


<p>London Borough of Hammersmith & Fulham</p> <p>LEADER'S URGENCY REPORT</p> <p>July 2019</p>	 <p>h&f hammersmith & fulham</p>
<p>PROCUREMENT STRATEGY AND BUSINESS CASE FOR THE PROVISION OF EARLY INTERVENTION LINK WORKER SUPPORT SERVICES FOR CHILDREN AND YOUNG PEOPLE</p>	
<p>Report of the Leader – Councillor Stephen Cowan</p>	
<p>Open Report</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Other services consulted: The Economy, Children's Services, Social Care, and Finance and Governance</p>	
<p>Wards Affected: All wards</p>	
<p>Accountable Director: Steve Miley, Director of Children's Services</p>	
<p>Report Author: Lesley Bell, Strategic Lead, Children's Commissioning</p>	<p>Contact Details: Tel: 07917 722 424 E-mail: lesley.bell@lbhf.gov.uk</p>
<p>Reasons for Urgency: A decision is required under urgency to allow a procurement exercise, so services can begin before the new academic year commences.</p> <p><u>Date by which decision is required:</u> July 2019</p>	

AUTHORISED BY:

The Leader has signed this report.

DATE: 30 July 2019

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval of a procurement strategy for the provision of early intervention link worker support for children and young people aged 8-18.
- 1.2 Early intervention link worker support is part of the council's wider preventative offer of support to 'at risk' children and young people inadequately supported to avoid poorer outcomes later in life such as mental and physical health problems and criminal involvement. Outcomes from investment in the service include increased school attendance, wellbeing, parental engagement and stronger joint working between public and voluntary organisations.
- 1.3 The council commissioned an early intervention link worker support service from West London Zone (WLZ) in 2016 with the existing contract due to end in 2019 with final payment by results in 2020. It is proposed that the council undertake an open tender procurement to secure a provider of a four-year contract from July 2019 for early intervention link worker support delivered over five years. The proposed procurement evaluation approach is 60% technical and 40% commercial.
- 1.4 The proposed approach will support more children and young people than before whilst ensuring value for money by requiring a payment by results model and match funding or social investment to meet the rest of the cost of the service. The contract would offer a maximum lifetime spend by the council of £999,000.
- 1.5 Funding has been identified and is available from s106 contributions in 2019/2020 and 2020/21 to cover £145,000 for the proposed new contract cost. However, funding is yet to be identified for the remaining contract costs estimated to be £845,000 between 2021/22 and 2024/25. The latest forecast of reserves identified very limited headroom to fund any new commitments should s106 or other funding not be identified.
- 1.6 As part of these costs are unfunded at this point, officers will ensure that the contract has sufficient break clauses to enable the ceasing or reduction of provision should funding be unavailable.

2. RECOMMENDATIONS

That the Leader:

- 2.1. Approves the procurement strategy for the provision of early intervention link worker support for children and young people for a period of up to 4 years (delivered over five financial years) at a maximum contract value of £999,000, funded from s106 and/or reserves.
- 2.2. Delegates the contract award decision to the Director of Children's Services in consultation with the Cabinet Member for Children and Education.

- 2.3. Notes the Director of Children's Services and Strategic Director of Finance and Governance will provide an update on this provision to relevant cabinet members in January 2021.
- 2.4. Approves the allocation of £559,680 of s106 funds to fund the expected costs of the current contract and the first year of the new contract in 2020/21.
- 2.5. Notes that the funding of £845,000 for 2021/22 to 2024/25 has not yet been identified and will need to be identified by the Director of Children's Services, in consultation with the Strategic Director for the Economy department and the Strategic Director of Finance and Governance and will be subject to a further Cabinet decision.

3. REASONS FOR DECISION

- 3.1. To support children and young people considered 'at risk' but inadequately supported by other services; enabling children and young people to thrive at the right time and manage demand for high cost specialist interventions later.
- 3.2. To support the delivery of several business plan objectives outlined in appendix 1 and strengthen early intervention.

