

	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">CABINET</p> <p align="center">6 OCTOBER 2014</p>
<p align="center">EXTENSION OF YOUTH SERVICE CONTRACTS UP TO 31 MARCH 2016</p>	
<p>Report of the Cabinet Member for Children and Education - Councillor Sue Macmillan; and the Cabinet Member for Social Excusion – Councillor Sue Fennimore</p>	
<p>Open report</p> <p>A separate report on the exempt Cabinet agenda provides commercially sensitive information about individual contract values.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Andrew Christie, Tri-Borough Executive Director of Education and Children’s Services</p>	
<p>Report Author: Vikki Wilkinson, Lead Commissioner, Young Peoples Services</p>	<p>Contact Details: Tel: 020 7641 4099 E-mail: vwilkinson@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

1.1 The London Borough of Hammersmith and Fulham undertook a commissioning activity in 2013 and awarded 13 contracts (Appendix One) to deliver borough wide school and community youth provision, specialist youth provision and borough wide generic and specialist holiday provision. The contracts were for a 2 year period and commenced on the 1st April 2013 until the 31st March 2015 with an option (at the Council’s discretion) to extend for a further 1 year.

- 1.2 This report requests that the extension option of a further year from 1st April 2015 to 31st March 2016 to be taken up.

2. RECOMMENDATIONS

- 2.1 That approval be given to enact the extension option so as to extend the contracts for a period of up to 12 months, with effect from the 1st April 2015 , as per contract clause 1.1 (duration) outlined below:

The Agreement shall take effect on the Commencement Date and shall continue for a period of two years (the "Initial Term"), unless terminated earlier.

Subject to satisfactory performance by the Organisation, the Council may wish to extend the Agreement for a further period of up to 12 (twelve) calendar months. The Council may approach the Organisation if it wishes to do so before the end of the Initial Term. The clauses in the Agreement will apply throughout any such extended period unless otherwise stated to the contrary.

- 2.2 That the level of funding for the duration of the extension remains the same as current contracts paid on a quarterly basis.

3. REASONS FOR DECISION

- 3.1 The Council has entered into contracts with providers for a term of 2 years with an option (at the Council's discretion) to extend for a further 1 year, subject to satisfactory performance and value for money being delivered, as per contract clause 2. The option to extend was agreed by Cabinet to provide flexibility and allow Hammersmith and Fulham to extend some or all of the contracts for an additional year if sufficient funding is available in 2015 and agreed with by Cabinet - without having to undertake new tendering exercises earlier than is necessary.
- 3.2 Current youth provision is well established and engages young people across the borough. All providers are satisfactorily meeting their contractual targets with a number of providers exceeding their requirements. An extension of up to 12 months maintains stability of provision whilst a new specification is developed that reflects the new administrations priorities for young people's services.
- 3.3 The Government's policy document "Positive for Youth; a new approach to cross government policy for young people aged 13-19"¹ emphasises that Local Authorities have "the primary responsibility for improving young people's outcomes and commissioning appropriate services." Commissioning youth services enables Hammersmith and Fulham to fulfil the statutory guidance requirements; offering services to young people

¹ <https://www.gov.uk/government/publications/positive-for-youth-a-new-approach-to-cross-government-policy-for-young-people-aged-13-to-19>

across the borough which improves young people's outcomes by engaging young people in positive activities.

- 3.4 Youth services, working in partnership with the Hammersmith and Fulham Locality Family Support Service, voluntary sector partners, sports and creative arts providers and schools, will have a key role in identifying vulnerable young people and of engaging and supporting them to achieve positive outcomes.

4. BACKGROUND

- 4.1 In August 2010, Cabinet agreed to the commissioning of youth provision within the borough. This meant that the council moved from directly delivering provision, to a commissioned model, where services are delivered by a range of providers across the borough, delivering services that meet the needs of a particular community.
- 4.2 Officers completed the commissioning process for these services in March 2011, with the commissioned services going live in April 2011.

