



London Borough of Hackney  
Hackney Service Centre  
1 Hillman Street  
London  
E8 1DY

**HACKNEY PROCUREMENT BOARD (or LOW RISK)  
BUSINESS CASE**

Medium Risk £2.5M and above (inc. VAT), HPB approval  
or  
Low Risk £600k - £2.5M and above (inc. VAT), Director approval

<b>Title of Report</b>	Adult Skills Framework
<b>Hackney Procurement Board Meeting Date</b> (if applicable)	08 July 2025
<b>Risk Assessment Tool Rating</b> (Low / Medium)	Medium
<b>Approval Route</b>	Hackney Procurement Board
<b>Contract Duration</b> (including extensions e.g. 2 yrs + 1 yr + 1 yr)	6 years - 4 yrs + 2 annual extensions subjected to a yearly review
<b>Contract Value</b> (both Inclusive of VAT and Exclusive of VAT, for the duration of the contract including extensions)	£3,000,000
<b>Ward(s) Affected</b> <a href="#">Click here for list of wards</a>	All
<b>Key Decision No.</b>	CHE554 -Adult skills framework
<b>Classification</b>	Open
<b>Cabinet Member</b> <a href="#">Click here for Cabinet Members and their portfolios</a>	Cllr Carole Williams Employment, Skills and Human Resources
<b>Group Director</b> <a href="#">Click here for Group Director names and job titles</a>	Rickardo Hyatt

**1. GROUP DIRECTOR'S INTRODUCTION**

- 1.1. This proposal sets the request to start the process of setting up a framework of local organisations to deliver high quality, value for money engagement and educational programmes for adults and families in Hackney as per the Greater London Authority (GLA) grant conditions for this funding stream. The overall aim is to work with delivery partners to ensure skills programmes delivered via GLA funding are available for local residents within priority areas, encouraging social, economic, educational and personal progression for individuals and families. The Council's Adult and Community learning provision is fully funded through the GLA Adult Skills Budget (ASF) contract and is therefore dependent on the successful delivery of provision.

## **2. RECOMMENDATION(S)**

**2.1 To agree the procurement of an Adult Skilled Open Framework agreement for a period of four (4) years (with the option of two (2) separate twelve (12) month extensions thereafter, up to a maximum contract length of six (6) years) to deliver adult skills courses to Hackney residents.**

## **3. RELATED DECISIONS**

3.1 The Adult Learning service was inspected by Ofsted in 2024 and offered good value for money (externally delivered training programmes were part of this inspection)

<https://reports.ofsted.gov.uk/provider/42/59204>

3.2 GLA have recently published their London Growth Plan and Inclusive talent strategy which provides an overview how London will provide a talent workforce required for the future. Adult skills is a key part of the strategy with the emphasis on an employer led approach to addressing skills gaps.

<https://www.london.gov.uk/programmes-strategies/business-and-economy/mayors-priorities-londons-economy-and-business/london-growth-plan>

## **4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES**

4.1 The Adult Learning Service in Hackney is funded by the Greater London Authority (GLA) through the Adult Education Budget (AEB) grant. The grant funding for Hackney's Adult Community Learning programmes is expected to remain at 2024/25 levels (£2.3m for each academic year) until 2028, with future years' funding set to be confirmed at the end of 25/26. There

is a budget allocated from this grant funding to resource this procurement and therefore the procurement strategy can be supported.

## **5. COMMENTS OF THE DIRECTOR OF LEGAL, DEMOCRATIC AND ELECTORAL SERVICES**

5.1 This Report has been classified as Medium Risk. Paragraph 2.18 of Contract Standing Orders states that all procurements with a risk assessment of “Medium Risk” will be overseen by the Hackney Procurement Board at the Business Case stage and therefore this Report is being presented to Hackney Procurement Board for approval.

5.2 This Report recommends the procurement of an Adult Skilled Open Framework agreement for a period of four (4) years (with the option of two (2) separate twelve (12) month extensions. It is proposed to use the Open Procedure under the provisions of the Procurement Act 2023 to award the framework.

