

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Councillor Alex Sanderson, Cabinet Member for Children and Education

Date: 13/09/2022

Subject: Procurement Strategy for the Coordination of the Holiday Activity and Food Programme from 2023

Report author: Marcus Robinson, Programme Lead

Responsible Director: Jacqui McShannon, Director of Children's Services

Summary

This report seeks approval of a strategy to recommission, by way of a competitive procurement exercise, a coordinator of a local Holiday Activity and Food Programme for up to a three year period.

The DfE Holiday Activities and Food (HAF) Programme is designed to provide healthy food and enriching activities during holidays to children who receive benefits-related free school meals and other vulnerable children. Helping them to eat more healthily, be more active, be safe and not socially isolated and to improve their knowledge on health and nutrition.

DfE Funding for this programme has been announced for provision to 2024/25. This includes funding for programme delivery as well as coordination costs.

Recommendations

1. That approval of this procurement strategy be given to procure a contract for the Coordination of the Holiday Activity and Food program for a duration of 2 + 1 years with a forecast spend of £551,000 per annum, bringing a total value after extension of £1,653,000.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	This provision will help vulnerable children to build knowledge and resilience over the school holidays
Creating a compassionate council	This provision will help vulnerable

	children have access to food and support.
Doing things with local residents, not to them	This provision will work involve a significant partnership of local organisations that work directly with communities to develop provision that is accessible and reaches children across the borough
Being ruthlessly financially efficient	Makes use of grant funding to support residents, whilst also building resilience.
Taking pride in H&F	We will deliver high quality holiday provision
Rising to the challenge of the climate and ecological emergency	Provision will help children to have a greater knowledge of health and nutrition, that supports a more sustainable diet.

Financial Impact

The government has announced national funding of £200 million per year for three years. From the financial year 2022/23 to 2024/25.

The DfE allocation of Holiday Activities and Food Programme grant to H&F for FY2022/23 was £551,900. It is expected that the grant value will remain similar for 2023/24 and 2024/25, though there may be regional adjustments based on free school meal numbers.

This is a ringfenced grant and the grant conditions do not allow the grant to be carried forward to future years.

Under the recommended option the council would commission a single provider, with maximum expenditure of £551,000 per annum.

The table below sets out the indicative maximum expenditure per year under this contract:

	Year 1 FY2023/24	Year 2 FY2024/25	Year 3 FY2025/26 (optional extension)	Max. total expenditure
New contract for co-ordination and delivery	£551,000 (up to £52,000 for administration of delivery)	£551,000 (up to £52,000 for administration of delivery)	£551,000 (up to £52,000 for administration of delivery)	£1,653,000

This will be fully funded by the DfE grant for the Holiday Activity and Food grant programme.

No government funding has yet been announced for FY2025/26. The optional extension to 31st March 2026 would therefore be dependent on notification from DfE of further funding being available for this purpose.

Jill Lecznar, Head of Finance, 7 September 2022

Verified by: Sukvinder Kalsi, 9 September 2022

Legal Implications

The value of this procurement would be above EU Thresholds and so the Public Contracts Regulations 2015 would apply (PCRs).

This is also a High Value Contract under the Council's Contracts Standing Orders (CSOs) and they would also apply.

A competitive procurement exercise as detailed in this report would comply with the PCRs and the CSOs.

This procurement strategy would need to be approved by the relevant Cabinet Member.

Joginder Bola, Senior Solicitor (Contracts & Procurement), 2 September 2022

Background Papers Used in Preparing This Report

None.

DETAILED ANALYSIS

Background

1. Holiday Activities and Food (HAF) funding is for children who receive benefits-related free school meals. Local authorities are asked to ensure that the offer of free holiday club provision is available for all children eligible for free school meals in their area, though not all are expected to participate. Up to 15% of the funding may be used to provide free or subsidised places for other children not in receipt of benefit related free school meals but who are considered by the local authority to need this provision.
2. In 2021 the HAF programme was expanded across the whole of England, with grant funding provided to local authorities for the coordination and delivery of this programme over the Easter, Summer and Christmas holidays 2021. On 27 October 2021, the government announced a further investment of over £200 million per year over the next 3 financial years, covering 2022/23, 2023/24 and 2024/25. This would provide funding for delivery up to and including Christmas holidays 2024.

