

19/23

To Be Made.



Havering

LONDON BOROUGH

Notice of Key Executive Decision

Subject Heading:	Contracts Award for the Supply of Targeted careers Information and Advice Services
Cabinet Member:	Councillor Robert Benham, Cabinet Member for Children's Services
SLT Lead:	Tim Aldridge, Director for Children's Services
Report Author and contact details:	Daren Mulley, Senior Commissioning Manager T: 01708 433982 E: daren.mulley@havering.gov.uk
Policy context:	<p>At a local level, these contracts supports Havering Council meet the Communities and Opportunity priorities in its Corporate Plan 2019/20. This plan sets out how the Council intends to invest and transform the borough with an emphasis on communities, places, opportunities and improving connectivity across Havering.</p> <p>At a national level, these contracts support the Council's obligations as outlined in the Department for Education (2017), <i>Careers strategy: making the most of everyone's skills and talents</i>. This strategy sets out how the government intends to transform careers provision across England with an emphasis on education, business and careers communities coming together to work in partnership.</p>
Financial summary:	With the new contracts, the Council will be spending £618,844 p.a. making a saving of £90,966.00. This level of budget saving is only available whilst current Public Health

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	<p>funding is maintained. A reduction in funding will reduce available savings, but core budgets are still sufficient to generate a minimum budget saving of £21,000 per annum.</p> <p>In total, over the 7 years of the contracts, the value will be £4.060m for the targeted careers information, advice and guidance service and for the client caseload information system, the contract value will be £271,908k. Combined, the procurement of these targeted information, advice and guidance services will be £4,331,908 across the seven year contract period.</p>
Reason decision is Key	Expenditure over £500k or more
Date notice given of intended decision:	3 rd April 2019
Relevant OSC:	Children & Learning
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[X]
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[X]
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Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The current two contracts for the provision of targeted information, advice and guidance services for young people end on 31st August 2019. The first contract is for a targeted careers information, advice and guidance service for vulnerable groups of young people. The second contract is for the provision and management of a client caseload information system. This decision paper seeks approval to award two five year contracts (includes two year extension option) for the provision of these targeted information, advice and guidance services from 1st September 2019 to 31st August 2024.

AUTHORITY UNDER WHICH DECISION IS MADE

Senior Leadership Team power under Part 3 paragraph 3.3 Contract Powers (b) To award all contracts with a total contract value of between £500,000 and £5,000,000.

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

This service is commissioned by London Borough of Havering (LBH) to fulfil the Council's statutory obligations as outlined in the Education and Skills Act 2008, Education & Skills Act 2011 and the Children's and Families Act 2014.

Information, advice and guidance (IAG) for young people is a key element in developing personal resilience and capacity to deal positively with challenges in their lives that may influence their choice of career and aspirations. The focus on young people not in education, employment or training (NEET) and their re-engagement in meaningful learning contributes significantly to their individual skill sets but also impacts upon their parents, families and communities. The focus of this procurement was to ensure that young people facing significant challenges in their lives will be well supported, enabling them to access impartial and high quality advice about developing their plans to progress in learning and employment, thereby improving their future prosperity.

The Council currently commissions two contracts for the provision of targeted information, advice and guidance services for young people. The first contract is for a targeted careers information, advice and guidance service for vulnerable groups of young people. The second contract is for the provision of a client caseload information system. In more detail, with regards to targeted information, advice and guidance (IAG) service, the service has a specific remit to work with all Havering residents aged 16-18 and up to 25 with a special education need, in order to support those students who are identified as high risk of becoming NEET (Not in Employment, Education or Training). This includes working with young people leaving care, teenage

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mothers and young offenders who require additional and more intensive support to access education and training opportunities. With regards to the CCIS, the system will need to support the tracking of young people's destinations and provide reports to the Department for Education about young people's characteristics, participation and achievements and present regular reports to the Council regarding its progress towards and the achievement of the Not in Education, Employment or Training ("NEET") targets.

2. Objectives

The objectives of this tender were to:

- a) Ensure that the service is commissioned to meet the priorities of the Council and offer the best value for money
- b) Ensure the tender follows Corporate and EU Procurement Regulations and Local Authority Financial Regulations
- c) Ensure that working with vulnerable groups of young people and multi-agency partnership work feature as high priorities in the new contract.
- d) Establish outcomes that will allow the Council to judge the performance of the Provider
- e) Ensure the Provider delivers a non-judgemental and inclusive service which treats service users with dignity, respecting gender, sexual orientation, age, physical or mental health ability, religion, culture, social background and lifestyle choice.

