


<p style="text-align: center;"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p style="text-align: center;"><b>CABINET</b></p> <p style="text-align: center;"><b>16 JANUARY 2017</b></p>	
<p><b>GRADUATE PLACEMENT FRAMEWORK RELET</b></p>	
<p><b>Report of the Cabinet Member for Finance – Councillor Max Schmid</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p><b>Classification - For Decision</b>  <b>Key Decision: Yes</b></p>	
<p><b>Wards Affected:</b> None</p>	
<p><b>Other services consulted:</b></p> <ul style="list-style-type: none"> <li>• Legal Service</li> <li>• Procurement Services</li> <li>• Finance Service</li> </ul>	
<p><b>Accountable Director:</b> Debbie Morris, Shared Services Director of Human Resources</p>	
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## 1. EXECUTIVE SUMMARY

- 1.1. The council has currently an internship programme in place. The programme has a twofold objective. The first objective is to enhance the employability of those participating in it, with preference given to local residents. The second objective is to contribute to cost reductions and provide options to service managers.
- 1.2. Interns undertake core business activities generally working in roles at grades Scale 5 to SO2 and are paid the London Living Wage
- 1.3. Following due procurement processes, a pan London framework was let by the Council on behalf of other London councils for a period of 4 years

and expires on 22nd May 2017. To date, 11 councils have called off from the framework. There is no option to extend the framework. Call off contracts expire on the same date. There is an ongoing demand for provision of the service both from the Council and other London councils. No other frameworks exist. It is therefore necessary to ensure that a new framework is put in place to deliver an ongoing programme that both the Council and other London councils can access.

- 1.4. This report provides a business case for continuing with a framework arrangement, renaming it as a graduate placement programme, details procurement options and makes recommendations for the preferred procurement strategy.

## **2. RECOMMENDATIONS**

- 2.1. That approval be given for the London Borough of Hammersmith and Fulham to run an open tender to let a framework for a period of 4 years for the provision of a graduate placement programme. That the framework is made available to other London councils and the City of London Corporation.
- 2.2. If the notional contract value exceeds £5,000,000, that delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to award the proposed framework.
- 2.3. That delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to award a call off contract from the framework for the London Borough of Hammersmith and Fulham.
- 2.4. That delegated authority be given to the Shared Services Director for Human Resources, in consultation with the Cabinet Member for Finance, Cllr Max Schmid, to enter necessary contractual arrangements to enable other London councils (as defined as part of the tender process) to access the Graduate Placement Framework, once awarded.

## **3. REASONS FOR DECISION**

- 3.1. A graduate placement programme enables the Council to engage with the local community and grow their own talent while tackling unemployment in the Borough. Although a permanent job is not guaranteed at the end of the placement, individuals can apply for any vacancies and utilise the experience gained. Continued provision of the graduate placement programme will support the organisation's ambition to be the best, support economic growth by enabling improved job skills and opportunities for residents and link to the council's Staff Improvement Framework. As at October 2016, there are 18 graduate placements with the council.

- 3.2. Feedback at the London Councils' Heads of HR forum confirms that the framework is working well and that there is a desire that the framework continue to be provided in a similar manner with the council as lead authority.

#### **4. STRATEGY**

- 4.1 The new framework will mirror existing operating principles, namely,
- Graduate Placements will undertake core business activities, replacing the need for agency and other temporary staff typically in the internal grades Scale 5 to S02. (£23,895- £33,294 pa)
  - Graduate Placements will be employed by the provider of the framework for the duration of their placement
  - Each placement will last for a maximum of 12 months
  - Preference will normally be given to candidates resident in the council's area, although other applicants will be considered.
  - Graduate Placements will be paid the London Living Wage, where councils have signed up to do so
  - The placement although essentially an exchange of services for work experience, will have an element of learning.

#### **5. OPTIONS AND ANALYSIS OF OPTIONS**

- 5.1. Several options have been actively considered in determining the most appropriate route to procurement for letting a graduate placement framework.

##### **5.2. Delivery of the service in-house**

- 5.2.1. It is not feasible for the recruitment, selection, and administration of placements to be undertaken internally due to the known volume of applications. For example, during the pilot scheme, up to 100 applications were received for each of the available roles. The Council does not have an established platform or expertise to effectively market graduate placements.