4. PROPOSAL AND ISSUES

Background

- 4.1. An early intervention link worker service is part of the council's approach to managing the demand for more complex intervention in later life. The service identifies individual children or young people who exhibit factors that have been shown to correlate with negative outcomes in later childhood and adulthood. The link worker works with the child or young person and engages a range of public and voluntary organisations to support improvement and progress in the identified areas. Interventions can include academic support and tutoring, fitness and nutrition and employability and enterprise.

Present contract

- 4.2. In 2016 the council undertook an open procurement exercise and awarded the current contract for provision of universal and targeted early intervention services to children and young people aged from 8-18 years for a period of three years, delivered over four years, ending in August 2020. The contract works on a payment by results model with the total lifetime cost to H&F of £700,000 with funding for the whole service secured as a collective impact bond from a range of commissioners and investors.
- 4.3. Investment to date has resulted in 560 children and young people supported to improve outcomes in attainment, attendance, engagement and wellbeing, detail of which is set out in appendix 2. A range of savings secured for many of the individuals involved in the programme can be identified, with evaluation of delivery over a longer period needed to capture wider impact on demand management.

Procurement strategy

- 4.4. If the procurement strategy in appendix 1 is approved, the procurement will begin immediately with new service expected to commence from September 2019.

5. OPTIONS AND ANALYSIS OF OPTIONS

5.1 Option 1 – Do not commission a service

Not commissioning a service would undermine the progress made to develop a range of early intervention provision and the medium-term aim of managing the demand for more complex intervention. Not commissioning a service would save the council money, however it would result in the council losing the opportunity for leveraging in investment into the borough through the match or social investment funding models available within the market for this service. Voluntary organisations would also lose the opportunity to partner with the successful provider and benefit from being part of the supply chain for delivery.

This option is not recommended.

5.2 Option 2 – Commission a service offering better value for money

Commissioning a service through an open tender procurement as outlined in Appendix 1 could enable the council to continue to invest in this form of early intervention. It could enable the council to secure investment into the borough through the match or social investment models available in the market. Public, voluntary and community organisations would benefit from being part of the supply chain. The evaluation of these services over time could inform wider children's social care service design and the associated medium-term investment strategy.

This is the recommended option.

5.3 Option 3: Commission a service benefiting fewer children and young people at a reduced cost

Recommissioning a slim lined service would lower the cost but reduce the number of children and young people benefiting. It would mean the market could offer fewer options relating to economies of scale and match or social investment models.

This option is not recommended.

6. CONSULTATION

- 6.1 Consultation has taken place with the economy, children's, social care and finance departments.

7. EQUALITY IMPLICATIONS

- 7.1 The proposed procurement strategy is not anticipated to have direct negative impact on any groups with protected characteristics under the Equality Act 2010, as common factors for assessing children and young people 'at risk' are

applied irrespective of any protected characteristics.

- 7.2 Implications verified by: Fawad Bhatti, Social Inclusion Policy Manager, tel. 07500 103617.

8. LEGAL IMPLICATIONS

- 8.1 Approval of a Procurement Strategy and Business Case as set out at Appendix 1, is a requirement for all contracts in excess of £100,000 (CSO 8.12).
- 8.2 The proposed contract in respect of early intervention link worker support services falls under the category of "Social and other Specific Services". The existing EU threshold under the Public Contracts Regulations 2015 (PCR) is £615,278. The value of the proposed contract exceeds this threshold therefore the provisions under the PCR apply in full. In the absence of a suitable framework agreement, a procurement exercise must be taken in order to comply with the PCR and the Contract Standing Orders (CSOs), 10.2 (table 10.2b) and 11.2. The `Light Touch Regime` under regulations 74-76 of the PCR applies to these services, accordingly a contract notice must be published in the Official Journal of the European Union prior to the procurement process followed by a Contract award notice at the conclusion of the procurement process. The regulations require some sort of competitive award process to be undertaken, here it is proposed to use the open procurement procedure. This complies with the PCR and the CSOs. A Minimum of 5 tenders should be sought in order to comply with CSO 11.2.
- 8.3 The report seeks delegation of the decision to approve the contract award to the Director for Children's Services in consultation with the Cabinet Member for Children and Education. This delegation is permitted under CSO 17.3.1 and 8.12.2.
- 8.4 Section 106 agreements containing planning obligations are entered into between developers and the Council as the Local Planning Authority
- 8.5 The use of such obligations is controlled by legislation, including regulation 122 of the Community Infrastructure Regulations 2010 which requires planning obligations to be
- 8.5.1 Necessary to make the development acceptable in planning terms;
 - 8.5.2 Directly related to the development; and
 - 8.5.3 Fairly and reasonably related in scale and kind to the development.
- 8.6 Officers are asking the Cabinet to approve the use of £ £559,060 of S106 contributions to fund an early intervention link worker support service for children and young people aged 8-18 in the Borough.
- 8.7 Section 106 Details
- 8.7.1 Chelsea Creek

