

From: Sue Chandler, Cabinet Member for Integrated Children's Services
Sarah Hammond, Corporate Director of Children, Young People and Education

To: Children, Young People and Education Cabinet Committee – 29 November 2022

Subject: Directly Award contracts for commissioned Youth services

Key decision Overall service value exceeds £1m and affects more than two Electoral Divisions.

Decision Number: 22/00107

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: All

Summary: This report provides the Children, Young People and Education Cabinet Committee with the background and rationale of the proposal to directly award the nine providers of Commissioned Youth contracts 12 contracts in order to maintain current provision for a further one year.

In addition to KCC's direct delivery of Open Access Youth Services, contracts with Commissioned Providers have been in place since 2012 to support the Council's Open Access Offer. The Youth Service contracts have been through two formal procurements in 2012 and 2016 followed by a Direct Award in March 2022.

KCC's application to become a Family Hub Transition authority has been accepted by the Department for Education (DfE) and a Key Decision has been taken to agree to accept funding to help that transition. Further information about the allocation and distributions of that funding will be made under separate reporting arrangements to this committee in due course.

In order to accommodate the scoping and development of Family Hubs, where there will be a focus on a) the delivery of face-to-face provision, b) a wider network development and c) the development of a robust virtual offer, it would be unwise to proceed with a procurement which, at the point of implementation, may not be fully aligned to a newly formed approach for the Family Hub Model Framework development.

Due to significant rising costs, it is likely that the new one-year directly awarded contracts would require an increase in value. This would be part of commercial negotiations and agreed through the budget holder. All other terms and conditions of the contracts will remain the same with a new revised end date of 31 March 2024. This will allow the development of fit-for-purpose specifications that will compliment and support the Family Hub Model as it is rolled out across the county.

Recommendation(s):

The Children, Young People and Education Cabinet Committee is asked to **consider** and **endorse** or **make recommendations** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

- A) **Extend** the Commissioned Youth Service Provision via a direct award to the seven current providers for a period of not more than 12 months (end 31 March 2024).
- B) **Delegate** authority to the Corporate Director of Children, Young People and Education, in consultation with the Cabinet Member for Integrated Children's Services, to negotiate, finalise and enter into the relevant contracts; and
- C) To take the necessary actions including but not limited to negotiating, finalising and entering into relevant legal agreements such as the direct award contract, as required to implement this decision.

1. Introduction

- 1.1. KCC's offer of Open Access Services includes a directly delivered service and commissioned provision. These services work together seamlessly to engage young people requiring services across all 12 of the districts.
- 1.2. In addition to the 12 in-house Youth Hubs, there are seven providers delivering Youth Services across the 12 Districts for children aged 8-19 as well as those with disabilities up to 25. This typically includes group sessions on weekday evenings that are free at point of delivery with music, cooking, dance, sport and craft being common activities. Additionally, all providers give opportunities for young people to earn nationally recognised accreditations as well as being a safe space and trusted adult for many young people across the County.
- 1.3. Following a procurement and consultation process the contracts with the seven Youth Providers were tendered and awarded in 2016. They expired at the end of November 2021. A Key Decision (21/00086) was taken on 10 November 2021 to directly award contracts to the existing providers under the same terms and conditions to end on 31 March 2023.
- 1.4. The publication of the 2022/2023 budget consultation results developed into a review of some of our buildings under the Strategic Reset Programme. It was envisaged that the outcome of the project would inform future commissioning strategies and shaping the in-house offer.
- 1.5. Since the budget consultation the landscape, specifically for Open Access development, has changed further, with the DfE launching the Family Hubs and Start for Life Programme.
- 1.6. In order to implement Family Hubs and develop best practice, the DfE invited Local Authorities to apply for 'Transitional' and subsequently 'Trailblazer' status. KCC has been successful in its application for Transition funding and is awaiting a response from DfE regarding the Trailblazer application. The Trailblazer

programme is dedicated to ensuring that a small number of Local Authorities will be able to achieve the minimum standards for best practice more quickly than other Local Authorities.

