

**Report of Head of Commissioning and Market Management**

**Report to Director of Children and Families**

**Date: 12/02/2019**



**Subject: Youth work services arrangements for 2019/20- Request to waive CPR 8.1, 8.2, 9.1 and 9.2 and award contracts to Barca Leeds and Cardigan Centre and to spend circa £200k on Youth Pathways grants**

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 checked="" type="checkbox"/> Yes	<input 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. This report seeks permission to waive contract procedure rules to award a contract to Barca Leeds for the delivery of the Youth Inclusion Commission and award contracts to Barca Leeds and The Cardigan Centre for delivery of Targeted Youth Work services. It also seeks permission to spend up to £206,659 in order to award new grant agreements to existing providers to continue delivery of Leeds Youth Pathways grants projects.
2. One of these decisions relating to the Youth Inclusion Commission (recommendation 1.1) is a key decision and is subject to call-in. The decision related to Targeted Youth Work (recommendation 1.2) is significant operational and as such is not subject to call-in. Likewise, the decision relating to spend on Youth Pathways grants (recommendation 2) is a significant operational decision and as such is not subject to call-in.
3. All contracts and grants will commence on 1<sup>st</sup> April 2019 and will be for a period of 12 months at a value of £340,000 for the Youth Inclusion Commission, £63,750 and £46,209 (£109,959) for the Targeted Youth Work services and up to £206,659 for Youth Pathways grants. The contracts and grant agreements will have one option to extend by a period of up to six months; equating to the total potential value of £510k, £164,939 and £309,989 respectively for each decision.

4. These contracts and grants are required to ensure existing arrangements continue, whilst the review of youth work provision and subsequent competitive tenders are completed.

## **Recommendations**

- 1 The Director of Children and Families is recommended to approve the waiver of contracts procedure rules 8.1, 8.2, 9.1 and 9.2 in order to award the following contracts:
  - 1.1 12 month contract to Barca Leeds in the sum of £340,000 for the Youth Inclusion Commission. The contract shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to the total potential value of £510,000]. This is a key decision relating to a high value procurement.
  - 1.2 12 month contracts to Barca Leeds in the sum of £63,750 and The Cardigan Centre in the sum of £46,209 (£109,959 in total) for Targeted Youth Work. The contracts shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to the total potential value of £164,939 and £309,989 respectively for each decision]. This is a significant operational decision relating to intermediate procurements.
- 2 The Director of Children and Families is also recommended to approve spend of up to £206,659 in order to award new grant arrangements to existing providers to continue delivery of the Leeds Youth Pathways grants projects. The grant agreements shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to a total potential value of £309,989]. This is a significant operational decision but sits outside of Contract Procedure Rules as it relates to grants.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek permission to waive CPRs 8.1, 8.2, 9.1 and 9.2 and to award contracts to Barca Leeds for the Youth Inclusion Commission and to Barca Leeds and the Cardigan Centre for the delivery of targeted youth work services. In addition, approval is sought to award new grant arrangements to existing providers to continue delivery of the Leeds Youth Pathways projects. These are interim arrangements whilst the review of youth work provision is completed.

## **2 Background information**

### **Youth Inclusion Commission**

- 2.1 The purpose of the Youth Inclusion Commission (YIC) is to support 8 -13 year olds find alternatives to chaotic lifestyles which may involve significant levels of truancy, offending or antisocial behaviour. Often such behaviour will result in poor educational attainment and hamper future employment prospects
- 2.2 Children and Families have commissioned Barca Leeds to deliver the YIC since 1<sup>st</sup> August 2014 when a contract was awarded following a competitive tender exercise. This followed a decision by the Children's Services Senior Leadership Team (CSLT), in recognition of the need to clarify and simplify the landscape in terms of youth crime prevention, to merge the resources of the Youth Inclusion Project (YIP) and Positive Activities for Young People (PAYP) to form a targeted youth crime prevention programme across the city, which would provide dedicated provision for 8 -13 year olds.
- 2.3 The aim of the contract is to engage and work with a minimum of 130 young people per year and where appropriate with their families. The service is delivered out of numerous venues around Leeds with some outreach undertaken with the LCC Youth Service based on need, home visits and visits to schools. The service adopts a case management approach using the Early Help assessment tool. There is a minimum of three hours contact time per week with individual young people to progress their action plan. The service also delivers a series of group based activities such as Girls Talk, Dance, Drama and Theatre and the Friday Night Project delivered in partnership with the LCC Youth Service.
- 2.4 The service is delivered city-wide, with a particular focus on those areas of the city with high indices of deprivation and need. For 2017-18, as part of a reduction in contract value, the contract was varied to prioritise resources on seven priority clusters; 2gether, ACES, Bramley, Beeston, Cottingley & Middleton, Inner East, JESS and Seacroft Manston. This has proved challenging and it has recently been agreed to relax this referral criteria and ensure assessments are based firstly on individual need and then secondly on area.

