
Meeting	Cabinet Resources Committee
Date	25 February 2013
Subject	Commissioning of Stonegrove Children's Centre
Report of	Cabinet Member for Education, Children and Families
Summary	This report seeks approval to: (i) enter into a contractual formalisation of the arrangement between the Council and Barnet Pre-School Learning Alliance (BPSLA); and (ii) waive the Contract Procedure Rules to enable the arrangement to be extended for a further twelve month period, 1 April 2013 – 31 March 2014.

Officer Contributors	Stav Yiannou, Divisional Manager, Early Intervention & Prevention Team Zahid Parvez, Business Manager, Early Intervention & Prevention Team
Status (public or exempt)	Public
Wards affected	Edgware
Enclosures	None
Key decision	No
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Stav Yiannou, Divisional Manager, Early Intervention and Prevention.

1. RECOMMENDATIONS

- 1.1 That the Committee approves the contractual formalisation of the arrangement with Barnet Pre School Learning (BPSLA), pursuant to which BPSLA provides services to the Council, consisting of management of the Stonegrove Children's Centre;**
- 1.2 That the Committee approves a waiver of Contract Procedure Rules (rule 5.8.4) to enable the extension of the existing agreement to enable continuity of service delivery for the reasons set out in paragraph 8.5 below;**

The value of this contract is £207,228 over a 1 year period (April 2012 to April 2013). The extended 1 year value is a further £293,040 for the period 1 April 2013 to 31 March 2014, the contract end date. The total proposed contract value including extension is £500,268.

- 1.3 That the Committee approves the extension of the formalised contract, referred to in 1.1 (above), for the period 1st April 2013 until 31st March 2014.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee 17 July 2012, Decision item 6: Consultation on proposed changes to the funding formula of Children Centres.
- 2.2 Cabinet Resources Committee 28 February 2012, Decision item 24: Consultation on proposed changes to the funding formula of Children Centres.
- 2.3 Cabinet Resources Committee 14 February 2011, Decision item 5 C: Proposed reduction and redesign of Children's Centres and related services in Barnet.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The services for consideration will contribute towards the key priorities and objectives of the Council's 2012/13 Corporate Plan:
- Better services with less money;
 - Sharing opportunities, sharing responsibilities and
 - A successful London suburb.
- 3.2 Services will also contribute to the priorities outlined in the Children and Young People's Plan 2010/11-2012/13:
- intervene early to strengthen families;
 - ensure the early identification of children and families to enable appropriate preventative interventions through the Common Assessment Framework (CAF);
 - ensure every child has a good start to life by providing access to high quality early years provision and support;
 - refocus work around early years standards to ensure appropriate support, training and challenge, helping to narrow attainment gaps;
 - promote access for all children and young people to positive activities;
 - reduce economic disadvantage through tackling child poverty.

4. RISK MANAGEMENT ISSUES

- 4.1 The extended funding of the contract will not carry additional risk to the Council, as the terms and conditions of the contract will remain the same as currently agreed and delivery volume will increase.
- 4.2 Barnet Pre-School Learning Alliance (BPSLA) directly manages Stonegrove Children's Centre and will continue to provide services for the Early Intervention and Prevention team.
- 4.3 The contract is otherwise in accordance with the Contract Procedure Rules set out in the Council's Constitution. Details are provided in section 7 (Constitutional Powers).
- 4.4 In accordance with Contract Procedure Rules and to ensure value for money, the contract with BPSLA to manage Stonegrove Children's Centre will continue to be performance managed throughout the term of the contract using a robust monitoring system.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Equality Act 2010 requires that a public body in the exercise of their functions must have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act; (b) advance equality of opportunity between the different groups; and (c) foster good relations between different groups. The Council has considered the potential impact on the protected groups, pursuant to the Equality Act 2010, and is of the view that extended funding will facilitate better services for a larger number of Barnet residents.
- 5.2 Service users will be able to access services, irrespective of their ethnicity, religion, disability, age, gender, or other differences. This will be checked during regular performance monitoring of contracts which measures service-user profile. Where monitoring data identifies hard-to-reach communities are not being sufficiently supported, plans to refocus delivery will be implemented with providers.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property and Sustainability)

- 6.1 The existing 2012/13 Service Level Agreement/contract value is £207,228 and is funded from the Early Intervention and Prevention budget.
- 6.2 The value of the contract extension for 2013/14 is £293,040 and will be funded from the Early Intervention and Prevention budget for the period 1 April 2013 to 31 March 2014 and can be contained with the overall budget for this area.
- 6.3 The total proposed contract value including extension is £500,268 to 31 March 2014, the contract end date.

7. LEGAL ISSUES

- 7.1 There is an, existing, Service Level Agreement, between the Council and BPSLA, dealing with the management of the Stonegrove Children's Centre, by BPSLA, on behalf

of the Council. The Service Level Agreement covers the period 2012-2013 and specifies the terms and conditions for provision of the services.

