

London Borough of Hammersmith & Fulham



LEADER'S URGENCY REPORT

APRIL 2019

EXTENSION OF CONTRACTS ON THE FAMILY SUPPORT FRAMEWORK

Report of the Leader – Councillor Stephen Cowan

Open Report with Exempt Appendix

This appendix is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Classification - For Decision

Key Decision: Yes

Other services consulted:

Children's Services

Wards Affected: All

Accountable Director: Lisa Redfern - Director of Adult Social Care & Public Services Reform

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Reasons for Urgency:

The contracts on the Family Support Framework provide critical services to children, families and young people. These contracts are due to expire on 31 March 2019, and new extension contract arrangements from this point are essential to ensure continuity of the services and to allow further time for the effective mobilisation of the Family Support Service and the associated transfer of Early Help services from the Council. An Urgent Decision is required to ensure that contracts are agreed and in place from 1 April 2019.

Date by which decision is required: ASAP

AUTHORISED BY:
The Leader has signed this report

DATE: 24 April 2019.....

1. EXECUTIVE SUMMARY

- 1.1. On 6 March 2017 Cabinet agreed the business case for Family Support. This included setting up Family Support as a Local Authority Trading Company and undertaking a procurement process for the award of service contracts to deliver a locality 0-18 universal and low-level targeted Children's Centre and youth provision service.
- 1.2. Cabinet agreed that these contracts should include a clause to allow for their novation to Family Support once it was established. The rationale for this was to bring together all universal services in a co-ordinated service offer, which would reduce duplication for young people and their families and also allow efficiencies to be identified.
- 1.3. As a result, a Framework for Family Support contracts was established, and 16 contracts were awarded. However, these contracts were not novated to Family Support in 2018/19, as originally envisaged, as the timetable was paused to allow for a stocktake of Family Support to be undertaken and recommendations from this stocktake to be implemented.
- 1.4. The first year of contract monitoring has identified that these contracts deliver positive outcomes for young people and their families and play an important part in the Council's early help offer. However, the differences in approach and reach between the providers and the potential duplication remains. It is therefore proposed to extend those contracts on the Framework and the 3 contracts, which sit alongside it, that also expire on March 31st for a further 6 months with provision for two contract extensions each of three months, if required. During this time work will be undertaken with Family Support to prepare for the novation of these contracts. This will include a detailed review of how the providers can work together more effectively and provide a consistent offer to young people and their families in Hammersmith and Fulham.

2. RECOMMENDATIONS

- 2.1. The Leader is recommended to:
 - 2.1.1. grant a waiver of the usual tendering requirements of the council's Contract Standing Orders (CSO) on the grounds of extreme urgency and because this is in the Council's overall interests, as provided for in CSO 3, in relation to the Family Support Framework.
 - 2.1.2. approve an extension of the contracts marked with an asterisk (*) in section 4 from 1 April 2019 to 30 September 2019 with provision for two further extensions each of three months at the contract prices presented on the Table in section 4.
 - 2.1.3. delegate to the Strategic Director of Social Care & Public Services Reform in consultation with the Director for Children's Services and the Cabinet Member for Children and Education, the decisions on whether the contract extensions set out in paragraph 2.1.2 should be exercised.

3. REASONS FOR THE DECISION

- 3.1. The contracts provide effective early help services for young people and their families in Hammersmith and Fulham. These specific contracts are specified in the original Cabinet Decision (6 March 2017) for transfer to the Family Support LATC, there is no alternative option, but to extend these contracts to allow the time required to transfer these contracts in accordance with the original Cabinet decision.
- 3.2. The Family Support business case agreed by Cabinet included a forecast of efficiencies and savings and these savings have been reflected in the budget for the services. However, as full integration of the services has not occurred the planned efficiencies have not been realised. It is recognised that these services would be better co-ordinated if the contracts were managed directly by the Family Support LATC as this would put all early help services in one place. Therefore, it is recommended to extend these contracts for a short period to allow for novation of provision to bring the provision back in line with the financial envelope available at the earliest opportunity.

