeing of residents. Continuous learning improves social issues associated with ageing well and reducing isolation for a variety of groups and spread across the whole community it can reduce inequality. In order to effectively deliver these services in accordance with the objectives of the skills agenda and that of LBM, specialist providers are commissioned by LBM to deliver the services.
- 2.3. The Main Adult Learning Services contract currently delivered by the incumbent provider, South Thames Colleges Group (STCG), comes to an end on 31 July 2021. This contract was awarded in August 2016 for a period of 3 years, with extension provision of 2 x 12 month periods.
- 2.4. A Gateway 1 (GW1) report was approved in August 2020 by the Procurement Board to authorise the undertaking of an Open OJEU tender process to identify a preferred supplier to deliver the services on an initial 3 year term, with extension provision of a further 2 (1+1) years.
- 2.5. The focus of the service has been to widen participation amongst the more disadvantaged learners, narrowing the gap between the east and west of the borough. The strategy has centred on building effective partnerships in order to increase access to excluded learners in communities. Much progress has been made towards meeting the needs of disadvantaged communities located mainly in the east of the borough and the service has made progress in increasing the participation of BAME groups. Due to the successful implementation of the widening participation strategy over 88% of our learners on qualification courses and 59% on non-qualification courses were from ethnic minority groups in the 2018/19 academic year.
- 2.6. The Merton Adult Learning Strategy, approved by Cabinet on 27 January 2020, sets out an ambitious approach to increasing participation and upskilling residents to improve their social, economic and / or health outcomes. The Strategy is particularly timely in light of the Covid-19

pandemic and the need for the service to continue to develop its curriculum to meet the changing skills needs of residents. The award of this contract is an integral part of the success of the new strategy.

- 2.7. Since the move to a commissioning model the service has built up its provider base and currently commissions a number of providers to deliver specialist provision in the borough that is particularly focussed on upskilling residents to improve their life chances. From an initial 2 providers the service now commissions 9 providers to provide high quality adult learning provision and has been active in bringing in providers that haven't previously operated in the borough.
- 2.8. Market engagement was undertaken prior to the tender being issued and there was strong interest in the tender. It should be noted though that due to the impact of Covid-19 on providers some interest was subsequently reduced as they focussed on their existing provision.
- 2.9. The OJEU Contract Notice and ITT was published on 12 October 2020, with a submission deadline of midday 23 November 2020. 5 submissions were received, and the evaluation of the bids was carried out in line with the evaluation methodology of the tender. The OJEU Contract Notice and Invitation to Tender (ITT) was published via the London Tenders Portal, using the Open tender procedure.
- 2.10. Of the 5 tender submissions received by the submission deadline, 3 were deemed compliant. This was an increase of 3 tender submissions since the last commissioning process was undertaken in 2016.
- 2.11. The tender evaluation comprised of three stages: the first of which was a compliance check, on a pass/fail basis; the second was the quality and technical evaluation in line with the methodology prescribed in the tender; and the third was the assessment of price.
- 2.12. The tender evaluation was carried out by a panel of three officers from the Merton Adult Learning management team. Each compliant tender was evaluated individually by each member of the evaluation panel to undertake the quality and technical evaluation. Details of the evaluation questions, scoring criteria and weightings can be found in Appendix C.
- 2.13. The panel met on 24 November to discuss individual scores and comments for each question in order to arrive at an agreed, moderated score.
- 2.14. A quality threshold was contained within the evaluation methodology. Suppliers who failed to meet this threshold would be disqualified from the process, and would not be progressed to stage 3 - price assessment. Only one supplier satisfactorily met the quality and technical threshold.
- 2.15. The names of the bidders and their respective scores are included at Appendices A and C respectively.
- 2.16. Of the 5 tenders received, 4 were considered to have pricing that was low. One supplier passed the quality threshold for the quality evaluation, the other bid prices were reviewed (although not evaluated) to enable a more thorough review and understanding of the remaining compliant bid.

- 2.17. The procurement documents states that the contract would be awarded on the basis of the most economically advantageous tender to the Council, based on a 70% Technical / Quality and 30% Price split.
- 2.18. The bids were evaluated against the following Quality and Technical criteria:
- Experience of delivering similar provision
  - Quality Assurance
  - Range of course provision and qualifications
  - Marketing and promotion
  - Governance/Management
  - Proposed geographic spread of delivery in Merton
  - Transition, including TUPE
  - Innovation and Social Value
- 2.19. The table below summarises the evaluation outcome:

<b>Supplier</b>	<b>Price Score 30%</b>	<b>Quality and Technical Score 70%</b>	<b>Total Score</b>
Supplier E	30%	60%	<b>90%</b>
Supplier D	0%	22%	<b>22%</b>
Supplier C	0%	17%	<b>17%</b>

- 2.20. The successful bidder is a well-established organisation that has proven experience of delivering commissioned adult learning provision for local authorities. They have a track record of delivering high quality adult learning courses.
- 2.21. The bidder demonstrated value for money in their proposals and outlined a more diverse course offer that will address the skills needs of residents. They have demonstrable experience of delivery and high quality systems in place to ensure that residents progress and achieve in their courses. They also have established and excellent facilities that mean that Merton residents will have access to high quality and specialist equipment for some courses. The provider also demonstrated its ability to be able to quickly adjust its plans in light of any future disruption and has a large and expanding online course offer.
- 2.22. The contract will be for an initial term of 3 years, commencing on 1 August 2021, with the option to extend for a further two 12 month periods at the Council's discretion.