##### **5.3. Alternative Frameworks or Schemes**

- 5.3.1. No alternative frameworks offering the services required in terms of search, selection, placement, administration and payrolling of graduate placements are available

##### **5.4. Alignment with current Apprenticeship and/Or Graduate Training Schemes**

- 5.4.1. Delivery of graduate placements programs is established with a clear understanding in the market of the difference between schemes aimed at

graduates, apprentices, supported employment and the focus of potential suppliers.

5.4.2 Graduate Placements is a system of on-the-job experience for office based and professional careers. Placements will be university students, undertaking work experience after their studies. Generally, the placement works as an exchange of services for experience. This is to be contrasted with an apprenticeship program that trains you to do a specific job and includes a mix of on-the-job training, work experience, and formal, classroom-based learning. At the end of your apprenticeship, you'll will receive a formal qualification and the skills needed to work in your chosen field. For example, Ealing, Hammersmith and West London College provide a service targeted at apprenticeships. The schemes are therefore distinct in terms of content, duration, level of work delivered, target audience and purpose. The proposed framework will therefore be called the Graduate Placement Framework to make the distinction clear.

## **5.5. Procurement of either a contract solely for use by the Council or a framework which other London Boroughs can access.**

5.5.1. A Framework agreement offers several significant advantages:

- Once established, the process for individual call offs is faster and less costly than if each requirement had to be procured separately;
- They are more attractive to the market place because they offer the potential of larger orders;
- For the same reason they can be used to achieve better pricing and discounts
- No other borough has indicated an intention to procure services to deliver a graduate placement programme but have instead expressed interest that the current framework be continued with the council as lead authority.

## **6. CONTRACT PACKAGE, LENGTH AND SPECIFICATION**

6.1. The framework will be let for a four-year period. Call of contracts will have maximum contract period of 5 years from the date of the Framework Agreement. Commencement date of an individual call off contract may be subsequent to the date of the framework agreement, but all expiry dates of call off contracts will be co-terminous.

6.2. Delivery of the services may be by a single provider, partnership arrangement or consortium

6.3. Delivery of the service will comprise attraction, selection and placement of the graduate, administration, and management of the programme (including payrolling).

6.4. The fee payable to the provider per graduate will comprise 2 elements:

- The service fee for delivery of the programme: which prices will be kept the same for the duration of the framework.
- The wage payable for the graduate which may rise due to changes in legislation.

6.5. Where the graduate is offered a permanent role with the council at the end of his or her placement , there will be no further fees payable to the provider.

6.6. It is anticipated that mobilisation of a new contract will be low risk. Graduate placements are time limited. There are no mandatory systems interface requirements. Processes to ensure that council data is updated and maintained are already in place

## **7. SOCIAL VALUE, LOCAL ECONOMIC AND COMMUNITY BENEFITS**

7.1. The successful provider of this contract will be required to promote the most appropriate communication and sourcing channels to encourage applications and raise awareness within the local community.

7.2. The council has signed up to the London Living Wage for payment of graduates.

7.3. Intelligence will be gathered by the provider regarding the marketplace and sustainability of the programme.

## **8. CONSULTATION**

8.1. In accordance with s8(3) of the council's Standing Orders, The Director for Procurement & IT Strategy has been consulted.

8.2. In accordance with s8(3) of the council's Standing Orders, the Director of Law has been consulted on the terms and conditions of the proposed framework agreement, access agreement and call off contracts.

8.3. Engagement with London councils and the current supplier plus feedback obtained on the current service has been used to inform requirements

8.4. Feedback on the current service challenges and opportunities is provided to the Shared Services Head of People Management or authorised representative.

