

**Report of the Chief Officer (Partnership, Development, and Business Support)
Childrens Services**

Report to the Deputy Director of Children Services

Date: August 2015

Subject: Commissioned Services, Learning, requiring Waiver, 2015-16



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

Consultation with strategic service leads has identified recommended decisions for contracts held by Children's Services for the financial year 2015 / 16.

Savings up to 30% in some cases were identified in the original Universal & Locality block waiver that went to CSLT in March 2015 but the decision taken at that time was to put a hold on the funding reductions suggested pending further consideration.

One of the key elements of the report was to facilitate waivers and contract extensions. This report has been varied and submitted for further consideration by the Director of Children Services (DCS), based upon the need to facilitate said waivers. Pending this, the contracts listed in this report are now implied, approval of the proposed waivers will obviate this undesirable state of affairs. Please note that extension requests have been dealt with separately.

Funding level is now listed as maximum and minimum level. The minimum level equating to the proposed and, in general, reduced funding level proposed for 2015/16, pending CSLT consideration. The maximum funding level equates to the level of funding delegated for the 14-15 financial year. This is the level of funding that service providers **will receive** over the course of 15/16, pending further CSLT

consideration and determination of funding levels, and any reductions in funding, during 15/16.

Recommendations

The Deputy Director of Children's is requested to note the provisional budget arrangements indicated in this paper. As indicated above provisional funding arrangements for 15/16 will be as per 14/15 expenditure pending CSLT consideration and determination in respect of the proposed reductions in spend.

The Deputy Director of Children's is also requested to approve the waiver of contracts procedure rules 8.1, 8.2, 9.1 and 9.2, as detailed in paragraphs 3.6 and 3.7.

1 Purpose of this report

- 1.1 To update the DCS on the proposals for contract waivers and contract extensions to be in place for the financial year 2015/16. Proposals have been agreed through meetings with the relevant Head of Service.
- 1.2 Based on agreement of the recommendations, formal decisions will be brought forward from this report.
- 1.3 To update the DCS, on the proposals for contract waivers to be in place for the financial year 2015/16. Proposals have been agreed through meetings with the relevant Head of Service.

2 Background information

- 2.1 Individual meetings were held with Heads of Service between September and October 2014 to ensure decision making for contracts is part of the overall strategic planning for each service area. Recommendations for contract arrangements for 2015/16 were agreed with Heads of Service alongside plans for future commissioning activities to take place in the coming year. Review meetings considered performance of current services from information provided by the contract management team.
- 2.2 The decision making process took place on a shared understanding of the need to follow through the challenge of maintaining the direction of travel for services alongside a challenge to meet responsibilities for the 2015/16 budget. Commissioning and contract arrangements are looking for efficiencies and savings, where possible.
- 2.3 Effective management of the provider sector requires clear messages on Children's Services priorities and directions of travel to obtain best value from external arrangements. In - year and in - contract flexibility for arrangements can be made through negotiation, additionally all contracts are issued with break clauses that allow the ending of arrangements with a 3 month notice period from the Local Authority.

3 Main issues

- 3.1 The proposals for 2015/16 are set out below, in line with other planning systems for the directorate.

Learning Partnerships – contract via waiver in place for 7 months only (due to changes within the National Citizenship Scheme), allocation of £23, 333, the previous contract value was in the region of £40 K.

Currently funding comes to the Local Authority via the NYA, who in turn are funded by Serco (NCS provider commissioned by central government). Children Services, in turn, delegate funding to Learning Partnerships, in order to facilitate aspects of the scheme. From October 2015 this state of affairs will change. Serco

have chosen to pull out of the contractual arrangement and will be replaced by a new provider. This new provider has chosen to provide services relating to NCS directly.

Speech & language Therapy – extend for 12 months, allocation of £98, 000 (reduction of 30%). This reduction was already agreed with the current provider, and agreed internally; therefore this decision should be actioned as soon as is feasible. The aim here is to enable a staged reduction in funding support. The provision will be subject to further planning discussions relating to its future and funding levels and sources of that funding.

3.2 As a result of the Children & Families Act 2014, the Authority was required to put in place a new mediation and disagreement resolution service. This service was put in place via waiver, running from October 2014 to the 31st of March, 2015.