## **6. COMMENTS OF THE PROCUREMENT CATEGORY LEAD**

6.1 We explored several options before deciding to set up a new framework. Our primary goal is to continue fostering local partnerships, and providers based in Hackney. There's currently no existing framework with local expertise available.

We also considered establishing a Dynamic Purchasing System (DPS) to easily add new providers. However, we rejected this option because, under the new Procurement Act, awards through a DPS are only permissible for values above the stipulated threshold. The majority of our current mini-competitions fall below the services threshold, making a DPS impractical for our needs.

6.2 We're recommending an Open Framework because it offers significant flexibility. This structure lets us reopen the framework every two years, allowing us to bring in more suppliers as needed. The service area is now used to running mini-competitions and by managing suppliers effectively.

6.3 The total value of the proposed framework is above the Light Touch services threshold (currently £663,540) and must be awarded in accordance with the relevant procedures set out in the Procurement Act 2023.

Details of the evaluation process will be set out in the Invitation to Tender (ITT) documents. A Tender Notice will be published on the Central Digital Platform, plus the opportunity will be advertised on the Hackney Council

webpage. Information on the opportunity will be circulated to the industry including existing operators to generate sufficient response to fulfil the current service levels.

Therefore, the recommendation is endorsed by procurement who will support the creation of the Open Framework agreement.

## **7. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)**

### **7.1 Reasons for Decision**

#### **7.1 Business Case and Options Appraisal**

7.1.1 Employment, skills and adult learning Service has been funded by the Greater London Authority (GLA) through the Adult Skills Funding (ASF) (Previously known as Adult Education Budget) for the past 5 years, (previously funded by the Education and Skills Funding Agency) to deliver adult and community learning in Hackney for more than 10 years. Funding from the devolved ASF has been used for the delivery of specific community programmes which include the engagement and progression of local target groups and the 'hardest to reach'.

7.1.2 The objective is to establish a framework agreement for assured community providers to deliver or host a range of Adult skills programmes which includes delivering courses and good job outcomes for an up to 6 year period. This includes Family and Community Learning, ESOL, Maths, English, ICT, Vocational and sector specific courses. The contracted providers will deliver services to communities that are currently under represented.

7.1.3 The Adult Learning Service has an annual target of 2,000 learning places to be provided across an OFSTED inspected curriculum structured programme and the service is grant funded by the Greater London Authority as part of the London Growth Plan and Inclusive Talent Strategy.

7.1.4 Following ASF devolution in 2019/20, there has been a reform in Adult Skills Strategy to increase the number and diversity of adult learners in London gaining the skills to participate in society and progress into Good job outcomes. As such, many of the proposed changes in this Framework will be better delivered by engagement with contracted providers.

7.1.5 For the past 3 years, these services have been delivered under a closed framework undertaking an annual commissioning process to identify suitable providers from a limited number of providers on the framework. It is therefore necessary to tender this framework for requirements from December 2025.

7.1.6 Employment, skills and adult learning service proposes to tender for a 4 year open framework agreement (with the option of two annual extensions thereafter). The framework would allow us to introduce new suppliers at regular intervals such as every 6 months that have the capability and capacity to meet Council's requirements and will help the service to respond quickly to the Labour market needs and the London Growth Plan and Inclusive talent Strategy.

## 7.2 **Benefits Realisation and Lessons Learnt**

7.2.1 Due to the nature of the services being provided the existing suppliers are largely local organisations. Providers are a combination of charities, community groups and limited companies with a community focus.

7.2.2 There is a stable supply base of reliable and sustainable providers delivering a wide range of courses across the target demographic. The majority of providers have been engaging with service for some years and have a clear understanding of service expectations.

7.2.3 The service reaches a range of difficult to reach learners who, for reasons such as culture or religion, cannot access mainstream education provision. A framework business model will enable multiple community based contractors to deliver adult learning services to many disadvantaged groups in the heart of their local areas and to identify and fill gaps in local provision.

7.2.4 Every Ofsted inspection report since the delivery model was launched in 2005 has highlighted that partnership work is a strength of the service. Hackney's model was unique when it started and our best practice was shared with other boroughs who have subsequently adopted the model upon Ofsted's recommendation.

