

Report of Children’s Commissioning and Market Management

Report to Director of Children’s Services

Date: 27th January 2015

Subject: Request to invoke Financial Procedure Rule 9.6 for the payment in advance of receipt of services provided by Leeds Weekend Care Association (LWCA)



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The purpose of this report is to request approval from the Director of Children’s Services to invoke Financial Procedure Rule 9.6 for the payment in advance of receipt of services provided by LWCA for the delivery of the Weekenders Club and the Out & About Club services. The contract, for £194,214, is to commence on the 1st April 2015 and expire on the 31st March 2016.
2. There is a current contract with LWCA for these services that has run for five years and payments in advance were made throughout the period of the contract.
3. This decision is required because LWCA does not hold sufficient unrestricted funds to bank roll payments in arrears. This does not affect value for money for the service and the interests of the Council are protected by the contractual obligations made of the provider in relation to the management of the funding.

Recommendations

4. The Director of Children’s Services is recommended to approve the invocation of Financial Procedure Rule 9.6 for the payment in advance of receipt of services provided by LWCA.

1 Purpose of this report

- 1.1 The purpose of this report is to request approval from the Director of Children's Services to invoke Financial Procedure Rule 9.6 for the payment in advance of receipt of services provided by LWCA for the period 1st April 2015 to 31st March 2016.

2 Background information

- 2.1 A waiver has already been approved to award this provider a one year contract from 1st April 2015 to 31st March 2016. The value of this contract is £194,214. Payments in advance will be for £48,553.50 per quarter.
- 2.2 Please see appendix one for details of this waiver and background about the services to be provided.

3 Main issues

Reason for Contracts Procedure Rules Waiver

- 3.1 LWCA is a small parent-led organization that requires payment in advance to effectively manage budgets and cash flow, including payment of staff salaries.
- 3.2 This option represents best value for money because it secures vital services to enable disabled children and their families to access targeted short breaks. Quarterly payments protect the interests of the Council by staggering payments, allowing the Council to withhold payments in case of unsatisfactory performance. This gives the Council the power of offset, whereby in the event of default on the contract, money owed to the Council can be offset against money owed by the council to the provider.

Consequences if the proposed action is not approved

- 3.4 If this waiver is not approved, the provider would not be able to effectively deliver these services, which could have a detrimental impact on disabled children and their families.

Advertising

- 3.4 Not applicable.

4 Corporate Considerations

4.1 Consultation and Engagement

- 3.3.1 Please see appendix one for consultations in relation to this provision.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Please see appendix two for Equality Impact Assessment form.

4.3 Council Policies and City Priorities

- 4.3.1 This provision contributes to the Children and Young People's plan priority 6, Improve support where there are additional health needs, for which 'The number of disabled children accessing short breaks & levels of satisfaction' is a key indicator.

4.4 Resources and Value for Money

4.4.1 There are no additional financial implications arising from this report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This decision concerns payments in excess of £1,000 and so may be approved by the Director of Children's Services, following consultation with the Director of Resources.

4.5.2 This decision is not subject to call-in because it concerns advance payments within a contract, which has previously been approved by the Director of Children's Services

4.6 Risk Management

4.6.1 The main risk identified within this report is that services for which payments are being made in advance, are not subsequently delivered. This would require funding to be clawed back from the provider, which can be a lengthy and difficult process. However, this risk is mitigated by paying quarterly rather than all at once. Ongoing contract management will identify whether this funding is not being spent each quarter and whether this funding is being spent correctly or not. Quarterly monitoring returns will include outcomes for disabled children and short break settings, the number and value of grant payments made by LWCA and how many short breaks hours were delivered as a result.

5 Conclusions

5.1 This report recommends the best option for securing vital services for disabled children, young people and their families. Risks associated with making payments in advance will be mitigated by staggering payments quarterly.

6 Recommendations

6.1 The Director of Children's Services is recommended to approve the invocation of Financial Procedure Rule No 9.6 to make payments in advance to LWCA.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.