### **Targeted Youth Work services**

- 2.5 Since 2014, youth work has been delivered under the agreed Framework of Geographically Targeted Youth Work for Leeds.

2.6 The Framework outlines the following principles and priorities for geographically targeted youth work:

- Due regard is given to equality & diversity
- Change is driven by the use restorative practice and outcomes based accountability
- Youth work opportunities are targeted at young people, aged 11-17 with some discretion to provide opportunities within the wider age group of 11-19yrs (to 24 years where young people have learning difficulties).
- Programmes are delivered predominantly in targeted neighbourhoods (i.e. 40% most deprived LSOAs)
- Delivery is predominantly characterised by group work, with provision taking place mainly outside of school hours (i.e. evenings, weekends and school holidays).
- Emphasis is on programmes which aim to address the needs of local young people, particularly the needs of the most disadvantaged and vulnerable, taking full account of equality and diversity issues; thereby reducing the demand for more specialist services.
- Programmes are evidence led, based on available data relevant to local priorities and what young people have told us they want.
- Young people are involved in a meaningful way in all elements of the delivery, including design, governance and quality assurance.

2.7 The majority of targeted youth work is delivered by the Leeds City Council Youth Service but third sector providers have contracts to deliver youth work in certain wards in the Inner West, Outer West and Inner North West areas of the city. Some of this third sector provision is delivered in partnership with the Council's Youth Service teams. The mixed provision in West Leeds is a legacy of historical funding streams and changes. There were numerous other, smaller contracts across the city that have naturally expired in recent years and the funding reinvested in other youth work activity with external providers.

### **Youth Pathways**

2.8 In 2017/18, Leeds City Council has made £310,000 available to the Leeds Youth Pathways Grant Fund to support vulnerable young people who are Not in Employment, Education or Training (NEET).

2.9 The aim of the grants was to build on good youth work with young people by utilising the outreach skills and local knowledge of youth work organisations to create a wider range of assertive engagement which can be more effective in guiding young people to EET destinations.

2.10 In making these funds available, Leeds City Council is seeking to add value to the range of existing and potential support packages available to this group rather than duplicate activity. The city is set to benefit from a number of employability programmes funded through the European Structural and Investment Funds (ESIF), namely NEET and Back To Work. It is important that activity funded through these grants is aligned with this delivery and genuinely adds value.

- 2.11 The Pathways grant programme primarily aims to support vulnerable target groups or individuals predominantly aged 16 and 17 who are currently NEET (3 months or longer).
- 2.12 The overall purpose of the grant is to improve the work readiness capabilities of vulnerable young people. Providers are asked to evidence impact through the development of young people's capabilities which include:
- Self-awareness; a realistic view of the world of work, their career options, responsibility for their own learning and development; develop aspirations in line with their own attributes
  - Willingness to learn and develop
  - Positive attitude with regard to self and their future
  - Confidence, self-esteem and independence in life and work
  - Development of resilience and longer term goals
  - Broadening of horizons through experience of volunteering or work placement
- 2.13 In April 2017 ten grants were awarded following a competitive application process. Following a review of the first year's performance, six providers demonstrating positive results were awarded continuation grant funding for locality based projects in April 2018/19. These were BARCA, GIPSIL, CFYDC, Learning Partnerships, Hamara and Health for All.
- 2.14 In September 2018, further grants were awarded following a competitive application process to Barca to extend their reach into the Outer North West and Outer West, and to GIPSIL to work specifically with young people in care and care leavers citywide.

### **Review of Youth Work provision**

- 2.15 Children and Families started a review of youth work provision in the summer of 2017, with the aim of improving outcomes for vulnerable young people and developing a longer-term vision for youth work in Leeds.
- 2.16 It is also acknowledged that having limited third sector contracts in just one area has created inconsistency in how youth work is delivered across the city. Procurement law requires us to ensure that contracts of this value are open to a competitive tender process unless there is an exceptional reason not to do so.
- 2.17 It was agreed that a process should be undertaken to review the population and needs of young people, identify assets and gaps in the current delivery and, agree a new commissioning model that will be open to a competitive tender process in line with Contract Procedure Rules.
- 2.18 The contracts and grants outlined in paragraphs 2.1 – 2.14 of this report are all in scope of the review.
- 2.19 The needs analysis phase of the review was completed in June 2018, which included consultation with young people, providers, Elected Members and other key stakeholders. A number of options have since been developed and

consulted on, directly arising from the review findings. This process has taken longer than anticipated due to the number of stakeholders actively engaged in the review and the range of views.