7.2.5 Learner and provider satisfaction surveys are undertaken annually and have been consistently positive.

## 7.3 **Strategic Context**

7.3.1 This delivery will continue to fit with the Council's strategic vision to alleviate barriers to education, training and employment by way of ensuring disadvantaged adults have access to learning and further opportunities. The services will continue to target provision to address key Council and the GLA Skills for Londoners Strategy funded priorities for Hackney and meet the needs of the groups.

## 7.4 **Preferred Option**

7.4.1 The service delivers a number of training programmes using in-house provision using its own staff, however, it does not have the facilities or

capacity to meet all of the training needs of the target groups, for example mental health. Therefore external providers need to be commissioned to tap into these specialisms.

7.4.2 The devolution to the GLA means there is more likely to be an emphasis on skills and employment outcomes and so it is important to retain specialist organisations that will be able to deliver these programmes. The GLA funding is ring-fenced for the delivery of specific community programmes which include the engagement and progression of local target groups and the 'hardest to reach'. It is the local and community commissioned providers that are best placed to identify and engage with these groups.

7.4.3 The preferred option is to tender for a framework agreement of external providers, which can offer the required specialisms and capacity, which cannot be provided in house. The Framework, which will be run using mini competitions will offer a variety of suppliers, which will provide choice and flexibility.

## 7.5 Alternative Options Considered and Rejected

### 7.5.1 Do Nothing

This was rejected as the Council has a strategic vision to alleviate barriers to education, training and employment and seeks to deliver this via funding received from the GLA.

### 7.5.2 Inhouse Delivery

The option for Adult Community Learning to be directly delivered by a team of teachers employed by the Council was rejected for a number of reasons including:

- Lack capacity to deliver all of the training programmes in-house.
- Lack specialisms and training venues to deliver all training in-house.
- Reduced capacity to build small organisations and new community groups.
- It requires a large increase in the number of Council employees and back office staff which is more costly.

### 7.5.3 Procure A Single Supplier For Management of All Training

The option of procurement of a single supplier to manage all training for the Council was rejected for the following reasons:

- Lack of control over training quality and standards due to subcontracting by the main supplier.
- Learners would be disadvantaged if providers hold waiting lists to retain funding, rather than referring learners to alternative providers.

- An overarching provider may not be incentivised to seek hard to reach groups in the community.
- A single large provider may have more of a Further Education focus which denies our community learners the opportunities they require.

#### 7.5.4 Partnership with Other Boroughs

This option was considered as it could offer potential cost savings and the sharing of resources including training venues, equipment and expertise. However, it was rejected as establishing a partnership would not fit Hackney's timescales and it was considered that a joint approach may be complex and lead to a lack of ownership and control, less accountability and not allow the contract to be tailored to Hackney's specific needs.

#### 7.6 Insourcing

##### Inhouse Delivery

The option for Adult Community Learning to be directly delivered by a team of teachers employed by the Council was rejected for a number of reasons including:

- Lack capacity to deliver all of the training programmes in-house.
- Lack specialisms and training venues to deliver all training in-house.
- Reduced capacity to build small organisations and new community groups.
- It requires a large increase in the number of Council employees and back office staff which is more costly.

#### 7.7 Success Criteria, Key Drivers and Indicators

7.7.1 Success of the programme delivery will be measured by meeting / exceeding KPI targets and learner satisfaction results. At the heart of Adult Skills is the aim to improve personal development, behaviour and wellbeing (e.g. mental health, functional skills) of Hackney's residents and to reduce poverty by helping them into further education and / or employment. The service intends to provide targeted employment and skills provision for the most disadvantaged groups, including those people experiencing complex barriers to work and commits to empowering all Londoners to access the education and skills to participate in society and progress in education and work.

#### 7.8 Whole Life Costing and Budgets

7.8.1 The budget for the delivery of commissioned learning programmes is approximately £500,000 per annum.

7.8.2 This is part of the GLA grant funding for Hackney’s Adult skills programmes and is expected to remain the same in 2025-26 at around £2,337,014. This is for the 2025-26 academic year

7.8.3 The remainder of the grant supports (but is not limited to) pilot programmes, capacity building, procurement, commissioning, contract management, curriculum support and development, advice and guidance, quality assurance, tutor training (provider and in-house tutors) staff training, curriculum resources, admin and MIS (data recording, reporting and returns to the GLA).

