


<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>7 MARCH 2016</b></p>	
<p><b>APPROVAL TO EXTEND EXISTING CONTRACTS WITH CURRENT YOUTH SERVICE PROVIDERS TO ENABLE DEVELOPMENT OF A NEW COMMISSIONING STRATEGY WITHIN THE CONTEXT OF A PARTNERSHIP FOR YOUNG PEOPLE IN HAMMERSMITH AND FULHAM</b></p>	
<p><b>Report of the Cabinet Member for Children and Education – Councillor Sue Macmillan; and the Cabinet Member for Social Excursion – Councillor Sue Fennimore</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification:</b> For Decision</p> <p><b>Key Decision:</b> No</p>	
<p><b>Wards Affected:</b> All</p>	
<p><b>Accountable Executive Director:</b> Andrew Christie, Executive Director of Children’s Services</p>	
<p><b>Report Authors:</b> Paul Williamson, Interim Lead Commissioner - Young People</p>	<p><b>Contact Details:</b> Paul Williamson: 07967 347643 E-mail: paul.williamson@rbkc.gov.uk</p>

## 1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to extend the contract arrangements with existing youth service providers until March 2017 in order to develop a new borough-wide commissioning strategy.
- 1.2. A Partnership for Young People for Hammersmith and Fulham will be launched in February 2016. The Partnership for Young People will develop a new vision and set of priorities for young people. This will result in a comprehensive youth offer being delivered from April 2017.
- 1.3. The proposals in this paper are in line with the available budget for youth contracts in LBHF in 2016-17.
- 1.4. Subject to good performance, the intention is to direct award 12-month contracts to individual providers to ensure the continued delivery of universal and targeted youth services. Services will cover term-time and holidays and will be based in the community as well as in schools.

## **2. RECOMMENDATIONS**

- 2.1. That approval be given to waive Contracts Standing Orders and extend the existing contracts with current youth service providers for a further one year.
- 2.2. That the Council's Contract Standing Orders, requiring public quotes to be sought for contracts be waived.
- 2.3. That specific approval be given to modify and extend the following service provision arrangements until 31<sup>st</sup> March 2017:
  - a) Provision of youth club services for North End and Fulham Broadway wards by the Brunswick Club with a contract value of £50,000.
  - b) Provision of youth club services for College Park and Old Oak wards by the Harrow Club with a contract value of £50,000.
  - c) Provision of youth club services for Wormholt and White City & Shepherds Bush wards by the Harrow Club with a contract value of £50,000.
  - d) Provision of youth club services for Sands End ward by the Harrow Club with a contract value of £50,000.
  - e) Provision of youth club services for Askew & Shepherds Bush wards by the Sulgrave Club with a contract value of £50,000.
  - f) Provision of youth club services for Avonmore and Brook Green, and Addison wards by Masbro Youth Club with a contract value of £50,000.
  - g) Provision of targeted holiday services by Action on Disability with a contract value of £50,000.
  - h) Provision of targeted term-time services by Action on Disability with a contract value of £50,000.
  - i) Provision of 'Sport, Fitness' and 'Well-being' holiday services by Let Me Play with a contract value of £49,600
  - j) Provision of universal community youth holiday Art and Fashion services by Let Me Play with a contract value of £49,700
  - k) Provision of universal community youth holiday Music and Performing Arts services by Let Me Play with a contract value of £49,200
  - l) Provision of a school-based term-time youth club by United Church School Trust at Hurlingham and Chelsea School with a contract value of £65,000
  - m) Provision of a school-based term-time youth club by Phoenix School with a contract value of £65,000
  - n) Provision of a term-time youth club with a contract value of £24,000 for children with disabilities. The service is currently under review and will be developed in partnership with key local organisations.
- 2.4. That a total budget of £741,060 be allocated for commissioned youth services in 2016-17. £702,500 of this funding will be made available for the direct award to existing youth providers, whilst £38,560 will be used for the Duke of Edinburgh Award Scheme and the printing of the 'Summer in the City' brochure.

### **3. REASONS FOR DECISION**

- 3.1. The available funding for youth contracts in 2016-17 is £850,900.
- 3.2. A Partnership for Young People will be established in Hammersmith and Fulham. The Partnership will aim to bring together young people, key funders, businesses, youth providers, local residents and other key stakeholders. This will lead to the development of a comprehensive youth strategy which will attract resources to a set of agreed priority services.
- 3.3. Following the work of the Partnership for Young People, service models may vary significantly from April 2017. New models of provision are being explored to ensure the active engagement and commitment of key stakeholders, including residents, arts and sports organisations, local businesses, key agencies, and funding bodies.
- 3.4. The extension of existing contracts will ensure continuity of services during the development of a new borough-wide commissioning strategy within the context of the Partnership for Young People in Hammersmith and Fulham.

### **4. BACKGROUND**

- 4.1. In August 2010, Cabinet agreed to the commissioning of youth provision in the borough. This meant that the council moved away from directly delivering provision, to a commissioned model, where services are delivered by a range of providers across the borough.
- 4.2. In January 2013, following a tender process, Cabinet agreed to a further period of commissioning of a range of providers for youth provision contracts from April 2013 to March 2015, which have subsequently been extended to March 2016.
- 4.3. The new administration is committed to the establishment of a multi-agency Partnership for Young People. The Partnership will seek commitment and sponsorship from a wide variety of partners, including businesses, young people, providers, agencies, residents, and other stakeholders.
- 4.4. Funded providers are working closely with the council on the development of new service models. They will benefit from a period of relative funding stability in 2016-17 to enable them to engage effectively in this process.

