

Committee(s)	Dated:
Policy & Resources	24 September 2015
Subject: Contract to deliver the City of London Business Traineeship programme	Public
Report of: Director of Economic Development	For Decision

Summary

- The City of London Business Traineeship (CBT) scheme is an important strand of the City Corporation's work to maximise employment opportunities in the City for local residents. It links up talented A-level school/college leavers living and attending state schools in the City's neighbouring boroughs with paid work placements in City-type firms, placing over 1,100 trainees since 2001.
- The current three year contract, delivered by the Brokerage Citylink, ends on 31 October 2015. Following a competitive tendering exercise, the Brokerage Citylink has been selected to deliver the contract for the CBT programme for the academic years 2015/16 – 2017/18, with the potential to extend for a further two years to 2019/20 subject to satisfactory delivery of the initial three-year contract.
- The total value of the proposed initial three-year contract is £267,949 with the potential two-year extension valued at up to £180,000.
- Your Committee's approval is sought both to commit the sums above from the Economic Development Office's local risk budget and to appoint the Brokerage Citylink to deliver the City Business Traineeship scheme as outlined above.

Recommendations

That your Committee:

1. Approve the appointment of the Brokerage Citylink to deliver the City Business Traineeship scheme for the academic years 2015/16 – 2017/18, at a cost of £267,949 to be met from the Economic Development Office's local risk budget.
2. Delegate authority to extend the contract with the Brokerage Citylink for a further two years (the academic years 2018/19 and 2019/20) to the Director of Economic Development, in consultation with the Chamberlain, subject to satisfactory delivery of the 2015/16 – 2017/18 contract, at a cost of up to £180,000 to be met from the Economic Development Office's local risk budget.

Main Report

Background

1. The City of London Corporation initiated and has funded the City of London Business Traineeship (CBT) scheme since 1994. The scheme is a central part of the City Corporation's efforts to support employability in neighbouring communities. The programme regularly generates favourable regional and national press coverage.
2. The scheme introduces high-achieving A-level school/college leavers from schools in neighbouring boroughs to prestigious paid placements in the City, to increase their long-term employment prospects, thereby promoting local recruitment to City firms and City Corporation departments.
3. While host organisations pay trainees a wage, the City Corporation supports the administration and management of the programme. This includes development of placement opportunities, selection/screening of candidates, matching candidates to employers, delivery of workshops, and the annual awards ceremony hosted by the Lord Mayor.
4. Each year, around 600 young people from around 70 City fringe schools and colleges register on the highly competitive scheme, of which around 400 participate in a series of employability workshops. Participation in the workshops has a lasting benefit even for those not securing a placement.
5. The quality of service offered to employers has been demonstrated by endorsements from over 30 companies confirming their commitment to supporting the programme.
6. The scheme promotes diversity in the workplace. Of the 2015 intake, 57% of trainees were female and 85% from Black, Asian or Minority Ethnic (BAME) backgrounds. It is also a key example of the City Corporation's efforts to support the social mobility agenda, a key priority for the Government.
7. From facilitating 35 placements in 2001 to 114 placements across 21 firms in 2015, the CBT programme has gone from strength to strength with a broadly consistent input from the City Corporation in terms of funding provided and number of placements hosted.
8. In view of the high levels of youth unemployment, at over ¾ million young people in the UK¹, the CBT programme goes some way towards equipping young people from disadvantaged communities with valuable experience to compete in the labour market in the longer term.

Current Position

9. The existing contract to deliver the programme, held by the Brokerage Citylink and worth £269,604 over three years, ends on 31 October 2015.

¹ Parliamentary research briefing, August 2015

10. The contract to deliver the programme for a further three years (with an option to extend for an additional two years) has therefore been re-tendered via an open and competitive tendering process to ensure ongoing value for money and quality of provision.

Procurement process and outcome

11. A two stage procurement process was undertaken by City Procurement in line with EU and City Corporation procurement regulations and 68 expressions of interest were received.
12. Eight organisations provided submissions at the pre-qualification questionnaire stage, which were scored by Officers in line with a scoring system published with the PQQ. References were sought for the top scoring companies and financial, health and safety and insurance assessments were undertaken to ensure compliance with City Corporation standards.
13. Although three organisations were invited to submit a full tender, only the Brokerage Citylink chose to do so. At a cost of £267,949, the tender is within the advertised budget.
14. Liz Skelcher, Assistant Director of Economic Development, is a trustee of the Brokerage Citylink. In recognition of the potential perceived conflict of interest, she has not played any role in the tender process.
15. The award criterion for the contract was the most advantageous tender to the City Corporation in terms of quality (80%) and price (20%).
16. Officers scored the Brokerage Citylink's tender as 69 out of a possible 100 points on quality and considered it to be a very strong bid, providing good value to the City Corporation on the proposed overall methodology as well as on City firm, youth and stakeholder engagement.

Proposals

17. The Brokerage Citylink will deliver the following key activities each year over the three year contract term:
 - Through a comprehensive outreach programme, recruit a pool of at least 400 young people in the City's neighbouring boroughs and provide them with a range of support to help them secure paid work placements within City businesses.
 - Secure at least 110 paid work placements from at least 25 City businesses, of which 5 will be within businesses participating in the programme for the first time, and place young people into these placements, facilitating the interview and recruitment process.
 - Facilitate an awards ceremony, involving the Lord Mayor, to celebrate young people's achievements, recognise the contribution of City businesses and support longer term business engagement.

Corporate & Strategic Implications

18. Delivery of the City Business Traineeship scheme supports Key Policy Priority 4 of the Corporate Plan (*Maximising the opportunities and benefits afforded by our role in supporting London's communities*). It also contributes to delivery of objective 4 of the Economic Development Office Business Plan 2015-2018: *Working with businesses and CoLC departments (including City Bridge Trust), to understand and realise the economic and social potential of London, but especially the City and the neighbouring boroughs.*
19. An Equalities Impact Assessment has been carried out. The project will have a positive impact on equalities by seeking to promote City careers to disadvantaged communities in the City's neighbouring boroughs. A high percentage (likely over 80%) of the participants will be from minority ethnic backgrounds owing to the population makeup of the target boroughs.

Implications

20. The total value of the initial three-year contract will be £267,949 (£89,316 per annum), spanning four financial years and remaining at broadly the same level as the current three year contract, which is worth £269,604. The potential two-year extension, subject to satisfactory delivery of the initial three-year contract, will be up to £180,000 (up to £90,000 per annum). The cost will be met from the EDO local risk budget.
21. The new contract will see the CBT programme continuing much as at present with some additions: a target for an additional 30 placements over the three year term; a more targeted business marketing campaign that will engage at least five new City firms each year; facilitation of employer for and best practice events; enhanced tracking of trainees post-placement; and improved measurement of the long-term impact of the programme. The cost, therefore, compares favourably with the current contract.
22. The Chamberlain has conducted a financial appraisal of the accounts of the Brokerage Citylink, and confirmed that the charity appears financially satisfactory to undertake the proposed contract.

Conclusion

23. The CBT programme has been a key part of the City Corporation's work to strengthen links between the City and its neighbouring boroughs.
24. A competitive tendering exercise has demonstrated that the Brokerage Citylink is well placed to deliver the scheme for a further three years on the basis of value for money and quality of provision.

Appendices

None

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