3.3 On the basis of advice taken from Procurement (PPPU), it is recommended that the arrangement via waiver be continued putting in place a service to run from the 1st of April 2015 for 12 months, with the option to extend for 12 months (12 + 12). Funding for this service would amount to £15, 000 per annum (however, CSLT should note that during the period October 2014 to date, expenditure has only been in the region of £1100).

3.4. The rationale for this is as follows;

due to the low anticipated expenditure in this area and the current lack of management information due to the recently revised process, that the future provision for the next 12 – 24 months would be best secured through the continued use of the current provider through the obtainment of a waiver. The discussions held led to the belief that this would be best secured as being a part of the block waiver, this opinion being based upon the following salient points:

- Low value
- Current provision is of sufficient quality
- Lack of detailed management information available to support a current tender
- Opportunities for a regional solution may present themselves in the future. Other LA's in the region are currently in the same position as Leeds in needing to understand the current and future shape for delivery.

3.5 Early Help – prep for birth, for BME new parents (Choto Moni), delivered by the National Childbirth Trust. Waiver required for 12 + 12 months, total funding £12, 000 (£6000 per annum).

3.6 Waivers (summary of contracts & proposed funding amounts)

Service	Provider	Contract End Date	Expenditure on the current contract 14/15	Full Year Effect if current recommendation taken forward 15/16	Notes
Youth delivery - Volunteering	Learning Partnerships	31.03.15	£39, 736	£23, 333 (7 month value)	Contract length 15/16, 7 months only, waiver required for 7 months period.
Early Help – holidays for disadvantaged children	Leeds Children's Charity.	31.03.15	£50, 166	Maximum expenditure of £50, 166, minimum expenditure of £35, 166 pending CSLT consideration.	Waiver required for 12 months.
Early Help – prep for birth, for BME new parents(Choto Moni)	National Childbirth Trust.	31.03.15	£6, 000	£6, 000 – funding for this work via Public Health. (Total funding over 12 + 12 = £12, 000.) No proposed funding reduction.	Waiver required for 12 + 12.
Early Help – crèche facility for parents attending court.	Oxford Place	31.03.15	£11, 000	Maximum expenditure of £11, 000, minimum expenditure of £10, 000 – saving of 10% - pending CSLT consideration. (Total funding over 12 + 12 = £22, 000 maximum, £20, 000 minimum)	Waiver for 12 + 12
Was Youth related –	Women's Health	31.03.15	£42, 432	Maximum expenditure of £	Waiver for 12 months

Support for Pregnant young women	Matters			42, 432 and minimum expenditure of £38, 232 – potential saving of 10% (portfolio transfer to remit of the Commissioning Programme Manager for Targeted Services	subject to CSE review.
Early Help / Complex Needs – Mediation and Disagreement Resolution	Currently - Community Accord (6 month temporary arrangement with option to extend for 3 months)	31.03.15, permission sought to extend by 3 months to 30.06.15.	To date expenditure has been minimal only one case to date, which given the retainer and the case cost will amount to a maximum of £1100.	£15, 000 (this is a nominal figure, given that this is a new requirement placed upon the LA, we are unsure what the level of demand is likely to be), plus pro-rata contributions from the CCG's, where health issues are at issue.	confirmation of permission to waive contract procedure rules and put in place a contract running from 01.04.15 to 31.03.16 plus option to extend by a further 12 months
Speech & Language Therapy	extend for 12 months	31.03.15	allocation of £98, 000 (reduction of 30%). This reduction was already agreed with the current provider, and agreed internally	£98, 000	Waiver for 12 months
Youth Work Targeted. Sexual health worker - joint with NHS	Barnardos Futures	31.03.15	Extend for 12 months following review of sexual health	£16, 558	Waiver for 12 months, plus 12 months

Leeds			related work.		
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The waivers sought via the above grid are as follows;

£10 K to £100 K – covering all, bar one (which is below £10k), the contract waivers listed in the grid above, requiring the waiving of CPR (contract procedure rules 8.1 and 8.2), fall into the category of intermediate value procurement.

The Deputy Director is requested to waive contract procedure rules as per CPR 27.