4. PROPOSAL AND ISSUES

- 4.1. The following table sets out the contracts awarded under the Family Support Framework together with 3 small early help contracts let outside the Framework.

Ref	Provider	Annual Value £	Length of current contract	Services provided under the contract	Number of contacts with young people April-Dec
1	Urban partnership group *	752,000	1 year	Boroughwide parenting programme, Masbro Children's Centre (CC), Masbro Brook Green CC, Flora Gardens CC, Edward Woods Centre, Avonmore Neighbourhood Family Centre, Shepherds Bush Families Project and Children's Centre, Masbro Youth Club, Sulgrave Youth Club	6,984
2	Family Mosaic*	279,000	1 year	Children's Centre delivery (delivered in College Park and Old Oak, and Wormholt and White City wards)	2,594
3	Action on Disability *	104,222	1 year	Specialist youth provision	950
4	Brunswick Club*	47,000	1 year	Youth Club	3,888

Ref	Provider	Annual Value £	Length of current contract	Services provided under the contract	Number of contacts with young people April-Dec
5	Harrow club *	47,000	1 year	Youth Club for College Park & Old Oak wards	3,195
6	Harrow club *	47,000	1 year	Youth Club for Wormholt, White City wards	3,097
7	Harrow club *	47,000	1 year	Youth Club for Shepherd's Bush wards and Sands End ward	2,602
8	Let me play*	46,624	1 year	Sports and Fitness holiday activities	1,296
9	Let me play *	46,248	1 year	Music and performing arts holiday activities	883
10	Let me play *	46,718	1 year	Art and Fashion holiday activities	1,075
11	Active successful engagement *	71,139	7 months	1-2-1 mentoring for NEET young people and adults. Awarded mid-way in 2018/19.	25
12	Hurlingham Academy*	49,491	6 months	After school club provided by London Sport Trust. Direct award not via Framework.	3,670
13	Phoenix Academy*	52,187	6 months	After school club. Direct award not via Framework.	4,220
14	Ray's Playhouse*	18,050	6 months	For stay and play but does fund centre where Children's Centre is based. Direct award.	946
15	Education Development Trust	129,674	5 years	NEET tracking. This provider is used by a number of London Local Authorities.	n/a
16	Ealing Council	25,428	5 years	For Connexions database which allows monitoring of provision across LBHF. This provider is used by a number of London Local Authorities.	n/a
	Total	1,808,781			35,425

- 4.2. The majority of these contracts¹ were let with an end date of 31 March 2019 as it was envisaged that they would be novated to Family Support in 2018/19 in order that a co-ordinated early help service offer would be put in place for residents. This novation did not occur as the timetable was paused to allow for a stocktake of Family Support to be undertaken and recommendations from this stocktake to be implemented.
- 4.3. Alongside Family Support, 3 small early help contracts² were let for an initial 6-month period and were then extended for a further 6 months to bring them in line with the contracts on the Family Support Framework.
- 4.4. Contract monitoring has identified that in the first 9 months of these 14 contracts, early help services have been delivered to over 35,000 young people and their families. These contracts therefore play an important role in the Council's early help offer alongside Family Support. Any gap in provision, or if provision was ceased, would therefore have a significant impact on the Council's early help offer.
- 4.5. However, it is recognised that services would be better co-ordinated if the contracts were managed directly by the Family Support LATC as this would put all early help services in one place. As the specification for Family Support is being amended in the light of the recommendations of the stocktake it is not appropriate to transfer them as at April 1st. A 6-month extension of the contracts is therefore sought to allow for this transition to take place alongside a review of provision both on and off the framework to identify any duplication or areas where the early help offer could be strengthened; for example, opportunities that have arisen from the Onside/Ed City project, community investment funding and other commissioned early help services.
- 4.6. Contract monitoring has also identified variable levels of performance which will be raised in the year end contract monitoring and in negotiations on any contract extensions.