- 2.20 Youth work makes an important contribution to local communities and the Project Team has been keen to engage Elected Members throughout the review process. Following briefings for Community Committee Children's Champions and Community Committee Chairs in October, the project team has also attended meetings for all Community Committees and offered individual Ward level briefings for all Members throughout December and January 2019 on the proposed new arrangements.
- 2.21 This further consultation has impacted on the review timetable. It is now anticipated a preferred commissioning option will be approved by end of April 2019, allowing a tender exercise to be completed and contracts awarded by December 2019. There will be TUPE implications arising from the tender exercise and so a period of mobilisation will be needed, meaning new contracts will commence in April 2020.

### **3 Main issues**

#### **Reason for contracts procedure rules waiver**

- 3.1 The current commissioning arrangements were put in place as a short-term measure to allow for the review of youth work provision to be undertaken. These arrangements are all due to expire on 31<sup>st</sup> March 2019 and there are no options to extend. The delay in the review timetable as referenced in 2.19 to 2.21 means that further short-term arrangements are needed to ensure continuity of provision.

#### **Youth Inclusion Commission**

- 3.2 The Youth Inclusion Commission has been put in scope of the youth work review because there are overlaps with targeted youth work provision and some wider factors impacting on both locality youth work and this provision. In particular, there is increasing demand in relation to younger age groups (9+), which sits outside the age range for targeted youth work (this is 11+). In addition, youth work has increasingly been refocused and targeted, supporting young people with a range of issues/needs including anti-social behaviour and offending. The review is therefore an opportunity to explore potential for more integration between the Youth Inclusion Commission and the wider youth work model as well as ensuring we are maximising the overall funding we have available.
- 3.3 Service user satisfaction is consistently high and impact measures demonstrate success in reducing harm related behaviour, reducing risk of domestic violence, reducing hate crime and increasing self-confidence and emotional well-being (using onset score which is one way of measuring risks experienced by the young person and the impact of the service). YOS National Standards audit results in 2015 indicated good quality assessments and plans and a very high volume of service user engagement.

- 3.4 The service specification is being updated for 2019-20 to reflect the findings of the review so far and also the development of the new Early Help Hubs.

### **Targeted Youth Work services**

- 3.5 The targeted youth work services delivered by Barca Leeds and The Cardigan Centre have historically been funded by way of short-term grants and latterly contracts. One intended outcome of the review of youth work provision, is to establish a longer-term vision for youth work in Leeds, allowing for longer-term contracts awarded by way of competitive tender. This will ensure we are compliant with Public Procedure Regulations and there is greater financial stability for the third sector.
- 3.6 Targeted youth work is a vital preventative service, delivered city-wide by the LCC Youth Service and the third sector. Resources are allocated to localities on the basis of population (11-17 year olds) and number of 11-17 year olds living in the 40% most deprived wards. Feedback from young people and other stakeholders consistently demonstrates the value they place on youth work and the benefits it brings them. Young people say youth work gives them a safe space away from school and allows young people to have different social circles, define their own image and have the opportunity to talk to someone they can trust about their problems.

### **Youth Pathways**

- 3.7 The Youth Pathways grants programme is designed to help reduce the number of young people who are NEET in Leeds by using assertive engagement based on good quality youth work to improve the work readiness capabilities of NEET young people. Reducing the number of young people who are NEET is one of the Children and Young People's Plan priorities and this is therefore a key investment.
- 3.8 The mixed economy of delivery for youth work, with both in-house and 3<sup>rd</sup> sector providers is very positive and reflects the approach to partnership working and collaborative working between the 3<sup>rd</sup> sector and the Council. The 3<sup>rd</sup> sector can bring many benefits to local communities and the Council through use of volunteers, local knowledge and networks and ability to be creative and responsive. The grants funding model was adopted in order to exploit the local knowledge and expertise of smaller, community based organisations.
- 3.9 The performance of the current providers has been assessed and the majority are meeting or exceeding their targets with positive engagement and progress for young people clearly evidenced. Awarding of grants for 2019/20 will be subject to satisfactory performance. New grant agreements will be created and providers will be asked to complete new delivery proposals, ensuring realistic targets are agreed to maximise value for money.