- 1.7. Having gained Transition Authority status in October 2022, KCC will be working in partnership with key stakeholders from across Health, Public Health, Social Care, Education and the Voluntary and Community Sector (VCS) to develop a coherent model that can be delivered over a three-year period to ensure that the needs of local communities are met.
- 1.8. The Family Hub concept is to provide families with a single access point to integrated family support services. Services will include those that we recognise in Kent as Early Help, linking across Integrated Children's Services, Public Health and Health with emphasis on being a one stop shop for help and support for families with social, emotional, physical and financial needs.
- 1.9. The Family Hub approach and the need for a consistent model across the county will impact and change any future specifications for the commissioned elements of Children's Centre provision.
- 1.10. To minimise duplication of provision and ensure that future specifications complement the Family Hub model being developed, the procurement of a new Youth offer needs to be delayed whilst a full consultation takes place to make sure that the voice of families and young people are at the heart of Family Hub development.
- 1.11. Following the consultation and development of the model, specifications can then be developed through a model of co-production, resulting in a procurement process starting in the Summer/Autumn of 2023.
- 1.12. To make sure that there is no gap in provision, whilst waiting for the results of the consultation and subsequent specification, one-year contracts would need to be awarded by way of Direct Award to existing providers. Whilst there is no basis to extend the existing contracts, PCR Regulations 72(1)(e) and (8) and Regulation 72(1)(c) would allow this by way of permitted modifications.
- 1.13. The Direct Award will be for a period of 12 months for all the commissioned Open Access Youth contracts.

2. Current Provision

2.1. The table below details the organisations impacted by this decision.

Service	Area	Provider	Current per annum contract value
Youth	Ashford	The Canterbury Academy	£95,749.80
	Canterbury		£109,331.40
	Dartford	Play Place	£87,990.00
	Dover	Pie Factory	£99,980.40
	Thanet		£136,947.96
	Folkestone & Hythe	Salus	£86,700.00

	Maidstone		£91,700.04
	Tonbridge & Malling		£81,799.92
	Tunbridge Wells		£75,799.92
	Gravesham	The Grand	£99,999.96
	Sevenoaks	West Kent Extra	£75,000.00
	Swale	Optivo	£133,950.00
	Totals		£1,174,949.40

- 2.4 The geographical areas covered by the commissioned Youth Services are allocated by Integrated Children's Services (ICS) Youth Hub Delivery Managers and often focus on our most rural and/or our most deprived areas in Kent, which is one of the reasons the additional value they add is so intrinsically important to the communities they serve.
- 2.5 All nine providers have continued to perform well against their KPIs throughout the life of the contracts. Commissioners work with all providers as part of contract monitoring to embed the voice of young people into service provision. This is monitored using a Compliments, Comments and Complaints log, with the focus being on what difference and/or change has been made to improve provision as a result of feedback.

3. Commissioning Intentions

- 3.1. See Appendix One for details of the timeline of commissioning activity since 2012.
- 3.2. Planning for the recommissioning of services commenced in March 2021. The main driver was to review collectively the whole Open Access Offer to respond to what we learned through Covid, with the addition of the Digital offer.
- 3.3. The review was stalled due to a range of factors impacting on the commissioning intentions. These include the feedback from the 2022/2023 budget public consultation that stated we should look at using our community buildings differently and the launch of the Family Hub Programme.

4. Other Considerations

- 4.1. The delivery of Open Access provision is not statutory, however, KCC has a long history of maintaining an Open Access offer when other Local Authorities have cut provision.
- 4.2. The current providers of the Youth Services have been working with KCC to deliver services for over 10-years. Commissioners have worked extensively with the wider market since 2012 to understand the landscape of providers and both capability and capacity to provide a district-wide offer.
- 4.3. Since the last major procurement of these contracts in 2016, the provider landscape in Kent has not changed dramatically and there are no new youth providers entering the market that have the capability of delivering a district wide offer.