¹ Contracts 1-11 in the table.

² Contracts 12-14 in the table

5. OPTIONS AND ANALYSIS OF OPTIONS.

5.1 Short term extension – 6 months plus 3 months, plus 3 months

This would enable sufficient time to undertake a brief review of provision, negotiate savings on current arrangements and agree service improvements where needed, as well as to initiate and complete novation of contracts, with additional time built in to allow for potential slippage for potential unforeseen delays. This option would enable the Council to bring the provision back in line with the financial envelope within the shortest possible time, albeit there would be a budget pressure in the first 6 months of the year.

In order to secure this within the extension period allowed for, resources will need to be allocated immediately to initiate and complete the activities identified. There is currently a restructure of PSR and therefore limited capacity to support this work presently, which may put this timetable at risk.

5.2 Extend for 12 months

This option would take account of and mitigate against the potential delays to the timetable as outlined in Option 1, without the need to secure approval for further mid-contract extensions. It would also give current contracted providers more time to transition to new arrangements. However, allowing for this time would add financial pressures, as the overspend would be continued for a longer period of time.

5.3 Extend for 24 months

This option would allow for a full review of the current provision and to scope in additional areas where there is duplication of provision, or opportunity to add value to the approach outlined in the original business case. It would allow for careful planning and safe transition of services and contracts, and where needed to stabilise provision ahead of transition.

However, this would not deliver any of the efficiencies required in order to bring the provision in line with the financial envelope and would be an ongoing budget pressure, until integration was achieved.

5.4 Extend framework contracts only

This would realise immediate savings of £119,000, however this would not address the £1.4 financial pressure. This would see the termination of children's centre and afterschool provision at certain sites. Further work would still be required to negotiate savings of at least 30% on the framework contracts and to novate quickly to achieve the remainder.

5.5 Cease all framework contracts (with the exception of the FS LATC)

This option would immediately address the financial pressure, albeit that notice would still need to be given before the contracts came to an end. The number of young people and families accessing early help services would be significantly reduced as provision would be decreased. This could lead to an increase in referrals to social care which ultimately has a higher cost to the Council.

This would be perceived by providers and residents as a reduction in children's centre and youth provision. The only way to mitigate against this would be to negotiate with the FS LATC to absorb this provision within their current specification at no extra cost. If this were to be possible, the delivery model would likely change in accordance with the approach developed by the FS LATC and in order to achieve the efficiencies and integration required. Certain buildings are owned by the current providers are these are likely to be lost and alternatives would have to be sought, which may result in additional costs. However, it is highly unlikely that the FS LATC would agree to this arrangements without additional funds.

- 5.6 The recommended option is option 1 in order to bring about the novation and address the financial pressures in the shortest timeframe possible.

6. CONSULTATION.

- 6.1. If the contracts are extended as proposed no formal consultation is required with current providers on the Framework. If contract values are significantly altered or contracts are not extended 3 months' notice will be required to be given to providers.

7. EQUALITY IMPLICATIONS

- 7.1. It is not anticipated that there will be any negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010, from the extension of this contract.
- 7.2. Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. This information is within the exempt appendix

9. FINANCIAL IMPLICATIONS

- 9.1. The contracts are funded from the existing Public Services Reform Family Support budgets for Children's Centres and Youth Provision. Extending the contracts for 6 months with provision for two further extensions each of 3 months provides time to fit within the service design of the Family Support framework.

- 9.2. Information about suppliers' finances and credit ratings are in the exempt appendix
- 9.3. The framework formed part of the Family Support business case agreed by Cabinet in March 2017 which included savings of £2.21m to be delivered from Public Health and Family Support Services.
- 9.4. Information of Family Support budgeting in the exempt appendix
- 9.5. A review of Family Support is being undertaken which, amongst other objectives, seeks to address this forecast pressure.
- 9.6. Financial implications completed by Daniel Doherty, Finance Manager, 0208 753 4287
Financial implications verified by Emily Hill, Assistant Director, Corporate Finance, 020 8753 3145.