## 7.9 **Policy Context**

7.9.1 The strategy for Adult skills delivery is framed by the Local Agenda; it is outlined in the annual ALS Self-Assessment Report, ALS Team Plan and detailed in the ALS Quality Improvement Plan.

## 7.10 **Consultation and Stakeholders**

7.10.1 Service has links with other departments, projects and organisations including Vulnerable Adults team, City and Hackney Mind, Core Arts, Vista Training, New City College, schools, children’s centres and the Volunteering Centre Hackney.

7.10.2 Stakeholder engagement is a cyclical process from pre-tendering when service meets with as many organisations reps as possible to explain the upcoming tender round and post tender for feedback on the process.

7.10.3 Service hosts induction days, provider and tutor forums, working parties, training days, and meetings for all partner organisations and subcontractors.

7.10.4 All commissioned providers contribute to the providers’ and ALS’ annual self-assessment report.

7.10.5 Service has regular learner feedback forums and surveys including an end of year progression survey.

## 7.11 **Risk Assessment and Management**

This procurement has been assessed as Medium risk.

## 7.12 **Contract Modification should a Known Risk Occur**

Risk	Likelihood	Impact	Overall	Action to avoid/mitigate risk
------	------------	--------	---------	-------------------------------

The procurement process may have a negative impact on small groups and community organisations as they may not be able to bid on a yearly basis.	Low ▾	Medium ▾	Medium ▾	Smaller suppliers will be able to access procurement advice and support to join the Framework. Mini competitions will be held as need arises which will allow suppliers to bid regularly.
Education providers going into administration – ALS must ensure that learners aren't at a disadvantage	Low ▾	Medium ▾	Medium ▾	Procedures are in place to ensure that learners aren't disadvantaged and are referred to another provider in the event of a provider failure, particularly for accredited courses.  The GLA requires the Council to appoint an external auditor to carry out annual audits for 'sub-contracting assurance'. If a provider is failing we can also use our Direct Teach tutors as a back-up.
Failure to comply with grant provisions e.g. grant conditions around detecting fraud.	Low ▾	Medium ▾	Medium ▾	The London Borough of Hackney's Audit & Anti-Fraud team carry out audits.  Internally the Adult Learning service will continuously quality assure and monitor provider performance to mitigate and manage risks.

### 7.13 Insurance

7.13.1 The Insurance Services Team have been consulted and the following insurance levels are required for these contracts and will be requested in the tender documentation:

- Public Liability - £5 Million
- Employers Liability - £5 Million (as required by law)
- Professional Indemnity - £2 Million

### 7.14 Preliminary Market Engagement, including Lessons Learnt and Benchmarking

7.14.1. Due to the nature of the services being provided the existing suppliers are all local organisations. Providers are a combination of charities, community groups and limited companies with a community focus.

7.14.2. There is a stable supply base of reliable and sustainable providers delivering a wide range of courses across the target demographic. The majority of providers have been engaging with service for some years and have a clear understanding of council's and service' expectations.

#### 7.15 **Savings**

7.15.1 No cashable savings are anticipated. The grant allocation will be fully utilised on the funding of learners.

7.15.2 There has always been a strong focus on value for money in the commissioning of adult skills, especially in relation to increased learner numbers by containing costs at previous year levels. We intend to retain the current unit costs and factor in any increases in accreditation costs. Under the Framework Agreement, Contracts will be awarded via a competitive process ('mini competitions'), with contracts being awarded using a combination of quality, price and social value to obtain the Most Advantageous Tender.

#### 7.16 **Income Generation**

N/A

### **8. SUSTAINABILITY ISSUES AND OPPORTUNITIES, NET ZERO AND SOCIAL VALUE BENEFITS**

#### 8.1 **Procuring Green**

8.1.1 Use of recycled materials, public transport and accessible learning venues will be required in the specification.

8.1.2 The Service operates its own sustainability strategy and promotes the development of supplier-owned sustainability policies and programmes and will assist any small group and community organisations in the borough to develop a policy for use.