The council entered into Section 106 Agreement for Chelsea Creek on 27 March 2012. The terms of agreement required the developer to pay a Social and Infrastructure Contribution in the sum of £11,495,000.00 which included an Education Contribution in the sum of £1,000,000.00 to provide primary and secondary education facilities and services within the Borough. The Council is proposing to use £150,000 from this contribution in accordance with the terms of this agreement, for an early intervention link worker support service for children and young people aged 8-18.

Having reviewed the terms of the agreement and the proposed purposes, the section 106 contribution can be used for what is proposed above under the terms of this Section 106 agreement.

8.7.2 Land Bounded by Harbour Avenue and Lots Road London AKA Chelsea Island

The council entered into Section 106 Agreement for Chelsea Island on 2 July 2013. The terms of agreement required the developer to pay a Social and Physical Infrastructure Contribution of £2,225,000.00. This sum included also an Education Contribution of up to £100,000 towards primary and secondary education facilities within the Borough. The Council is proposing to use £150,000 from this contribution in accordance with the terms of this agreement, for an early intervention link worker support service for children and young people aged 8-18. Although the Education Contribution is not sufficient to cover the full amount required, the terms of this particular section 106 agreement specifically permits any funds which remain unspent after a period of two years from the date of the agreement i.e 2013, to be reallocated into the general social and infrastructure fund by the Council at its absolute discretion.

Having reviewed the terms of the agreement and the proposed purposes, the section 106 contribution can be used for what is proposed above under the terms of this Section 106 agreement.

8.7.3 Thames Tidal Tunnel

The council entered into Section 106 Agreement for Thames Tidal Tunnel on 12 February 2014. The terms of the agreement require the developer to pay a Community and Education Impact Contribution of £1,000,000.00 towards a community and education enhancement scheme. The Council is proposing to use £159,860 from this contribution in accordance with the terms of this agreement, for an early intervention link worker support service for children and young people aged 8-18.

Having reviewed the terms of the agreement and the proposed purposes, the section 106 contribution can be used for what is proposed above under the terms of this Section 106 agreement.

8.7.4 M&S White City Site, 54 Wood Lane

The council entered into Section 106 Agreement for M&S White City Site on 16 December 2015. The terms of the agreement require the developer to pay a

sum of £1,341,000.00 of the WCOAPF Contribution (total £12,800,000.00) towards existing nearby school facilities (as set out in Figure 5.1 of the WCOAPF) or towards new facilities in White City East, including nursery provision to meet the preschool, primary and secondary education needs to the development. The Council is proposing to use £100,000 from this contribution in accordance with the terms of this agreement, for an early intervention link worker support service for children and young people aged 8-18. Having reviewed the terms of the agreement and the proposed purposes, the section 106 contribution can only be used in the area referred above and only for what is proposed under the terms of this Section 106 agreement.

8.7.5 *Implications provided by: Hannah Ismail, Solicitor, Sharpe Pritchard LLP, external legal advisers seconded to the Council tel 0207 405 4600 and Gerta Kodhelaj Senior Solicitor, Planning, Licensing and Highways Team tel. 02087536081*

