

	<p align="center">ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 17 September 2014</p>
<p align="center">Title</p>	<p>Children’s Service – Contract variations to Barnet Pre School Learning Alliance and Fair Play Barnet</p>
<p align="center">Report of</p>	<p>Family Service Director</p>
<p align="center">Wards</p>	<p>All</p>
<p align="center">Status</p>	<p>Public</p>
<p align="center">Enclosures</p>	<p>Appendix A: Children’s Service, Equalities Impact Assessment</p>
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<h2>Summary</h2>
<p>This report is to request authorisation to vary the three contracts below to reduce their contract values:</p> <ul style="list-style-type: none"> • Lot 4a: Barnet Pre School Learning Alliance (BPSLA) – Raising standards in quality provision: Childcare Providers • Lot 4b: Fair Play Barnet - Raising standards in quality provision: breakfast clubs, afterschool clubs and holiday provision • Lot 4c: Fair Play Barnet - Raising standards in quality provision: Inclusive training for mainstream providers

<h2>Decisions</h2>
<ol style="list-style-type: none"> 1. To authorise the approval to reduce the contract values 2. To vary the specifications originally agreed to reflect the new contract values

1. WHY THIS REPORT IS NEEDED

- 1.1 The London Borough of Barnet sought a number of external service providers to deliver a range of early intervention and prevention services via a robust tendering service following the Council's procurement procedures which closed in February 2013. The services are for families, children and young people aged 0-19 years old and up to 25 year olds with disabilities who are living in Barnet or children, and young people being educated in Barnet. The services contributed towards the priorities of:

- Barnet Children and Young People Plan 2013/14 – 2015/16
- Barnet's Corporate Plan 2013/14 – 2015/16

The contracts were awarded a 33 month term for the period 1 July 2013 to 31 March 2016. All contracts had an annual break clause exercisable by the local authority. Funding for anniversaries years two and three was subject to future grant settlements from central government which allowed for Barnet to reduce or terminate the services in years two and year three depending on the future grant settlements.

The current blocks of contracts were reviewed and agreements were reached with providers to achieve budget savings, ensuring best use of available resources. It has been proposed that Barnet Pre School Learning Alliance and Fair Play Barnet have a reduction made on their contracts. This proposal has been made through careful consideration of the limited financial resources available, the utilisation of services and the impact of services supporting young people most in need.

2. REASONS FOR DECISIONS

- 2.1 The Government's spending review has reduced the amount of money available for the Council to spend over the coming years. Over the past three years the Children's Service has reduced budgets by over £12m (around 20% of the budget) across a range of areas.

For 2014/15 the Children's Service needs to find further savings of £4.44m. Of this, it is proposed that £1.3m of savings is found in commissioned services. In order to meet this financial target, whilst ensuring that we can continue to deliver high quality services for children, young people and families, it was proposed that these savings will be achieved by:

- mapping service delivery to minimise duplication and enhance efficiencies across service delivery
- re-commission, where appropriate, to achieve better value for money
- work with contracted providers to identify efficiency savings
- target limited resources to improve outcomes for the borough's most vulnerable children and young people.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 There were three proposals relating to commissioned services savings for children proposed within the Consultation 2014/15 which closed on the 31 January 2014:

- **Proposal 1a:** Make savings by jointly buying services with health (the Clinical Commissioning Group).

- **Proposal 1b:** At the moment Short Breaks services are delivered by a wide variety of organisations, some of which provide similar services. We are proposing to reconfigure short breaks to improve service delivery, stop duplication and to ensure services are targeted to those with the highest needs.
- **Proposal 1c:** Review how the services we buy are used and how similar services could be joined up.

The services outlined in the Equalities Impact Assessments (EIA) relates to the Proposal 1c.

4. POST DECISION IMPLEMENTATION

- 4.1 The new specifications will be implemented and monitored within all three contracts to ensure standards and quality still remain and to ensure that the new specified outcomes are representing value for money and supporting families, children and young people. In the event of underperformance, providers will be required to attend additional review meetings and additional monitoring will be undertaken.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The provision of early year's services supports the strategic objective in the Council's Corporate Plan 2013-2016 to create better life chances for children and young people across the borough.

- 5.1.2 These services also contribute to the Ways of Working as outlined in the Children and Young People's Plan 2013-2016:

- Working in partnership
We will work together to make sure that activity and resources are joined up and target those who most need them. We will collaborate with other service providers as required to meet the diverse needs of children and young people.
- Involving children and young people in our work
We will consistently engage actively with children, young people and their families in developing and implementing solutions to meet their needs.
- Delivering better services with less money
We will seek to ensure the best value for money so that children and young people get the maximum benefit.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The funding for Lot 4a, 4b and 4c are met from existing budgetary provision within the Children's Services Early Intervention and Prevention Commissioning budget via cost code 11307.

The original and remaining new contract values for each contract are provided in the below table:

Lot	Provider	Original values				New values		
		Year 1 - 2013/2014	Year 2 - 2014/15	Year 3 - 2015/16	Total 33 month contract value	Year 2 - 2014/15	Year 3 - 2015/16	New remaining contract values
Lot 4a	BPSLA	£86,794	£109,335	£109,400	£305,529	£63,779	£54,700	£118,479
Lot 4b	Fair Play Barnet	£19,470	£24,072	£24,422	£67,964	£12,036	£12,211	£24,247
Lot 4c	Fair Play Barnet	£14,239	£17,806	£17,909	£49,954	£8,903	£8,955	£17,858

5.2.2 The procurement processes for all of the contracts were conducted in accordance with Public Contracts Regulations 2006, the Council's Contract Procedure Rules and the Corporate Procurement Code of Practice.