### **Consequences if the proposed action is not approved**

- 3.10 If approval is not granted to award these contracts and grants, there will be a gap in provision for vulnerable young people. There is no other provider currently

that could deliver the YIC service and insufficient time to undertake a robust competitive tender exercise. Such an exercise would be futile given that the review of youth work provision is yet to be completed and this will determine how the service needs to be commissioned in the longer-term.

- 3.11 In parts of West Leeds, targeted youth work provision currently delivered by the third sector would cease and the best value option would be for the LCC Youth Service to cover these areas temporarily. LCC Youth Service already has a presence in West Leeds and is well placed to offer youth work in these areas. This would likely have TUPE implications from third party to LCC. This would be an interim measure until new longer-term arrangements are in place following completion of the review, but it would mean temporarily changing the funding split between LCC and the third sector; contradicting the commitment of the review to maintaining the current funding split. Such a short-term arrangement would be detrimental to service continuity, something which is so vital to youth work as it relies on good quality relationships.
- 3.12 Going out to competitive tender to award 12 month contracts with external organisations would not represent good value given the officer resource needed and the time needed to fully mobilise contracts should new providers win the contracts.
- 3.13 Youth Pathways has been a challenging model to embed and there is now good city-wide coverage of provision by providers with experience and knowledge of the programme. Submitting this investment to competitive tender for 12 month grants would involve significant time and resources and any change in provider would likely result in service disruption as new projects are mobilised. Given the short-term nature of the grant, this would not represent good value for money.

## **Advertising**

- 3.14 These contract opportunities have not been advertised for the reasons set out in this report. The contract values per category of work required are below current EU threshold, so there is no requirement for the contract to be tendered in accordance with the Public Contracts Regulations but there is a requirement to comply with the Council's Contract Procedure Rules.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The decision to award these contracts and grants is being sought because services are in scope for the review of youth work provision, which will not be completed in time for new arrangements to start from 1<sup>st</sup> April 2019. A project team has been established for the review, including representatives from Commissioning and Market Management, Learning for Life, Citizens and Communities and Youth Offending Service. The review reports to the Children and Families Commissioning Review Board, chaired by the Chief Officer Partnerships and Health.



4.1.2 A Reference Group of internal and external providers has been established and meets at key milestones. This is chaired by Voluntary Action Leeds.

4.1.3 The Executive Member for Children and Families has been regularly briefed throughout the review and all Members have been consulted by way of Community Committee and ward briefings.

4.1.4 Procurement have been consulted to ensure compliance with contract procedure rules and EU regulations.

#### 4.2 **Equality and Diversity / Cohesion and Integration**

4.2.1 An equalities impact screening has been completed and is attached to this report. This demonstrates there is no requirement to undertake a full assessment in relation to these interim contracts but a full assessment will be undertaken as part of the review of youth work provision for new provision commissioned from 1<sup>st</sup> April 2020.

#### 4.3 **Council policies and Best Council Plan**

4.3.1 These services support the ambitions of the Best Council Plan and the ambitions of a Child Friendly City.

4.3.2 The services directly support the following priorities of the Children and Young People's plan:

- Help children and parents to live in safe, supportive and loving families
- Ensure that the most vulnerable are protected
- Support families to give children the best start in life
- Increase the number of children and young people participating and engaging in learning
- Improve achievement and attainment for all
- Improve at a faster rate educational progress for children
- and young people vulnerable to poor learning outcomes
- Improve social, emotional, and mental health and wellbeing
- Encourage physical activity and healthy eating
- Support young people to make good choices and minimise risk-taking behaviours
- Help young people into adulthood, to develop life skills, and be ready for work

#### 4.4 **Resources and value for money**

4.4.1 The value of the three contracts in 2019/20 will remain the same as for 2018/19. The value of grants across all current Pathways providers will be reduced by 30% for 2019/20.

4.4.2 The values will be £340,000 for the Youth Inclusion Commission, £63,750 and £46,209 for the Targeted Youth Work services and £206,659 for Pathways grants.

It is proposed these all have options to extend by up to six months, equating to total potential values of £510k, £164,939 and £309,989 respectively.