9. FINANCIAL IMPLICATIONS

- 9.1 The funding for the current commissioned contract was not identified at the time of the contract award and was anticipated to be funded from public health grant and/or council balances. However, the public health funding was not identified and the latest forecast of reserves identified very limited headroom to fund any new commitments, therefore the report notes that the remaining costs for this contract, up to £414,680 will now be paid from s106 contributions.
- 9.2 Whilst s106 funding of £145,000 has been identified for the first two years of the new contract it has not been identified for the proposed new contract costs estimated to be £845,000 between 2021/22 and 2024/25. Whilst officers will seek to identify future s106 resources to fund these costs, there are risks that additional s106 funding may not be available if planned developments do not proceed as expected. The latest forecast of reserves identified very limited headroom to fund any new commitments should s106 or other funding not be identified. As these costs are unfunded at this point, the Council should ensure that any related contracts have sufficient break clauses in contracts to enable the ceasing or scaling back of provision from 2021/22 should funding be unavailable.
- 9.3 The procurement strategy for a new commissioned service sets out a maximum lifetime contract value of £999,000 for four years, with provision delivered over five years. Activity and expenditure is expected to be back weighted reflecting the payment by results model sought in the specification and as cohorts of children and young people are identified and preparatory work is undertaken. The profile of expenditure below is an estimate of the possible profile of expenditure for 5 academic years (across 6 financial years starting 2019/20):

Tables 1 & 2 Current and future contract estimated expenditure profile and funding source

Current Contract Spend

Financial Year	Actual/Profiled Spend Current Contract £	Funded From
2017/18	112,320	General Fund
2018/19	173,000	Reserves
2019/20	207,340 (max)	Proposed s 106
2020/21	207,340 (max)	Proposed s 106
Total	700,000	

Proposed Contract Spend

Financial Year	Profiled Spend Proposed Contract £	Funded From
2019/20	55,000	S106
2020/21	90,000	S106
2021/22	270,000	Funding to be identified
2022/23	230,000	Funding to be identified
2023/24	230,000	Funding to be identified
2024/25	124,000	Funding to be identified
Total	999,000	

9.4 The table above assumes that £414,680 of remaining expenditure on the current contract and £145,000 of expenditure on the new commissioned service will be met from s106 resources – a total of £559,680. This funding is set out in the table below:

AKA	Agreement	Amount (£s)
722	Chelsea Creek	150,000
777	Land bounded by Harbour Avenue and Lots Road (Chelsea Island)*	150,000
843	Thames Tidal Tunnel	159,680
867	M&S White City Site, 54 Wood Lane	100,000
		559,680

** The terms of this agreement specifically permits any funds which remain unspent after a period of two years from the date of the agreement, to be reallocated into the general social and infrastructure fund by the Council at its absolute discretion.*

9.5 The source of funding for the balance of expenditure of £854,000 estimated from 2021/22 to 2024/25 still needs to be identified prior to any future contract award delegated to the Director of Children’s Services in consultation with the Cabinet Member for Children and Education or the contract will need to have appropriate break provisions should funding not be identified at a later date.

The availability of reserve balances is limited and therefore this expenditure cannot be met from reserve balances based on current forecast reserve balances after commitments.

9.6 As part of the contract award decision a Credit safe check will need to be undertaken of the recommended provider to ensure the financial sustainability of the provider and to ensure that the contract manager is aware of and manages any financial or other risks as a result.

9.7 *Implications completed by: Tony Burton, Head of Finance, Children's Services. Implications verified by Emily Hill – Assistant Director, Corporate Finance, Tel. 020 8753 3145.*

10. IMPLICATIONS FOR LOCAL BUSINESS

10.1 The scheme has the potential to create tender opportunities for local small and medium size enterprises as part of the procurement. The tender process should be designed to consider how local businesses can take part

10.2 There is also scope to create employment opportunities ranging from work experience and apprenticeships to sustainable jobs for local people. The Work Matters Team will assist in engaging and supporting local residents to access any opportunities created.

10.3 *Implications completed by David Burns – Assistant Director Growth, 020 8753 6090*

11. COMMERCIAL IMPLICATIONS

11.1 Under the Public Contracts Regulations 2015 ("PCR 2015"), the contract proposed in this report (the "Contract") is a schedule 3 services contract with a lifetime value over the threshold of £615,278 (the "Threshold"). Procurement needs to be in accordance with the PCR 2015. The time limits for the procurement competition (i.e. how long bidders have between the competition opening and the deadline to submit tenders) must be "reasonable and proportionate".

The proposed strategy is in line with the CSOs as an open process will be undertaken to determine the most economically advantageous supplier. The contract opportunity will be advertised in Tenders Electronics Daily (TED) and Contracts Finder in line with PCR 2015.