5.2.3 The proposals for contract variations have taken into account the contract performance to date, the potential impact to service users and the cost of delivery to ensure that decisions were based on achieving best value for money.

5.2.4 To ensure monies are being spent effectively, the contracts are performance managed using a robust monitoring system including regular submission of performance data, monitoring meetings and audits.

5.2.3 There are no staffing, IT or property implications for the Council in relation to the contracts listed within this report.

5.3 Legal and Constitutional References

5.3.1 Written deeds of variation, which comply with the provisions specified by the Council's Contract Procedure Rules will be drawn up and executed on behalf of the parties in accordance with the terms and conditions of the contracts.

5.3.2 The Contract Procedure Rules, paragraph 14.3 sets out conditions that must be satisfied in order to extend or vary a contract:

- The initial contract was based on a Contract Procedure Rules compliant competitive tender or quotation process
- The value of the extension or variation added to the value of the original contract does not exceed the original Authorisation threshold
- The extension or variation has an approved budget allocation
- The extension or variation is in accordance with the terms and conditions of the existing contract
- If the initial contract was subject to EU tender procedure, that the extension option was declared within the OJEU notice and the original Acceptance (Delegated Powers Report/Cabinet Resources Committee Report); and
- The contract has not been extended before
- All of the above conditions are met for the contracts listed in this report.

5.3.3 On 25 February 2014, Cabinet approved the savings on Children's Service Commissioned services through reduction in external spend on preventative contracts.

5.3.4 In accordance with Annex B of the Responsibility for Functions found at Document 15 of the Council's Constitution specifically paragraph 3.7, officers are provided with delegated authority for monitoring Council strategies and plans which are focused on the commissioning and delivery of services to achieve the best outcomes for the people of Barnet and the delivery of outstanding customer service across all services.

5.4 **Risk Management**

5.4.1 I do not consider the issues involved are likely to raise significant levels of public concern or give rise to policy considerations as:

- the Council has agreed contract variations with providers. Agreements have taken into account the potential impact to service users, the delivery costs and the financial pressures faced by the Council. Failure to apply the variations to these contracts will create a risk to relationship management between the Council and our contracted providers. There will also be a financial risk to the Council if these variations are not implemented since they enable the Council to achieve the targeted savings for Children's Service commissioned services.
- the contract variations involve an overall reduction in service delivery, which will impact those currently accessing the services. Equalities Impact Assessments were carried out to assess the impact of decisions. The final agreements on service reductions were made through careful consideration of the limited financial resources available, the utilisation of services and the impact of services supporting early years.

5.5 **Equalities and Diversity**

5.5.1 Under current Equalities legislation the Council and all other organisations exercising public functions on its behalf are required when doing so to have due regard to the need to (i) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010; (ii) advance equality of opportunity between those with a protected characteristic and those without. The relevant protected characteristics are age, disability gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.5.2 This duty, also, applies to a person, who is not a public authority but who exercise public functions and therefore must, in the exercise of those functions, have due regards to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.

5.5.3 All contracts listed with this report include explicit requirements fully covering the Council's duties under equalities legislation.

5.5.4 The Equalities Impact Assessment was completed in February 2014 by Children's Services to monitor and mitigate the risk of budget savings on Barnet's diverse communities. This assessment informed the final decision on savings to commissioned services made by Cabinet on 24 February 2014 Cabinet report.

As defined in paragraph 3.1 of this report the three proposals 1a, 1b and 1c were put forward within the commissioned services savings for children Consultation 2014/15 which closed on 31 January 2014. The service outlined in the Equalities Impact Assessment relates to proposal 1c below:

- **Proposal 1c:** To review how the services we buy are used and how similar services could be joined up. This is likely to result in a combination of efficiencies and reductions. Some of the key areas this would impact on are: youth homelessness, peer support and mentoring for young people, activities for young people, domestic violence services, support to young carers, parenting programmes, support to organisations around quality of childcare, careers support for young people with Learning Difficulties and Disabilities, information system holding information on young people, social care out of hours service, community coaching (peer-to-peer support for families).
Proposed saving: £600k

5.6 Consultation and Engagement

5.6.1 The commissioned services savings for children proposed within the Consultation 2014/15 which closed on the 31 January 2014 provided the proposal 1c which results in the reduction to the three contracts: <http://engage.barnet.gov.uk/childrens-service/children-s-service-budget-proposals-consultation-2>

5.6.2 Staffing

5.6.3 This proposal does not have an impact on Council staff

6. BACKGROUND PAPERS

- 6.1 18 April 2014, Delegated Powers Report, Children's Service Contract Variations, recommendation approved
- 6.2 25 February 2014, Cabinet Resources Committee, Business Planning 2014/15-2015/16, Agenda Item 7, approved the expenditure and savings schedules set out in Appendix D, which included Children's Service savings through reduction in external spend on preventative contracts
- 6.3 18 April 2013, Cabinet Resources Committee, Award of Early Intervention and Prevention Contracts, Agenda Item 12, approved the award of contracts for the delivery of early intervention services
- 6.4 18 April 2013, Cabinet Resources Committee, Children's Service Contract Arrangements and Extensions, Agenda Item 11, recommendation approved.

7. DECISION TAKER'S STATEMENT

7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

8. OFFICER'S DECISION

I authorise the following action

- 8.1 To vary the values of the three contracts between the providers and the Council, effective as per below:

Raising standards in quality provision for:

- (i) Childcare Providers – BPSLA: effective from 1 June 2014
- (ii) Breakfast clubs, afterschool clubs and holiday provision – Fair Play Barnet: effective from 1 April 2014
- (iii) Inclusive training for mainstream providers – Fair Play Barnet: effective from 1 April 2014

Signed **Family Service Director** _____

Date **17 September 2014** _____