- 4.4.3 The budget for the Youth Inclusion Commission sits within the Youth Offending Service. The budget for the Targeted Youth Work services and Pathways grants sits within the Learning for Life budget. Both budgets sit within scope of the review of youth work provision.
- 4.4.4 These contracts deliver valuable early intervention and prevention provision, which support vulnerable young people. Performance is overall good across all four contracts. The service specification for YIC is being updated for 2019/20 and service specifications for the targeted youth work services were refreshed when the contracts were extended for 2018/19. New Grant Agreements will be created for Pathways. This will ensure contracts and grants are as specific and relevant as possible while the review of youth work is completed. Specifications and monitoring requirements will again be refreshed as part of awarding these interim arrangements to incorporate learning from the review so far.
- 4.4.5 The quality and value for money of the services will continue to be monitored by the Contract Teams, which include representatives from the Commissioning and Market Management team and relevant service areas. Providers submit monitoring returns every quarter, following which there are contract management meetings to discuss performance and address any issues or concerns.
- 4.4.6 It is recognised that outcomes measurement could be improved to demonstrate the impact of youth work, and this is one of the aims of the youth work review.

#### 4.5 **Legal Implications, Access to Information and Call In**

- 4.5.1 In respect of the contract award to Barca Leeds for delivery of the Youth Inclusion Commission, this is a key decision which has been published on the forward plan and is subject to call in. The decision can be implemented after 6<sup>th</sup> February 2019. There are no grounds for keeping the contents of the report confidential under the Access to Information Rules.
- 4.5.2 The Targeted Youth Work contracts to be awarded to Barca Leeds and The Cardigan Centre is a significant operational decision and as such is not subject to call in.
- 4.5.3 Awarding contracts directly to these organisations via a waiver 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 case law suggests that the Council should always consider whether contracts of this value should be subject to a degree of advertising. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc) and the geographical location of the place of performance.

- 4.5.4 Due to the nature of the services being delivered, the requirement to be physically located in Leeds and the relatively low value of these contracts, the Director of Children and Families is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.
- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 The total potential value of each of the categories of contract will not exceed the OJEU threshold of £615,278 (YIC £510,000, Targeted Youth Work £164,939). The Pathways grants sit outside of Contract Procedure Rules.
- 4.5.7 Whilst there is no legal obstacle preventing these waivers, the above comments should be noted when making the final decision. The Director of Children and Families should be satisfied that the course of action chosen represents Best Value for the Council.
- 4.5.8 The decision to spend up to £206,659 in order to award new grant arrangements for Youth Pathways to existing providers sits outside of Contract Procedure Rules but is a significant operational decision due to the value. This is not subject to call-in.
- 4.5.9 It should be noted that this report includes three separate decisions, which are included to ensure the decision maker has a full understanding of the context in which they are proposed.

#### 4.6 **Risk Management**

- 4.6.1 The potential risks identified above are mitigated by the fact that these contracts and grants are short-term, providing a continuation of arrangements whilst the review of youth work provision is completed and longer-term arrangements are secured by way of competitive tender.
- 4.6.2 The review project team are consulting existing and potential providers and other stakeholders as part of the review and a Reference Group of internal and external providers is involved at key stages.
- 4.6.3 The Director of Children and Families is asked to accept this request for the reasons stated in this report.

## **5 Conclusions**

- 5.1 This report seeks a waiver of contract procedure rules and so there is a degree of risk of challenge. However, this risk is mitigated by the short-term nature of the contracts needed during a period of review, where we are consulting widely and engaging closely with partners, including current and potential providers. The contracts concerned are for valuable preventative services, which are highly valued by stakeholders.

## **6 Recommendations**

- 6.1 The Director of Children and Families is recommended to approve the waiver of contracts procedure rules 8.1, 8.2, 9.1 and 9.2 in order to award the following contracts:
- 6.1.1 12 month contract to Barca Leeds in the sum of £340,000 for the Youth Inclusion Commission. The contract shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to the total potential value of £510,000]. This is a key decision relating to a high value procurement.
- 6.1.2 12 month contracts to Barca Leeds in the sum of £63,750 and The Cardigan Centre in the sum of £46,209 (£109,959 in total) for Targeted Youth Work. The contracts shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to the total potential value of £164,939 and £309,989 respectively for each decision]. This is a significant operational decision relating to intermediate procurements.
- 6.2 The Director of Children and Families is also recommended to approve spend of up to £206,659 in order to award new grant arrangements to existing providers to continue delivery of the Leeds Youth Pathways grants projects. The grant agreements shall commence on the 1<sup>st</sup> April 2019 and expire on the 31<sup>st</sup> March 2020 [with the option to extend for a period of six months, such option not to be taken up more than once, equating to a total potential value of £309,989]. This is a significant operational decision but sits outside of Contract Procedure Rules as it relates to grants.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> 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.