### **3 ALTERNATIVE OPTIONS**

#### **3.1. Do nothing**

- 3.2. This would lead to no new Main Services contract being awarded and the expiry of the existing contract. This would mean that a large proportion of the grants received from the GLA and ESFA would need to be handed back and not invested in upskilling Merton residents.
- 3.3. **Revert back to direct delivery of Adult Learning services**
- 3.4. Following extensive public consultation Merton Adult Learning was established as a commissioning model to ensure that the provision was financially viable and better addressed the skills needs of Merton residents. This has been achieved and the service was recently awarded a 'Good' overall rating by Ofsted. This option would likely have a negative impact on budget and quality of provision.

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. The London Borough of Merton undertook an extensive consultation process before deciding upon its commissioning model. All options of delivery were considered and the new model has achieved financial sustainability and a more developed curriculum to better meet the needs of Merton residents.
- 4.2. Consultation is a continual part of the service provision with regular surveys and feedback obtained from residents. Wider community data and information is also used to design the curriculum so it better fits the skills needs of Merton residents. A core component of this contract is learner voice and the ability of the provider to be able to track and receive feedback on its provision.

#### **5 TIMETABLE**

- 5.1. Progress to date is set out within the body of this report. Should the contract be awarded to the Preferred Bidder, the future timetable is as follows:

<b>Event</b>	<b>Date</b>
Notification of contract award decision	Wednesday 10 March 2021
"Standstill" period	Wednesday 10 March – Tuesday 23 March 2021
Confirm contract award	Wednesday 24 March 2021
Mobilisation period	From Wednesday 24 March 2021
Target commencement date	Sunday 1 August 2021

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. Merton Adult Learning relies solely on external grants to provide its provision. From the 2019/20 academic year the majority of the grants are

now administered by the GLA. Their allocation for this academic year (2020/21) is £1,360,577. A smaller grant for out of London learners is administered by the ESFA of £36,710. Other one off grants have also been received from the GLA for this academic year to deliver focussed provision in response to the Covid-19 pandemic.

- 6.2. There is no change in the estimated contract value from the current main services contract and clauses in the proposed contract mean that values are estimated and based on supplier performance and in receiving sufficient grants from the GLA and ESFA.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The main statutory basis for the adult learning service is section 15B of the Education Act 1996. This section empowers local authorities to secure the provision for their area of full-time or part-time education suitable to the requirements of persons who have attained the age of 19, including provision for persons from other areas. It includes power to secure the provision of training, including vocational, social, physical and recreational training, and of organised leisure time occupation which is provided in connection with the provision of education or training. The authority may do anything which appears to them to be necessary or expedient for the purposes of or in connection with the exercise of their functions under this section. In exercising their functions, the authority must in particular have regard to the needs of persons with learning difficulties or disabilities.
- 7.2. The authority does not therefore have a statutory duty to maintain an adult education service but must in considering whether to provide a service and what service to provide take account in particular of the needs of people with learning difficulties or disabilities.
- 7.3. Notwithstanding this type of service and value of contract would normally fall under the Light Touch Regime, the use of the open procedure in the procurement is permissible under the Public Contracts Regulations 2015.
- 7.4. As the funding for the project is by way of grants, it would be prudent to make provision in the contract to cover how this would impact on the contract if the grant(s) were reduced, not forthcoming or withdrawn.
- 7.5. The recommendation to delegate to the Director of Community & Housing and in consultation with the Cabinet Member for Culture, Leisure and Skills is permitted under s9E Local Government Act 2000.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. One of Merton Adult Learning Service's main priorities is community cohesion and addressing gaps amongst disadvantaged groups. This is an integral part of assessments and performance indicators and the successful bidder will have targets to improve delivery in these areas.

## **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purposes of this report.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. Whilst recognised as low risk it should be noted that the low number of compliant bids could lead to some challenge from unsuccessful bidders. The evaluation panel are confident in the recommendations they are making and have a clear audit log and rationale for the awarding of this contract.

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

### **APPENDIX A THROUGH TO D (COMMERCIALLY SENSITIVE INFORMATION)**

- Appendix A - The identities of the preferred and unsuccessful bidders
- Appendix B – Value of this contract
- Appendix C -Table of evaluation scores
- Appendix D - ITT Pass or fail criteria

## **12 BACKGROUND PAPERS**

12.1. None included.

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