### **5. GOVERNANCE**

- 5.1. It is planned that contracts with providers should be extended from April 1 2016. The contract extension will be 1 year, subject to performance and deliverables.
- 5.2. Specifications will be reviewed to ensure they reflect relevant outputs and outcomes expected of providers.
- 5.3. Providers will continue to be regularly monitored and are required to provide performance management information on a quarterly basis.

## **6. CONSULTATION**

- 6.1. The LBHF Youth Council has been engaged in the development of the priorities for the Partnership for Young People in LBHF. A consultation with young people was carried out in April 2015 and the feedback will also inform the work of the Partnership for Young People once it has been established.
- 6.2. Regular meetings with the LBHF Youth Provider Forum have taken place. Providers are very keen to be involved in the Partnership for Young People and to develop new and more effective ways of working with a range of organisations.
- 6.3. The period of time to October 2016 will be used to effectively engage and secure the commitment of a range of stakeholders. The intention is to jointly plan, co-design and implement a borough-wide strategy for services for young people. This will be led by the Partnership for Young People and sponsored by key organisations, including the council.

## **7. EQUALITY IMPLICATIONS**

- 7.1. Equalities issues will be addressed within contract meetings with providers and if equality issues are identified, an Equalities Impact Assessment will be prepared.
- 7.2. All existing services will continue to be funded at the same level as in 2015-16. Officers are confident that there are no equalities implications arising from this decision.

## **8. LEGAL IMPLICATIONS**

- 8.1. The services described in this report fall under Schedule 3 of Public Contracts Regulations 2015 (known as the light touch regime).
- 8.2. It is noted that it is proposed to directly award the contracts listed in recommendation 2.3 for a 12 month period.
- 8.3. The value of each individual proposed contract is below threshold for the light touch regime. To the extent that there is potential cross border interest in the contracts the Council is required to comply with the EU principles of transparency and non-discrimination, which would normally require some form of competitive process. Where there is not cross border interest the Council is simply required to comply with its own contract standing orders.
- 8.4. The Council's contract standing orders require light touch regime contracts with a value over £25,000 and less than £625,050 to be competitively procured using the e-tendering system and the Government's Contracts Finder portal.
- 8.5. It is therefore necessary to waive the Council's contracts standing orders to allow for a direct award of the contracts. A waiver may be agreed where it is justified because:
  - the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from these CSOs is justifiable; or

- the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- the circumstances of the proposed contract are covered by legislative exemptions; or
- it is in the Council's overall interest; or
- there are other circumstances which are genuinely exceptional.

8.6. A departmental record of the decision approving a waiver and the reasons for it must be kept.

8.7. Written contracts should be entered into with all the providers, prior to commencement of the contracts. Legal services will assist with this up on instructions by the client department.

Legal implications completed by: Cath Tempest, Senior Solicitor (Contracts) tel: 020 8753 2774

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

9.1. The available budget for youth services in 2016-17 is £850,900, including a £94,900 contribution from the 3SIF programme.

9.2. The required saving for 2016-17 of £128,000 has been achieved through previous decommissioning and service efficiencies. This will not have an impact on the current level of service and providers.

9.3. The existing providers will be funded at the current level of £741,060 for a further 12 months to March 2017.

9.4. A total of £40,000 will be made available to fund a revised young carers support service following a review of young carer services in 2015-16.

9.5. This will leave a balance of £69,840 to fund key projects and the development of the Partnership for Young People.

9.6. Implications verified/completed by: *Tim Raven, Business Partner, 020 7641 6191*

## **10. RISK MANAGEMENT**

10.1. If the decision to direct award is not agreed services would need to be decommissioned from April 2016. This would result in a significant loss of services for young people, many of whom are from groups with additional needs and will impact on the sustainability of several of the organisations. To mitigate this risk, commissioners would work on alternative fundraising strategies with the providers.

10.2. The direct award will allow the council to prepare an alternative commissioning strategy. This will be implemented from April 2017. The direct award of contracts allows the council to continue to fund existing providers during this transitional period.

## **11. PROCUREMENT IMPLICATIONS**

- 11.1 Approval for the existing service arrangements for Youth Services expire April 2016. Normally, under the Council's Contracts Standing Orders, a competitive tendering exercise would be run to select providers for new contracts.
- 11.2 However, the Council will not have the clarity and certainty about the shape of future service models needed to run an efficient procurement until the new Partnership for Young People delivers its strategy and priorities for future provision next year.
- 11.3 The Council could run a procurement exercise and seek competitive tenders for one-year contracts to run from April 2016 to April 2017. But, given the process costs this would entail (for the Council and bidders, most of whom are SMEs), the relatively small financial value of the contracts, and savings currently being achieved, this would not be a particularly efficient use of public funds in current times.
- 11.4 The Interim Head of Procurement believes it would be more efficient to continue the existing arrangements as interim one-year measures, seeking further efficiency gains where these are possible, and then go to the market once the Partnership has delivered its priorities. Provision exists within Contracts Standing Orders for these to be waived if the appropriate person, in this case the lead Cabinet Member, believes the waiver is justified due to the nature of the supply market and in the Council's interests.

Comments provided by John Francis, Interim Head of Procurement (job-share), Chief Executive Department 020-8753-2582.

### **LOCAL GOVERNMENT ACT 2000** **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		

#### **LIST OF APPENDICES:**

None.