11.2 Implications verified/completed by: Andra Ulianov, Head of Procurement and contracts

12. IT IMPLICATIONS

12.1 IT Implications: No IT implications are considered to arise from the proposal in this report. However, if the service model changes and there is a requirement

for access to H&F IT equipment, systems and/or networks, H&F IT Services must be consulted to ensure that all necessary safeguards, permissions and budgets are in place.

12.2 IM Implications: As the contractor will be processing sensitive data on behalf of H&F, a Privacy Impact Assessment will need to be completed to ensure all potential data protection risks in relation to this proposal are properly assessed with mitigating actions agreed and implemented.

12.3 The contract will need to include H&F's data protection and processing schedule, which is compliant with the General Data Protection Regulation (GDPR).

12.4 Implications to be verified/completed by: Karen Barry, Strategic Relationship Manager, IT Services, tel 0208 753 3481

13. RISK MANAGEMENT

13.1 The report proposals are consistent with the delivery of the council priority, creating a compassionate council. However, under the council's Ruthlessly Financially Efficient Priority all expenditure must

- a) Establish need, in this case the need is clearly established;
- b) Value for money, demonstrated by a clear Procurement Strategy and
- c) Collaboration - Can partners and other organisations share the costs?

In the latter case it has been made clear that anticipated funding from the Public Health Grant was not achieved, therefore the proposal has identified an alternate source, limited to a two-year period, from Section 106 monies. Under Ruthlessly Financially Efficient this proposes a £845,000 risk between 2021/22 and 2024/25 should additional s106 funding not be available if planned developments do not proceed as expected and as noted in 9.5 the availability of reserve balances is limited and therefore this expenditure cannot be met from reserve balances based on current forecast reserve balances after commitments.

13.1 *Implications verified/completed by: (Name, title and telephone of officer) – please send it to Michael Sloniowski, Risk Manager, tel 020 8753 2587, mobile 07768 252703. David Hughes on 07817 507695 and 0207 361 2389*

14. OTHER IMPLICATIONS PARAGRAPHS

S106 IMPLICATIONS

14.1 Following an assessment to S106/CIL board, the proposal enjoyed full support for the draw down of £559,680 of S106 funds over two financial years to help fund this project. These funds are to be drawn down from qualifying community related s106 contributions.

14.2 *Implications verified/completed by: David Gawthorpe, Team Leader Development Planning 0208 753 3384.*

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of Holder of file/copy	Department/ Location
June 2016	LUR – COMMISSIONING STRATEGY FOR THE PROVISION OF EARLY INTERVENTION LINK WORKER SUPPORT FOR CHILDREN AND YOUNG PEOPLE - published	Lesley Bell	Children's Services
August 2016	LUR – AWARD OF CONTRACT FOR THE PROVISION OF EARLY INTERVENTION LINK WORKER SUPPORT FOR CHILDREN AND YOUNG PEOPLE - published	Lesley Bell	Children's Services

LIST OF APPENDICES:

Appendix 1: Link Worker Provision Procurement Strategy and Business Case.

Appendix 2: Outcome Measures from Existing Provision

Link Worker Provision Procurement Strategy and Business Case.

1. Summary

This document sets out the procurement strategy and business case covering the elements required by the constitution's contract standing order 8.11.

2. Delivery of several of Business Plan 18-22 Objectives

- **Joined-up services:** we'll help families earlier and better by joining up our services within the council and with other governmental and non-governmental organisations.
- **Public services reform:** we'll find new, innovative ways of delivering local services with other local organisations.
- **Family Support:** our Family support organisation will ensure families can access joined-up support and those requiring more help can be identified and supported from the earliest opportunity.
- **Youth services:** we'll set up mini-projects/resources for targeted groups of disengaged or alienated young people. And we'll develop access opportunities for across the borough outside the school curriculum.
- **Community engagement:** we'll develop new ways of engaging and working with residents.
- **Access to council contracts:** we'll support local businesses to gain more of the council's contracts, leading to local expenditure within the borough.
- **Sports and youth facilities:** we'll develop more physical education, sport and youth facilities.

3. Procurement approach

An award for a four-year contract with no option to extend is recommended dependent on satisfactory performance in line with the specification and funding.