- 7.2 The services which are the subject of the Service Level Agreement and which will be covered by the, formal, contract are Part B Services under public procurement rules. As such the full European procurement regime does not apply. The Council must, however, act transparently, fairly and in a non discriminatory way.
- 7.3 The formal contract will need to be executed on behalf of, both, the Council and BPSLA.

8. CONSTITUTIONAL POWERS

- 8.1 Council Constitution, Part 3, Responsibility for Functions - paragraph 3.6 states the terms of reference of the Cabinet Resources Committee.
- 8.2 Council Constitution, Contract Procedure Rules - paragraph 5.6 sets out that contract extensions are subject to the following:

5.6.1 In the case of an extension to a contract:

5.6.1.1 The initial contract was based on a competitive tender or quotations;

5.6.1.2 the initial contract has not been extended before; and

5.6.1.3 the value of the extension is less than half the cost of the existing contract without the extension and has a budget allocation having had regard to the following:

i. If initial contract was subject to EU tender procedure that the extension option was declared within the OJEU notice; acceptance report (Delegated Powers Report/Cabinet Resources Committee Report) and the contract includes extension clauses

ii. If initial contract value was subject to sub EU threshold procedure (Barnet tender/ quotation process) the extension does not take the value past EU threshold

- 8.3 The Council's Contract Procedure Rules in paragraph 5.8 provides that the Contract Procedure Rules may only be waived by the appropriate decision making body if they are satisfied after considering a written report by the appropriate officer that the waiver is justified because:

5.8.1 the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of Contract Procedure Rules is justifiable; or

5.8.2 the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or

5.8.3 the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English Law); or

5.8.4 there are other circumstances which are genuinely exceptional.

8.4 A waiver is sought for Contract Procedure Rules 5.6.1.1 and 5.6.1.3 as the initial contract was not based on a competitive tender or quotations and the value of the extension is more than half the cost of the existing contract without the extension.

8.5 This report seeks waiver of the Contract Procedure Rules on the basis that 5.8.4 is met. BPSLA have historically been awarded an annual SLA, renewed at the end of each year. Officers are seeking to formalise this arrangement into a contract and to extend the arrangement. The time afforded by this waiver will be used and enable officers to undertake competitive tender process while ensuring there is no gap in service provision.

9. BACKGROUND INFORMATION

Review of Children's Centres

9.1 The direction of travel for the development of Children's Centres in Barnet was reported to Cabinet Resources Committee on the 17 July 2012, as detailed below;

9.2 The Government has committed to a national network of Children's Centres refocusing them to their original purpose to meet the needs of the most vulnerable and maintaining a universal offer. The Government have indicated an increased participation of voluntary and community sector involvement with children's centres – ensuring good accountability arrangements, and increasing the use of evidence-based interventions whilst operating payment by results (outcomes) methodologies.

9.3 In 2010/2011 the Council undertook a review of Children's Centres and related Commissioned Services, to explore and develop a business plan for alternative models that would meet the governments plans and the Council's objectives, and reduce the need for acute and specialist provision. The business plan proposed the journey of Barnet Children's Centres as follows:

Stage 1

To re-configure Children's Centres to better meet the needs of the vulnerable community In April 2011, following the review, Barnet Council established a network of 13 full Children's Centres and eight linked outreach venues, providing borough wide coverage to children under 5 and their families. As part of this network the Council provided integrated education and childcare, onsite between 8am – 6pm, in seven Children's Centres.

Stage 2

To reconfigure the funding formula to meet the needs of the vulnerable community The review recommended that the funding formula be more closely aligned to the number of children, areas of highest deprivation and cost neutral childcare provision to reflect this shift in policy. A new proposed funding formula for Children's Centres that reflected these objectives was designed. The consultation on the proposed changes to the Children's Centre funding formula commenced on the 4 May 2012 and ended on the 15 June 2012. The new funding formula allocations were introduced in September 2012.

Stage 3

The review recommended exploring the different service delivery mechanisms for delivery of Children's Centres, incorporating the voluntary and community sector. The scope of this work will begin in the financial year 2012/13.

- 9.4 The Early Intervention and Prevention Team in Barnet Children's Service have commissioned BPSLA to directly manage and run Stonegrove Children's Centre since 2008 - 2009.
- 9.5 Barnet Council has a signed service level agreement with BPSLA for the period 2012 – 2013.
- 9.6 Officers have been working towards Stage 3 of the Council's 'Review of Children's Centres', aiming to the tender for Stonegrove Children's Centre once Stage 2, changes to the funding formula allocations, had been concluded. However in the last two months, changes to the way Nursery and Early Years provision will be funded were announced by national government which necessitated officers having to consider the impact of the proposed changes in more detail.
- 9.7 As a result of these changes and to allow for this, an extension is requested for a period of twelve months from 1 April 2013 – 31 March 2014 and the migration of the Service Level Agreement into a formal contract. This is to allow time for the re-commissioning process to be undertaken appropriately and to ensure there is no gap in services.
- 9.8 For the financial year 2014/15 and beyond the management of Stonegrove Children's Centre will be tendered in line with Contract Procedure Rules. The current provider is expected to choose to take part in the procurement process.

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	MC/JH
Cleared by Legal (Officer's initials)	SS