

Report of Commissioning Programme Manager

Report to Deputy Director of Children's Services

Date: 13th January 2015



Subject: Waiver of the Contracts Procedure Rule(s) in order to enter into contracts with organisations for the delivery of youth work from April 2015

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. Currently a range of youth work contracts are externally commissioned by Children's Services. There are currently 13 youth work contracts delivered by providers from the voluntary, community and faith sector. The current contracts end on the 31st March 2015 so new contracts need to be awarded for the work to continue from April 2015.
2. There is a proposed reduction in expenditure on the Youth Offer in 2015/16, which is part of the budget proposals for Children's Services. This reduction requires new delivery arrangements across both youth work and targeted information, advice and guidance services. Current planning is taking place to identify future delivery arrangements in line with the new budget that will be available.
3. A project team is in place to plan for future delivery arrangements across the youth offer. Interim contracts are required for 6 months in order to ensure delivery continues to young people ahead of the new service delivery arrangements being agreed and put in place.

Recommendations

4. The Deputy Director of Children's Services - Learning, Skills and Universal is recommended to approve the waiver of the following Contracts Procedure Rule(s):

Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements

and award a contract to the providers listed in Appendix 1 in the sum of the values listed in Appendix 1. The contracts shall commence on the 1st April 2015 and expire on the 30th September 2015.
5. The Deputy Director of Children's Services - Learning, Skills and Universal is recommended to approve that the following providers receive payment in advance for their contract:
 - Armley Juniors
 - Better Leeds Communities
 - CFYDC
 - City of Leeds Hawksworth Wood YMCA
 - Getaway Girls
 - Shantona Women's Centre
 - The Cardigan Centre
 - The Hamara Healthy Living Centre
 - The Market Place
 - Youthstation

1 Purpose of this report

- 1.1 The report seeks a waiver to contracts procedure rules in respect of a number of contracts for youth work delivery. Each individual contract is valued between £5,000 and £54,344 and will be subject to individual decision making once the new service delivery model submitted has been evaluated and deemed appropriate by the relevant project team.

2 Background information

- 2.1 Currently a range of youth work contracts are externally commissioned by Children's Services. There are currently 13 youth work contracts delivered by providers from the voluntary, community and faith sector . They have emerged from three different original funding streams:
- Historic grants for youth work delivery and core grants for capacity building in the voluntary sector.
 - Historic one off grants for youth work delivery, originally funded from underspends in Youth Service staffing budgets.
 - Contracts which were awarded for NEET work (Engage funding). When this funding stream ended, delivery continued and they were transferred over to geographically targeted youth work funding.
- 2.2 The current contracts end on the 31st March 2015 so new contracts need to be awarded for the work to continue from April 2015.
- 2.3 There is a proposed reduction in expenditure on the Youth Offer in 2015/16, which is part of the budget proposals for Children's Services. This reduction requires new delivery arrangements across both youth work and Connexions. Current planning is taking place to identify future delivery arrangements in line with the new budget that will be available.
- 2.4 Voluntary sector organisations deliver a range of provision in Leeds, including various services for young people. A strength of the sector can be the ability to innovate and create new solutions to work with vulnerable young people. Planning for future delivery of services by voluntary sector organisations should build on their expertise.
- 2.5 A project team is in place to plan for future delivery arrangements across the youth offer, including youth work and Connexions delivery, in response to the requirements for reduction in expenditure in this area over the coming years. Interim contracts are required for 6 months in order to ensure delivery continues to young people ahead of the new service delivery arrangements being agreed and put in place.
- 2.6 There is a need to ensure contracts are put in place for April 2015. Each individual contract will be subject to individual decision making as the service provider will be asked to commit to maintaining their existing service provision, and existing terms and conditions of contract.
- 2.7 All contracts will be established within the requirements of the contracts procedure rules.

3 Main issues

Reason for Contracts Procedure Rules Waiver / Invocation

- 3.1 LCC wishes to enter into new individual contracts with providers listed in Appendix 1. This will ensure continuity of service and allow for appropriate planning of service delivery to take place following a reasonable timescale. This will provide coherence and consolidated approach.
- 3.2 In allowing the current providers of services to deliver services from April 2015, LCC will benefit from the following:
- Continuation of current provider base ensures continuity in service delivery and would reduce the need for transfer or redundancy of staff. Contract monitoring arrangements indicate that current providers are meeting their performance objectives.
 - Current providers would offer the best value for money option to LCC, as an open market competition leading to changes of providers would not be possible in the timeframe available and would incur disproportionate transition costs.
- 3.3 There are no internal HR implications but a failure to act promptly will affect the capacity of contracted organisations to deliver against our priorities.
- 3.4 The overall benefits of the contracts are summarised below:
- Review and reshaping of service delivery will ensure LCC is meeting its duties within the reduced budget for Children's Services that is available.
 - Continuation of contracts for delivery of services to meet identified needs will ensure that LCC is meeting its duties for the delivery of services to children and young people.
 - Ensuring performance measures and contract monitoring for current providers to ensure good quality delivery ahead of new contract arrangements. Each provider will be asked to commit to maintain their existing service provision, and existing terms and conditions of contract.