3. The grant allocation for LBHF to deliver the HAF programme in 2022/23 was £551,900 and was based on the number of eligible free school meal children in the area. This funding covered:
 - provision of free holiday places during the Easter, summer, and Christmas holidays 2022
 - up to 10% of the funding can be used for the local coordination of the programme
4. The aim of the programme remains to deliver Face-to-face provision for the equivalent of at least 4 hours a day, 4 days a week, 6 weeks a year; 4 weeks in the summer and a week's worth of provision in each of the Easter and Christmas holidays. Local authorities and their providers will have flexibility about how they deliver this level of provision to best serve the needs of children and families in their area. Local authorities may either coordinate the provision themselves or choose to work with another organisation to coordinate the provision on their behalf.
5. For provision in 2021, through a competitive tendering process, the Council appointed LMP Action CIC to act as coordinator of this provision. This coordination contract was extended to the end of March 2023.
6. Since Easter 2021 LMP Action CIC in their role as coordinator have been using their expertise to design, develop and oversee the successful delivery of all our HAF holiday provision, working with a wide range of council departments and external partners, delivering an exciting holiday programme. By commissioning a dedicated external organisation our provision has benefitted from on the ground knowledge, experience and community connections, delivering improved value, assurance and capacity to respond quickly.
7. Funding for delivery and other costs were retained by the council, but distributed by LMP Action CIC for each holiday period, who then disseminated funding to providers. This proved to be burdensome, creating unneeded administration and delaying the process for passing on funding to our partners delivering services.
8. Through this strategy we are looking to build on this success, continuing the use of external expertise, whilst cutting out the unnecessary administration. We are therefore proposing to commission both the coordination and distribution of funding in one lot. The processes that have been established over the last two years will remain and the children's commissioning team will continue to oversee these, however funding will be passported directly to the successful bidder to distribute.

Contract Specifications Summary

9. The contract specification will set out requirements for a Coordinator of Holiday Provision with Food. This will include coordination of delivery over the Easter,

Summer and Christmas holidays and related events (such as uniformed services week over the summer holidays).

10. The requirements of the coordination role, will include:
 - Mapping and ensuring there is adequate universal holiday provision, targeted towards those most in need
 - Working with providers to meet framework requirements including safeguarding, risk assessments and monitoring visits
 - Working with other agencies to link provision
 - Promoting provision and ensuring good uptake.
 - Working with providers to support council outcomes for children and young people
 - Reporting to the council and DfE
11. The provider is expected to run a fair and transparent process to allocate funding for delivery of provision to predominantly local providers; any funding distributed will be approved by the council link officer.
12. In addition to HAF funded provision, the coordinator is also expected to support and promote other delivery that the council may fund, including activity during half-term holidays; to support an integrated holiday offer.
13. The contract will be for delivery during from 1 February 2023 to 31 March 2025 with the option to extend for an additional 1-year period. The extensions would be highly dependent continued DfE funding.
14. The potential of delivery of provision to March 2026 means that during the term of this contract, we expect delivery of continuous improvement. This includes working to develop provision that measurable supports early help outcomes, developing market capacity, addressing gaps, improving reach, engagement with families and working to increase the financial sustainability of future provision.

Procurement Route Analysis of Options

15. Hammersmith and Fulham have delivered the Holiday Activity and Food programme for two years. This has been delivered through an external coordinator, working with a wide range of partners that can provide the range high quality, inclusive provision that the council expects. Feedback from delivery partners over the last two years of delivery has been positive about this model of delivery. Through this procurement process we are looking to bring expert knowledge of managing holiday delivery as well as partnership competencies that exist within this market. The options considered for the re-procurement of these services include:

Option 1: In-house coordination

There is no current capacity to run this and therefore would likely require recruitment. It also does not harness any knowledge, expertise and relationships that exist within the market.

Option 2: Open tender for an external coordinator with funding for provision held by council (as-is)

This was the approach taken by the council for delivery the calendar years 2021 and 2022, with the council retaining the budget for delivery of provision and marketing. Each school holiday the coordinator would run a grant award process and the council would award grant funding to providers through the coordinator.

This allowed for formal scrutiny of the budget in the first years of delivery, however by separating provision funding from the contract it negatively affected the ability to hold the provider fully to account and delayed delivery timescales making it more difficult to respond dynamically to changes. It also increased officer administration time to review and award grants each holiday. Under this option, the coordination tender would be worth up to £52,000 per annum.

Option 3: Open tender for an external coordinator and funding distributor (recommended)

Under this option the contract would include funding both coordination and for the delivery of provision funded by HAF (up to £551,000 annually)

Up to £52,000 of contract costs (Element 1) would be allocated to administration, with delivery funding (Element 2) still required to predominantly be allocated to other local organisations.

This option retains key contract controls, with the council overseeing all stages of the process and having a final say on how funding for provision is distributed and for what activities. Marketing will also still be developed with and signed off by the council. However the administrative tasks for funding distribution will be undertaken by the bidder, reducing pressure on the local authority.

This approach allows for continued, robust accountability of the provider, as well greatly improving efficiency of delivery, giving more time to develop, adjust and promote holiday provision.

It also supports opportunities to innovate further and have a stronger plan for continuous improvement, looking at systems to enhance delivery for residents, such as looking at opportunities for additional funding, developing skills and capacity of the market, providing booking systems, events and other family engagement opportunities and other ways to support council outcomes for children.

Market Analysis, Local Economy and Social Value

16. The national rollout of the HAF programme in 2021 means there are more regional organisations that have the experience and capability to deliver this

work. It is also highly desirable that the provider would have established knowledge of the borough and links with local partners; this market is limited.

17. The Element 2 funding is passported and covered by Section 31 Grant Determination for the Holiday Activity and Food Programme and as such relates to grants not contracts. In addition both the individual grants distributed and Element 1 funding for coordination all fall below the threshold for the Social Value policy application which is £100k.