- 4.4. If new contracts were to be procured, TUPE would apply. With such a short time frame associated with the new contracts any new entrant to the market would likely see this as unattractive and high risk, therefore unlikely to bid. There has been little or no notable change within the geographical areas of provision since the last round of procurements, as such there would be no advantage in developing a new procurement process to assess the same providers against a largely unchanged market.
- 4.5. For any provider coming into the market there would be challenges relating to buildings, access, and reputation. It is considered that with the time constraints in place, it would be impossible for a new provider to come in and offer a seamless service provision.
- 4.6. The Direct Award is proposed to set contracts on the same terms and conditions to the end of March 2024 with a potential increase in financial envelope, subject to commercial negotiation.

5. Financial Implications

- 5.1. This service will continue to be funded from the revenue KCC base budget reported against the Early Help and Preventative Services Key Service in the Budget Book. Future funding opportunities will be explored as part of the development of the family hub model framework.
- 5.2. It is anticipated that services will be delivered in line with the existing contract values with an inflationary increase built into the pricing assumption for 23-24 at a maximum of 5%. Any increase in contract values will be mitigated by a reduction in delivery or funded from efficiencies in other areas of open access.
- 5.3. Financial risks associated with this proposal are expected to be low. Potential pressures will be managed through ongoing contract management for the commissioned service.
- 5.4. The cost of procurement for the Direct Award for both contracts is limited as the terms and conditions will not change and will be largely a desk-based exercise in completing relevant paperwork. This process can be managed by a Commissioner and a Commercial Commissioning Assistant and therefore should not exceed £800.

6. Legal implications

- 6.1. Known as the Youth Services Duty, Local Authorities have a statutory duty to “secure, so far as is reasonably practicable, sufficient provision of educational and recreational leisure-time activities for young people.” This would be maintained by the continuation of internal provision.
- 6.2. An implication of this approach is that the council is operating outside of Spending the Council’s Money in that the contracts should have been the subject of being competitively tendered.
- 6.3. The risk has been mitigated through knowledge of the market and whether there are other organisations that could deliver the services at scale and pace. This

satisfies the requirements as set out in Public Contracts Regulations 2015 (PCR 2015) clause 72(1)(e) and clause 72(8) which permits modifications to contracts so long as not materially different.

7. Equalities implications

7.1. None of the protected characteristics would be adversely impacted. Equality Impact Assessment screening has been completed and found a full action plan was not required. This will continue to be developed and reviewed as commissioning activity progresses.

7.2. An Equalities Impact Assessment is attached in Appendix 2.

8. Governance

8.1. Accountability of Youth services sits with the Corporate Director for Children, Young People and Education. Responsibility sits with the Director of Integrated Children's Services, North and West Kent (EHPS Lead)

9. Conclusions

9.1. For reasons stated above, approving this action will:

- Continue the provision of support for Children Families and Young People.
- Extend well performing contracts to enable the maintenance of Open Access services provision whilst new ways of working will be consulted on with Members, staff and the general public.
- Maintain levels of support for the local community, particularly areas with high levels of deprivation.
- Give stability to providers ensuring the continuation of additional Social Value that extends beyond catchment areas.
- Continuation of the virtual offer which providers have worked together to produce and is offered across the county.
- Support the development of KCCs Family Hub model and work to develop specifications that both compliment and embed provision across the county.

10. Recommendation(s):

The Cabinet Member for Children, Young People and Education Cabinet Committee is asked to **consider** and **endorse** or **make recommendations** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

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11. Appendices

Appendix 1 – Commissioning Activity

Appendix 2 – Equalities Impact Assessment

12. Background Documents

Record of Decision 21/00086 Commissioned Open Access Provision for Youth Services and Children's Centres:

<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2529>

13. Contact details

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Appendix one: Commissioning Activity

Service	Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Youth		47 contracts awarded for 3yrs to deliver OA Youth work across 22 organisations. Total budget £1.6m	Contract in place	Contract in place	Extension given for 12 months to undertake procurement for new commissioned provision	Procurement Process undertaken and 12 district based contracts awarded for 5 years across 10 providers. Total annual budget £1.2m	Contract in place	Contract in place Plus a closed procurement for 3 districts to existing providers following the hand back of 3 contracts	Contract in place	Contract in place	Direct Award of contracts for 1 yr. due to reasons of extreme urgency and supporting local VCS groups in their recovery following pandemic	Direct Award of contracts for 1 yr. given in order to reshape future provision in line with Council Budget Consultation