10. IMPLICATIONS FOR LOCAL BUSINESS

- 10.1. There are no direct implications for local business.
- 10.2. Implications verified/completed by: Albena Karameros, Economic Development Team, tel. 020 7938 8583

11. COMMERCIAL IMPLICATIONS

- 11.1 These are set out in the exempt appendix

12. IT IMPLICATIONS

- 12.1. IT Implications: H&F IT Services provides IT support for Family Support through the council's corporate IT framework agreements. The service needs to coordinate any contract renewals with IT Services to ensure that all necessary access, safeguards, permissions and budgets are in place for the IT requirements involved with the listed contracts.
- 12.2. Clarification is required on the future Family Support IT strategy and the ongoing IT service provision required from H&F IT Services. If the vision is that IT support will be provided through a different third party in the future, sufficient time needs to be given to plan the transition to a new provider.
- 12.3. Clarification is also required on the financial arrangements for current outstanding invoices for third party IT services, support and equipment provided to date.
- 12.4. IM Implications: Providers listed will be expected to have a GDPR policy in place and all staff will be expected to have received GDPR training.
- 12.5. If not already covered by existing Privacy Impact Assessments (PIA), a PIA will need to be completed for each provider and kept up to date, to ensure all potential data protection risks are properly assessed with mitigating actions agreed and implemented.
- 12.6. Contracts will need to include H&F's new data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.
- 12.7. Implications completed by: Karen Barry, Strategic Relationship Manager, tel 020 8753 3481.
- 12.8. Implications verified by: Veronica Barella, Chief Information Officer, tel 020 8753
- 12.9. Implications verified/completed by: Karen Barry, Strategic Relationship Manager, IT Services, Tel: 0208 753 3481

13. RISK MANAGEMENT

- 13.1. The Services provided are of considerable value to the Residents and Service-Users. The proposal to extend the services are consistent with the Council's Priorities and ensure Service Continuity whilst performance is reviewed and the novation of the contracts is concluded. Contract and performance reviews benefit both the Service Provider and the Council by ensuring Services continue to meet our objectives and that they continue to deliver the best possible services for our Service Users and their needs and expectations.
- 13.2. Implications verified by Michael Sloniowski, Risk Manager, telephone 020 8753 2587.

14. SOCIAL VALUE

- 14.1. The Social Value Act (2012) requires authorities to consider how an added social, environmental and economic benefit can be achieved through the life cycle of a contracted service.
- 14.2. During the procurement process in 2017, a social value question was asked and evaluated: "Please detail the social value which you will deliver through this contract, such as creating local employment opportunities, implement the London Living Wage and delivering wider community benefits".
- 14.3. During the current post-procurement stage and in view of a contract extension, it is strongly recommended the contract manager ensures any social value specified in the requirements, or that the supplier offered was delivered or will be delivered by the end of the contract.
- 14.4. The Contract Register will have to be updated and Social Value benefits should be captured. This will ensure compliance with statutory transparency requirements.
- 14.5. Implications verified/completed by: Ilaria Agueci- Procurement Consultant, Performance and Procurement – Tel: 020 8753 4762

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Cabinet Report - 10 October 2016 Integrated Family Support Service Business Case	Sarah Bright	Public Services Reform
2	Cabinet Report - 6 March 2017 Proposed Establishment of a Family Support Service	Sarah Bright	Public Services Reform
3	Leader's Urgent Decision – 10 January 2018 Family Support Service – Proposed Award of a Framework Agreement	Sarah Bright	Public Services Reform

LIST OF APPENDICES:

Appendix 1: Exempt Information