COMMISSIONING FRAMEWORK 2013-15

- 4.4 Services were re-commissioned with effect from 1st April 2013. The service offer continued to be based on the findings from the borough-wide consultation with young people and consists of the following services:
- School based generic locality provision
 - Community based generic locality provision
 - Community based specialist provision
 - Positive Activities – holiday programmes
- 4.5 School based provision continued to be available at the following school sites, directly after school and during the holidays:
- Hurlingham & Chelsea School
 - Henry Compton School & Fulham Cross School (Fulham College)
 - Phoenix School
 - Cambridge School

Provision is offered 38 weeks a year, Monday to Friday at each site, except Cambridge School, where an inclusive Saturday programme is offered. Subsequent to the re-commissioning exercise Fulham College chose to discontinue offering youth services and the contract ceased in July 2013.

- 4.6 In addition to the school based provision providers were commissioned to deliver community based provision across the following wards at buildings to be identified by the provider:
- Wormholt & White City and Shepherds Bush wards

- College Park & Old Oak ward
- Askew and Shepherds Bush wards
- North End and Fulham Broadway wards
- Sand End ward
- Avonmore & Brook Green and Addison wards

4.7 The commissioning strategy for youth provision in Hammersmith and Fulham will be developed in parallel with an interim extension of these contracts.

4.8 The current annual budget of the youth provision contracts is £876,600 (see the Appendix of the exempt report)

5 EQUALITY IMPLICATIONS

5.1 An Equality Impact Assessment, (EIA) is not required as the proposals do not involve any change to services.

6. LEGAL IMPLICATIONS

6.1 Unless the recommendation to extend the current youth service contracts is granted, the service provision will terminate on the 31st March 2015. The Contracts contain a provision allowing for an extension of up to one year and in accordance with the Council's Contract Standing Orders, authority to exercise the option can be granted either by the relevant Cabinet Member or Cabinet, (depending on the values involved). If the option to extend is exercised, the Contract will continue in effect until the 30th September 2015. With regards to the procurement strategy going forwards, Legal Services will work with the client department to ensure that procurement of the service provision is in accordance with the Council's Contract Standing Orders and EU procurement rules, so far as those rules may apply. In accordance with the Council's Standing Orders, because of the values involved, the Contracts, once finalised, will be executed under seal.

6.2 Legal comment provided by Dian West, dian.west@lbhf.gov.uk 020 8753 2752.

7. FINANCIAL AND RESOURCES IMPLICATIONS

7.1 The contract extension (up to a 12 month period) for 2015-16 is estimated at £812,600, though the expectation is that it could only be used for 6 months (Appendix One)

7.2 Two of the contracts are currently funded under the Third Sector Investment Fund programme agreed by Cabinet on 1 September 2014. The remaining costs of the contract will be met from existing budgets within Children's Services.

- 7.3 The LBHF budget for 2015/16 is £876,600 which is sufficient for the 12 months contract extension. However, there are some savings identified for this budget which could possibly be achieved by the part-year saving in 2015/16. (Appendix One)
- 7.4 There is no direct link to the Council's capital programme.

Financial risks

- 7.5 The budget holder is The Head of Commissioning (Early Intervention). The figures set out in the report are the current contract prices. If the full 12 months of the available contract extension period is required, compensatory savings would need to be made elsewhere in the budget in order to meet planned MTFs savings. At this stage of budget development, it is not possible to say how this would be achieved. Without compensatory savings the contract extension period would be from 1 April 2015 to 30 September 2015 only.
- 7.6 Given the current economic climate, the need to reduce central Government borrowing and the Council's own financial situation there is a clear risk to City Council budgets and partner funding. This applies to the current financial year as well as future years. The figures stated above are within approved budgets as at the date of this report, but are subject to change at short notice. In the event of a further budget reduction, a review of services would need to be undertaken in order to bring the provision within the available resources. An in-year budget reduction would need to be met by similar in-year service reductions.
- 7.7 Finance comment provided by Adele Patriciello
Adelaide.Patricciello@lbhf.gov.uk 020 8753 2897

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report : None

Contact officer(s): Vikki Wilkinson, Lead Commissioner, Young Peoples Services,
vwilkinson@westminster.gov.uk 020 7641 4099