Consequences if the proposed action is not approved

- 3.5 Risks have been identified if a decision is not taken on arrangements for April 2015
- The LA would not have service delivery models in place from April 2015
 - Delays or difficulties in agreeing contract changes / variations with continuing contracts impacts on the ability to implement chosen options for delivery.
- 3.6 The risk during this medium term planning process is that services become destabilised if we are not clear about how we will assure continuity.
- 3.7 Any delay in the setting up of the contract leads to an inevitable delay in payment. The proposed arrangement for this year will ensure the process can be

communicated well in advance of the end of the current contract and that we have clear contractual arrangements in place well in advance of the new financial year.

Advertising

3.8 These contracts will not be advertised.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Current service providers have been informed of the intention to award a future contract.

4.1.2 The lead member for Children's services was consulted on the proposals and has been part of discussions with voluntary sector providers on the future delivery planning for youth work organised by Young Lives Leeds.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The award of new contract to current service providers means that the current service delivery model will continue. The service will be to the same client group at the same value. The decision to continue delivery of current service arrangements will not have any adverse impact on any equality group.

4.3 Council Policies and City Priorities

4.3.1 These contracts deliver against the priorities set out in the Children and Young People's Plan:

- Support children to live in safe and supportive families
- Ensure that the most vulnerable are protected
- Support children to be ready for learning
- Improve behaviour, attendance and achievement
- Increase numbers in employment, education or training
- Encourage activity and healthy eating
- Promote sexual health
- Reduce crime and anti-social behaviour
- Increase participation, voice and influence
- Improve support where there are additional health needs
- Minimise the misuse of drugs, alcohol & tobacco by children & young.

4.4 Resources and Value for Money

4.4.1 The contracts represent Value for Money by:

- Reducing disruption to existing services by ensuring continuity of current providers from April 2015.

- Ensuring performance measures and contract monitoring for current providers to ensure good quality delivery ahead of new contract arrangements. Each provider will be asked to commit to maintain their existing service provision, and existing terms and conditions of contract.

- 4.4.2. A number of youth work providers require payment in advance for their contract. Payment in advance is crucial to these organisations so that they can effectively manage budgets and cash flow to deliver the LCC commissioned service. Payments will be made on a quarterly basis.
- 4.4.3. All providers have been subject to a financial checking process using the council's CreditSafe facility

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The value of the contracts detailed within this report are below the level for key decisions as prescribed within the council's constitution and therefore this decision is not subject to call-in.
- 4.5.2 Giving the work to this provider without competition could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that Contracts Procedure Rules suggests that contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising is appropriate. In giving the work to this provider without competition there is a potential risk of challenge from other providers who have not been given the chance to tender for this opportunity.
- 4.5.3 Whilst there is no legal obstacle preventing the waiver of CPR 9.1 and 9.2, the above comments should be noted when making the final decision, the Deputy Director of Children's Services should be satisfied that the course of action chosen represents Best Value for the Council.

4.6 Risk Management

- 4.6.1 Risks of challenge from other providers due to the lack of opportunity to tender for this service. In order to mitigate this risk, providers will be made aware of the future plans for commissioning services.
- 4.6.2 In order to ensure good quality delivery and value for money the selected organisations will be asked to commit to maintain their existing service provision, and existing terms and conditions of contract.
- 4.6.3 Proposals contained in this report will manage the risk of the market place becoming destabilised by future commissioning plans, as service providers are aware of the plans to commission services over the coming years.

5 Conclusions

- 5.1 The Director of Children's Services is recommended to note the contents of this report and approve the waiver of the contracts procedure rules.

6 Recommendations

- 6.1 The Deputy Director of Children's Services - Learning, Skills and Universal is recommended to approve the waiver of the following Contracts Procedure Rule(s):

Contracts Procedure Rules No 8.1 and 8.2 – Intermediate value procurements

and award a contract to the providers listed in Appendix 1 in the sum of the values listed in Appendix 1. The contracts shall commence on the 1st April 2015 and expire on the 30th September 2015.

- 6.2. The Deputy Director of Children's Services - Learning, Skills and Universal is recommended to approve that the following providers receive payment in advance for their contract:

- Armley Juniors
- Better Leeds Communities
- CFYDC
- City of Leeds Hawksworth Wood YMCA
- Getaway Girls
- Shantona Women's Centre
- The Cardigan Centre
- The Hamara Healthy Living Centre
- The Market Place
- Youthstation

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.

Appendix 1

Projected contract costs 2015/16

Provider	Value for 6 months delivery
Armley Juniors	22,392
BARCA Leeds	37,500
Burley Lodge Centre Ltd	9,292
City of Leeds Hawksworth Wood YMCA	12,911
CYFDC (Chance)	9,000
Garforth School Partnership	5,400
Getaway Girls	12,836
Leeds Mencap Hawthorn Family Support Centre	5,000
Shantona Women's Centre	5,000
The Cardigan Centre	27,182
The Hamara Healthy Living Centre	14,104
The Market Place	54,344
Youthstation	12,000