Risk Assessment and Proposed Mitigations

18. Although the current contract for coordination of HAF activity ends in March 2023, the last major holiday covered by the existing contract are the Christmas holidays 2022. It is important that a new contract be in place by the start of February to allow for planning and mobilisation for deliver in the Easter Holidays 2023 (start of April 2023). The procurement process will be run at the end of 2022 to enable a new provider to be in place in time for mobilisation and delivery during for this date.
19. There is a limited market of providers who both have suitable experience to coordinate HAF delivery and have a strong local knowledge of providers and residents. To raise the profile of this procurement we will promote it alongside our Early Intervention procurement, that is targeting the same sector.

Timetable

Key Decision Entry (Strategy)	24/08/2022
Contracts Assurance Board (Strategy)	15/09/2022
Cabinet Member Sign off (Strategy)	3/10/2022
Find a Tender Service Notice	24/10/2022
Closing date for clarifications	4/11/2022
Closing date for submissions	16/11/2022
Evaluation of Tenders	17/11/22-21/11/22
Key Decision Entry (Award)	22/11/2022
CAB (Award)	7/12/2022
SLT/Cabinet Member (Award)	12/12/2022
Find a Tender Service Contract Award Notice	18/12/2022
Contract engrossment	16/01/2023
Contract mobilisation and implementation	16/01/2023 – 30/01/2023
Contract Commencement date	01/02/2023

Selection and Award Criteria

20. Providers will be required to provide costings for two elements. Element 1 will be for coordination costs and Element 2 will be a proposed budget for delivery costs.
21. Bids will be based on 80% quality and 20% price, based on Element 1 costs. We expect HAF funding to be fully utilised to provide the best quality and reach possible, therefore the award criteria focuses predominantly on quality.
22. Quality will be assessed on the basis of a Tenderer's written submissions in the Technical Envelope to the award criteria as set out below. Each Tender will be considered initially by individual members of the evaluation team against each of the evaluation areas. Each award criteria has a sub-weighting (Tier 2) to ensure its relative importance is reflected in the overall scores.

Category for assessment	Weighting (%) (Tier 2)
Capacity and capability	25
Delivery of the Service Specification.	30
Achieving outcomes for children and young people	10
Maximising KPIs	10
Continuous improvement	5
Price	20

Contract Management

23. The contract management will continue to be led by Children's Commissioning. Funding allocations, marketing and delivery plans will all be reviewed and agreed with the council before implementation. Contract monitoring meetings will also review contract key performance indicators, outcomes and ensure all deliverables are being met.
24. A maximum budget for Element 2 spend for delivery will be set by the council each year, informed by the DfE grant award. Payment of element 2 spend will be dependent on agreed delivery plans and auditable valid spend by the provider.
25. As with current contract arrangements the provider will be required to evidence that it is supporting the following outcomes for children:
 - a) to eat more healthily over the school holidays;
 - b) to be more active during the school holidays;

- c) to take part in engaging and enriching activities which support the development of resilience, character and wellbeing along with their wider educational attainment;
- d) to be safe and not to be socially isolated;
- e) to have greater knowledge of health and nutrition; and
- f) to be more engaged with school and other local services.

26. The contract will be monitored against the same KPI's as the current contract:

Uptake	The number of eligible children participating is maximised.
Inclusion	The number of children participating from the following groups is maximised: <ul style="list-style-type: none"> - Children with SEND or additional needs - Children eligible for FSM - Vulnerable children not eligible for FSM
Additional provision	The number of hours of provision that families are able to affordably access is maximised.
Food	The number of eligible children receiving healthy and nutritious meals during the holidays is maximised.

Equality Implications

- 27. There are no anticipated negative implications for groups with protected characteristics, under the Equalities Act 2010, by the proposed procurement exercise set out in this report.
- 28. As part of the role of the coordinator, quality of service and reach to groups with protected characteristics will be monitored regularly with actions for any hard-to-reach groups.

Risk Management Implications

- 29. The report recommends the commissioning of a holiday activities provider through an open competitive process. This is in line with the council objective of being ruthlessly financially efficient. Risks associated with the procurement are identified in the report, along with the mitigations proposed by officers.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 25 August 2022

Climate and Ecological Emergency Implications

- 30. This contract will require that the coordinator develop a programme of activity that supports the objectives of the council's climate strategy. This includes supporting nutritional education that promotes healthy, low carbon and

sustainable diets to children and young people. The contract will also build on previous collaborative work between the holiday programme and climate team to integrate climate activity and information into holiday activity.

Hinesh Mehta, Head of Climate Change, 1 September 2022

Local Economy and Social Value Implications

31. The Element 2 funding is passported and covered by Section 31 Grant Determination for the Holiday Activity and Food Programme and as such relates to grants not contracts. The Council's Social Value policy cannot apply to the contract because social value is not included in the grant conditions.

Angela Hogan, Chief Solicitor, 28 September 2022

Consultation

32. This procurement strategy has been developed with consideration of positive feedback gathered from parents and providers during the first two years of delivery of the HAF programme, as well as consultations that have taken place as part of the development of the Early Intervention strategy.