8.5. Key Services users will be invited to inform the evaluation process.

## **9. EQUALITY IMPLICATIONS**

- 9.1. There are no age restrictions for graduate placements. Although placements are targeted at a certain level equated to a vacant evaluated position, graduates will carry out requirements of the job commensurate to the wages paid. The contractual arrangements with the provider will stipulate compliance with the Council's Equal Opportunities Policy.
- 9.2. Equality and Diversity are key criteria at the invitation to tender stage of the procurement process and will form part of the selection process. The successful provider will be expected to make a strong positive contribution to the delivery of equality and diversity through the graduate placement programme. It will include a commitment to monitor and review fairness and equality throughout the process of attraction, selection, and placement and, where appropriate agree action to improve diversity in recruitment

## **10. FINANCIAL INFORMATION**

- 10.1. Budgetary responsibility for graduate placements rests with the individual services within the Council that request a placement.
- 10.2. Spend comprises the fee for delivery of the service by the provider plus the London Living wage payable by the provider to the graduate placement and charged to the Council.
- 10.3. Spend in the last financial 15/16 equated to £297,000 for the council and £1,222,000 for all participating councils
- 10.4. Costs incurred in re-letting of and ongoing management of the framework will be absorbed by the councils accessing the framework.
- 10.5. Implications verified by Andrew Lord, Head of Strategic Planning and Monitoring, Corporate Finance, 020 8753 2531

## **11. LEGAL IMPLICATIONS**

- 11.1. The contents of the report are noted. Provided that Council policy is followed in relation to the Equality Act 2010 and associated policies.
- 11.2. The Opportunity to bid for the Framework should be advertised in the OJEU in order to meet the requirements stated in the Public Contracts Regulations.
- 11.3. Implications verified/ completed by Jonathan Miller, (Contracts and Employment Team), Shared Legal Services, 07779333041

## **12. IMPLICATIONS FOR BUSINESS**

- 12.1. The successful provider of this contract will be required to promote the most appropriate communication and sourcing channels to encourage applications and raise awareness within the local community.

## **13. PROCUREMENT PROCEDURE**

- 13.1. The procurement process for a new contract is laid down in the Council's Contract Standing Orders (CSOs). The process will be overseen by the Corporate Procurement Team who will provide strategic advice and guidance.
- 13.2. The intention is to conclude a procurement process using the open procedure in compliance with EU and UK Procurement legislation. Minimum standards have been set for suitability to pursue a professional activity, economic and financial standing, technical and professional ability and insurances in order for the tender to be evaluated. Bidders will submit answers in terms of quality and price. Award will be made on the basis that the successful supplier's bid represents the most economically advantageous offer.
- 13.3. Implications verified/ completed by Alan Parry Interim Head of Procurement (Job-share) Telephone 020 8753 2581

## **14. CONTRACT AWARD CRITERIA**

- 14.1. It is the intention to award the contract to the supplier that has tendered the most economically advantageous offer to the council.

## **15. PROJECT MANAGEMENT AND GOVERNANCE**

- 15.1. Management of the contract is currently with the Shared Services Director for Human Resources. A Service Review Team (SRT) established by the Shared Services Director includes senior members of the HR team, key service users, the Shared Services HR Contract Manager and relevant officers to inform the procurement timetable and supporting documentation such as the specification.
- 15.2. The Evaluation Panel will be chaired by the Shared Service Head of People Management, with the Shared Services Director of HR as sponsor and will include a senior member of the HR team and Shared Services Contracts Manager. It will consult and engage relevant professional officers in legal, finance and procurement.
- 15.3. The procurement exercise will be undertaken using the Council's e-tender software

## 16. INDICATIVE TIMETABLE

Activity	Dates and Deadlines
Publication of opportunity	w/c 23 January 2017
Last date for receipt of queries	w/c 20 February 2017
Closing Date for submission of Tenders	w/c 27 February 2017
Award of Contract by Council	w/c 24 April 2017

## 17. CONTRACT MANAGEMENT

- 17.1. Post award, the contract will be managed by the Shared Services Head of People Management or authorised representative.
- 17.2. There are 2 aspects to the contract management namely management of the framework and management of the council's own call off contract. In terms of the framework, the Council as lead authority will not be involved in the day to day management of the provider and the services supplied to other councils, but will monitor progress and performance of the arrangements throughout the entire duration of the framework to ensure that customer needs are being adequately met.
- 17.3. Key Performance Indicators and Performance Measures will be used to monitor, and measure the contractor's performance. These include the ability to:
- provide the most appropriate team to deliver a consistent and robust service
  - provide quality and timely applications
  - attract local residents to apply
  - minimise placement turnover through quality interview and selection processes.
  - provide robust market intelligence and management information
  - review performance to ensure continuous development and improvement

## BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None