8.1.3 We issue providers with our sustainability policy as part of their handbook which contains guidance on environmental issues and how providers can take action to reduce their carbon footprint and harm to the environment.

#### 8.2 **Procuring for a Better Society**

8.2.1 This procurement will have a positive impact on the local community by providing supported education opportunities, assisting re-engagement, enhancing the current low base of qualifications and skills and in turn addressing the wider need to reduce poverty. The final outcomes at the end of the contracted service delivery may be measured in terms of achievements, qualifications and skills obtained and progression surveys onto FE or employment.

8.2.2 All learning offered and taken up is monitored against these socio-economic groups. There will be strategies to address any particular gaps identified to ensure wider policy requirements for Education and Hackney Council are met.

### 8.3 **Procuring Fair Delivery**

8.3.1 The procurement will have a positive equalities impact as the Employment, skills and adult learning service actively targets under-represented and marginalised groups in the community, including:

- Hackney Housing tenants
- Long term unemployed & families with inter-generational unemployment
- Adults with limited employment history
- Adults who have recently been made unemployed due to the Covid-19 pandemic and need to re-train
- Adults in low skilled jobs and on low wages
- Migrants and adults for whom English is a second language, from settled
- Communities and newer arrivals, migrants, asylum seekers and refugees
- Residents with multiple support needs who live in Lower Super Output Areas of Hackney;
- Adults furthest away from work due to low or no qualifications and with basic skills needs;
- Adults aged 50 plus and those socially isolated or at risk of becoming so
- Adults from ethnic minorities with particular emphasis on:
  - Adults from Turkish, Kurdish and Cypriot communities;
  - Migrants, refugees & asylum seekers
  - Orthodox Jews
  - African Caribbean communities

8.3.2 The commissioning process is open, inclusive and supported to assist small groups and community organisations. In addition our ongoing, discrete programmes offer support to capacity-build small providers

### 8.4 **Social Value Benefits**

This process will bring a positive impact on individuals and the wider community. These benefits go beyond direct qualifications and outcome model focuses on reducing poverty and inequality, improving health and wellbeing, supporting residents with complex needs, reducing reoffending and improving housing stability, and embedding equity and anti-racism to support Hackney’s economic recovery

## **9. PROPOSED PROCUREMENT ARRANGEMENTS**

### **9.1 Procurement Route**

9.1.1 These services fall under a medium risk as per Risk Assessment

9.1.2 The Open framework is the proposed route, the timescale to complete the procurement is in time for the new academic year (starting in December 2025).

9.1.3 It is noted that the market for this area is quite large, however the use of the Open framework is manageable as further time has been built into the evaluation process and project specific questions will be included in the Selection Questionnaire. Further, the requirements of the Specification, that courses are accessible to local residents and do not require significant travelling for learners, may cause some suppliers to consider the viability of their bids.

9.1.4 It is recognised that a large number of current and potential suppliers are Small or Medium Enterprises (SMEs) who may not be aware of or comfortable with the complexities of a full Find A Tender procurement process. In light of this, extra time will be built into the procurement timetable and advice and support on the process (not specific bids) will be available.

### **9.3 Procurement Project Management, Resources and Key Milestones**

<b>Key Milestones &amp; Publication of Notices</b>	<b>Date</b>
Business Case Report to HPB	8th July 2025
Publish Planned Procurement Notice (optional)	end July 2025
Publish Preliminary Market Engagement Notice	end July 2025
Publish Tender Notice (and tender documents), or <i>Dynamic Market Notice</i> , or <i>Below Threshold Tender Notice (and tender documents)</i> , or <i>Transparency Notice (prior to a Direct Award)</i> .	01/09/2025
Tender returns	1/10/25
(Final) Tender assessment	22/10/25-26/10/25
Contract Award Report to HPB / CPIC	November 2025

Issue Assessment Summaries	
Publish Contract Award Notice and commence Standstill	November 2025
Standstill Period Expires	End November 2025
Start on site / Contract Commencement	December 2025

#### 9.4 **Anticipated contract type**

An Open Framework agreement based on the Council's standard terms and conditions will be used. Legal will be requested to draft the Framework agreement ready for inclusion in the tender documentation

#### 9.5 **Sub-division of the contract into lots**

Lessons learned from previous experience with the framework indicate that subdividing courses into Lots is unnecessary. This is because the courses cannot be subdivided, and the same providers would be applying to each Lot, which has proven inefficient for them.