3.7 Others (summary of contracts & proposed funding amounts)

Advice Services in Children's Centre's	CAB		£135, 000	Maximum expenditure of £135, 000, minimum expenditure of £114, 750 pending CSLT consideration.	Proposed reduced funding level by 15%, pending CSLT consideration.
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The waiver sought via the above grid are as follows;

Over £100 K Higher Value Procurement – the contract waiver listed in the grid above, requiring the waiving of CPR (contract procedure rules 9.1 and 9.2), falls into the category of higher value procurement.

The Deputy Director is requested to waive contract procedure rules as per CPR 27.

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Commissioning, Contracts & Market Management service entered into discussions with relevant strategic leads, heads of service and service leads during February & March 2015 in order to determine intentions for the financial year 2015 / 16, and to discuss issues relating to funding levels.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 All specifications for the various areas and pieces of commissioned work take account of issues relating to ethnicity, gender, disability, sexuality, age, etc., and are written in such a way that they ensure equality of access and in order to enhance all equality characteristics of relevance for children & young people.

4.2.2 The specifications also, again where relevant, seek to enshrine matters such as community cohesion, integration etc,

4.3 Council policies and Best Council Plan

4.3.1 The areas of commissioned work listed at 3.6 & 3.7 seek to support the following aspects of the Best Council Plan, namely;

Supporting communities and tackling poverty

Promoting sustainable and inclusive economic growth

Building a child-friendly city.

4.3.2 Similarly the commissioned services also serve to support the Children & Young Peoples Plan, namely;

- All CYP are safe from harm
- All CYP do well at all levels of learning & have the skills for life
- All CYP choose healthy lifestyles
- All CYP have fun growing up
- All CYP are active citizens who feel they have voice & influence

4.3.3 Our aim is to achieve these outcomes through the following key improvement strategies;

- Working restoratively, putting the child at the centre
- Supporting children and families, strengthening social work
- Enhancing Cluster and Locality working
- Implementing Early Intervention & Prevention
- Building a Child Friendly City
- Tackling Inequality & Vulnerability
- Investing in Children's Services

4.3.4 We will support service providers to utilise the key improvement strategies.

4.4 Resources and value for money

4.4.1 The original Universal & Locality Services block waiver report, suggested a range of funding reductions, in some cases reductions around the 30% mark. However, at that point in time CSLT did not feel able to approve those reductions. If that report had been approved this would have required discussions with service providers in many cases leading to reductions in expected outputs and outcomes.

4.4.2 As a result of that decision by CSLT funding levels will remain as per those for the 14/15 financial year. As a consequence there is no particular requirement (other than in the interests of greater efficiencies) to re-negotiate those outputs and

outcomes. For the 14/15 financial year those outputs and outcomes were considered good value, and this continues to be the case.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The decision to waive CPR's is a significant operational decision under CPR 27.2; therefore, this report will be published but is not subject to call-in.
- 4.5.2 Awarding the contract to these providers without competition could leave the Council open to a potential claim from other providers, to whom these contracts 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 CPR8.1, CPR 8.2, 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 There is a risk of challenge from other providers due to the lack of opportunity to tender for this service. In order to mitigate this risk, provider will be made aware of the future plans for tendering services and the opportunities this will present as well as their opportunities to contribute to the shaping of the services during consultations.
- 4.6.2 In order to ensure good quality delivery and value for money the selected organisations will either:
- be required to submit a full service delivery model including pricing schedule. This information will be scrutinised prior to the contract being issued.
 - or 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 re-commission services over the coming years.

5 Conclusions

- 5.1 This report does not contain a full list of commissioned services falling within the remit of the Officer responsible for Universal & Locality services. Rather, the report seeks to provide time bound information relating to likely savings levels (pending CSLT consideration), providing a list of commissioned services requiring permission to apply the requisite waivers as per the relevant contract procedure rules, and where relevant lists of services requiring permission to extend.

6 Recommendations

The Deputy Director of Children's is requested to note the provisional budget arrangements indicated in this paper. As indicated above provisional funding arrangements for 15/16 will be as per 14/15 expenditure pending CSLT consideration and determination in respect of the proposed reductions in spend.

The Deputy Director of Children's is also requested to approve the waiver of contracts procedure rules 8.1, 8.2, 9.1 and 9.2, as detailed in paragraphs 3.6 and 3.7.

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.