4. Procurement Type

The proposed procurement procedure is open and not restricted given the small market size. The recommendation is for the award of a five-year contract (paid across six financial years) from September 2019 to August 2024.

The procedure will cover the essentials required including information such as timescales, evaluation methodology and any scope for change / change management procedures. The contract will contain specific service requirements and expected outcomes. Key performance indicators will be outlined in the service specification and agreed with the provider. Performance management of the service will be undertaken by H&F by a named contract monitoring officer.

5. Main provisions of contract

The service will be required to work with children and young people in the London borough of Hammersmith and Fulham at risk of poor life outcomes, the service may be targeted to geographical areas within the Borough if underpinned by a robust evidence base. Referrals may be made by schools and other community settings. The link worker service will identify other children and young people who

are not engaged with Family Services who would benefit from Link Worker support.

The service will also work with those children and families who exhibit indicators which suggest that they may be at risk of poor life outcomes, these may include but are not limited to indicators such as:

- Low school attendance and educational attainment
- Offending behaviours
- Drug and alcohol use
- Family or attachment issues
- Accommodation issues

The contract will be offered on a payment by results model with at least 50% of the payment based on the early help outcomes of child or young person supported. A requirement for match funding or social investment in the overall cost of the service will be required.

The Contractor will be required to sign up to and actively promote a core set of multi-agency principles in relation to the wider objectives of the integrated early help strategy. The strategy requires all agencies working with children and young people and their families to:

- Provide leadership and direction to improve outcomes for children and young people
- Lead integrated service delivery and effective use of resources
- Agree, monitor and evaluate a strategic plan to drive forward the work that the partners deliver together
- Hold each other to account for the actions agreed
- Provide escalation where need and risk increase, and step-down services to sustain improvements where risk and need decrease; services must ensure pathways are smooth and uninterrupted for children and families.

6. Evaluation criteria to be used

The procurement seeks to secure a service at a maximum lifetime cost of £999,000 over 5 years with evaluation split:

Quality – 60% covering:

- Previous experience
- Mobilisation of service plans
- Service offer to meet the needs of children and young people
- Performance framework and payment by results with at least 50% of the payment relating to outcomes of child or young person
- Partnership working to ensure integration with community and range of local services
- Social investment
- Safeguarding
- Social value arising from the investment alongside the core service offer

Commercial – 40% covering:

Unit cost of service to children and young people, overall cost of provision over the period.

7. Social Value requirements

The draft specification and resultant service is anticipated to secure wider social, economic and environmental benefits for the community through the influence to secure better outcomes for its residents, opportunities for local people to become more actively engaged in the community and links to local organisations.

8. Indicative Procurement Timetable

Date	Activity
24 May - 7 June	Leaders urgency report signed off
By 10 June	Confirm specification & tender documents
10 June	OJEU Notice
10/11 June – 25 June	Tender open for bids
25 – 27 June	Evaluation & Moderation
By 3 July	Award decision
By 8 July	Draft contract to successful bidder

Appendix 2

Outcome Measures from existing provision

There are seven outcome measurements for children and young people supported by the service including improvement in Maths, English, wellbeing and school attendance. The final payment (49%) is based on achievement of at least 3 outcomes.

The measures for outcomes:

Academic (English & Maths): Child is on track (i.e. they do better than children not on WLZ cohort who had the same attainment when they started support, or they meet their target attainment set by the school in each year of support)
School engagement: Child has remained stable or improved their school engagement
Attendance: Child's school attendance has shown a measurable improvement of at least 2% (or has met the 96% target) from their baseline. The child must be under the 96% baseline to be eligible for payment
Emotional wellbeing: Child's wellbeing scale in the Warwick-Edinburgh Mental Wellbeing Scale (WEMWBS) has improved by one full point from their baseline
Relationships: Child's peer problems sub-scale in the Strengths and Difficulties Questionnaire (SDQ)* has improved by one full point from their baseline *SDQ is part of the DAWBA family of mental-health measures
Parent engagement: Parents are engaged in child's education, demonstrated by child reporting improvement of two decimal points or more from the baseline on their mean score of the Communities that Care child-reported parent engagement measure