#### 9.6 **Contract Management (and Mandatory Use of the Contract Management System)**

9.6.1 The Framework will be managed by the Head of Commissioning and Performance along with a Contracts Manager. Regular quarterly meetings are conducted by both the Commissioning and Performance team and curriculum team to ensure compliance with Council's priorities and grant conditions.

9.6.2 The contract with the Greater London Authority will continue to be managed by the Assistant Director of Employment, Skills and Adult Learning Service.

#### 9.7 **Key Performance Indicators**

9.7.1 The GLA funding guidelines for the grant will be used to measure the goals and objectives to be achieved

9.7.2 The Employment, Skills and Adult Learning Service actively targets a wide range of Hackney disadvantaged groups. These groups include:

- unemployed adults, both long & short term;
- adults with low or no qualifications and basic skills needs;
- adults for whom English is a second language;
- adults aged 50 plus;
- adults with disabilities and/or learning difficulties;
- adults from ethnic minorities with particular emphasis on:
  - (i) adults from Turkish & Kurdish communities;
  - (ii) refugees & asylum seekers;
  - (iii) Charedi Jews
  - (iv) African Caribbean communities

9.7.3 To ensure these and other targets are achieved a set of Key Performance Indicators linked to performance and quality are included in all contracts. They can be summarised as follows;

- Achievement: A minimum of 85% of the Learners on accredited courses and 95% of the learners on non-accredited courses attaining an achievement.
- Attendance: A minimum of 90% of the Learners reaching an attendance rate
- Retention: A minimum of 90% of the Learners completing the Course.
- Recruitment: 100% of places available on the course which are filled at the beginning of that course.

9.7.4 Payments will be linked to the delivery of specific outputs.

#### 10. **CONFLICTS OF INTEREST ASSESSMENTS**

The service will identify, record, monitor and manage any potential, actual or perceived conflicts of interest among the officers. The goal is to ensure that all individuals involved in the process have completed these assessments and that any identified conflicts are appropriately managed and mitigated through recorded actions.

#### **APPENDICES**

None

#### **EXEMPT**

N/A

#### **CONFIDENTIAL**

N/A

#### **BACKGROUND PAPERS**

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.

#### **Description of document (or None)**

None

<b>Report Author</b>	Name Pallavi Dham
	Role Head of Commissioning and Performance
	Email pallavi.dham@hackney.gov.uk

	<p>_____</p> <p>Tel 020 8356 1764</p>
<b>Comments for and on behalf of the Group Director of Finance and Corporate Resources prepared by</b>	<p>Name Mahmood Patel</p> <p>_____</p> <p>Role Service Accountant</p> <p>_____</p> <p>Email mahmood.patel@hackney.gov.uk</p> <p>_____</p> <p>Tel</p>
<b>Comments for and on behalf of the Director of Legal, Democratic and Electoral Services</b>	<p>Name Patrick Rodger</p> <p>_____</p> <p>Role Senior Lawyer</p> <p>_____</p> <p>Email Patrick.Rodger@hackney.gov.uk</p> <p>_____</p> <p>Tel (020) 8356 6187</p>
<b>Comments of the Procurement Category Lead</b>	<p>Name Leila Gillespie</p> <p>_____</p> <p>Role Procurement Category Lead - Corporate Services</p> <p>_____</p> <p>Email leila.gillespie@hackney.gov.uk</p> <p>_____</p> <p>Tel</p>
<b>Head of Service / Director Endorsement (for low risk contracts)</b>	<p>Name N/A</p> <p>_____</p> <p>Role</p> <p>_____</p> <p>Email</p> <p>_____</p> <p>Tel</p>