3. Key Deliverables

In brief, the key deliverables / milestones to achieve the objectives included:

- Production of all required tender and contract documents (including service specification)
- Tender process managed in line with OJEU and Council procurement procedures
- Contract awarded to the tenderer submitting the most advantageous bid to the Council by May 2019
- New contract awarded and mobilised by September 2019

The table below presents the key milestones and dates from the project plan are as follows;

Stage	Timescale
Procurement Planning	September 2018 – January 2019
Invitation to Tender Published	February 2019
Evaluation	March 2019
Award	May 2019
New Contract Mobilization	June – August 2019
Contract Start Date	September 2020

4. Project Governance

In order to deliver this tender, a project management structure was formed in July 2018. This included establishing a Project Board which met regularly once a month to coordinate and monitor the progress of the project. The Project Board members included representatives from the Children's Social Care, Early Help Service, Youth Offending Service, Children & Disabilities Team, Procurement and Finance. Project Board's business included managing the project through a number of project control documents including a Project Plan, Action and Risk Logs.

5. Procurement

Havering Council sought to attract suitably experienced organisations to bid for the targeted IAG services. To mirror the existing contractual arrangements, the procurement was divided into two LOTs with the option for the Council to award a single contract for either both LOTs or two separate contracts for each LOT. The first LOT was for the contract for targeted careers information, advice and guidance service for young people whilst the second LOT was for the provision of a client caseload information system. Experience for organisations interested in bidding was set as a minimum of 2 years' experience of delivering similar services for young people.

This procurement was subject to and adhered to the Council's Contract Procedure Rules. The procurement followed a formal tender process in line with the EU procurement open process in accordance with the Public Contracts Regulations 2015, which require compliance with principles of non-discrimination, equal treatment and transparency. Following these regulations, the Council published the required Contract Notice in February 2019. The current provider and providers that contacted the Council in response to a Prior Information Notice in April 2018 were informed of the opportunity. Suppliers were invited using CapitalESourcing, the Council's E-Procurement system.

6. Evaluation

In total, three contractors completed and submitted their tender documents by the closing date of 15th March 2019. The Council received two bids for LOT1 (targeted careers information, advice and guidance service) and one bid for LOT 2 (client caseload information system).

All evaluations focused on examining how the proposals will deliver a quality service (technical) and the cost of the service (commercial). Cost was evaluated at 70% of the total score. Suppliers submitted a cost for the service that was within the parameters set by the Council with scores weighted in favour of the lowest price. The quality factors were weighted according to their importance with 30% percent of the total score assigned to quality.

The Project Board members evaluated the bids over a three week period from 18th March 2019 – 5th April 2019 with evaluators meeting during this period to consider the

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commercial and technical scores. At the meeting of the Tender Board on 9th April 2019, the Board was able to agree on the most advantageous bids to recommend for award. For LOT 1, whilst Bidder B (see table below) scored highest for its commercial bid, its technical bid was scored lower than Prospects. In summary, the scores of the bids tendering are presented in the table below;

LOT 1	Technical Score	Commercial Score	Total Score
Prospects	95.5	92.885	93.67
Bidder B	44.8	100	83.44

LOT 2	Technical Score	Commercial Score	Total Score
15Billion	93.5	100	98.05

Once approved by the Director of Children's Social Care, all suppliers who submitted bids will be informed of the Council's decision to award the two contracts. Following this, arrangements will be put in place with Prospects and 15Billion to sign the contracts and submit structured and comprehensive plans for the mobilisation of the services.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Extend existing contracts; Contracts have already been extended and so this approach would contravene the Council's Contracts Procedure Rules.

2. Do nothing: Allowing the existing contracts to lapse would lead to a potential destabilisation of the current services. This is not a practical option and would lead to the Council not being fully compliant with its existing statutory obligations to provide these services for young people.

PRE-DECISION CONSULTATION

The pre-decision consultation has involved engaging with a number of stakeholders for the tender. In summary, the following table presents the type, methods and stakeholders engaged in the pre-decision consultation;

Type	Methods	Consultees
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Project Board	Regular meetings phone, email	<ul style="list-style-type: none">• Joint Commissioning Unit• Children's Social Care• Early Help Service• Youth Offending Service• Schools• Legal Services• Procurement• Finance
Prior Information Notice	Notice published via the Council's procurement system in April 2018	<ul style="list-style-type: none">• Current Care provider• Other interested providers in the market
Preparing service specification, procurement and contract documents	Formal regular meetings phone, email, market engagement event	<ul style="list-style-type: none">• Joint Commissioning Unit• Children's Social Care• Early Help Service• Youth Offending Service• Schools• Legal Services• Procurement• Finance• Service Users• Current Provider• Other Providers in the market
Equality Impact Analysis	Desktop research, phone, email	<ul style="list-style-type: none">• Corporate Equalities Advisor

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Daren Mulley

Designation: Senior Commissioning Manager

Signature:



Date: 23rd April 2018

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Section 42A of the Education Act 1997 requires responsible authorities for a school in England to ensure that all registered pupils at the school are provided with independent careers guidance and that careers guidance is provided on options available in respect of education or training for 16 to 18 year olds.

Furthermore, Part 3 of the Children and Families Act 2014 imposes duties on Local Authorities in respect of children and young people with special educational needs or disabilities.

This report proposes to award two contracts (the procurement having been divided into two separate lots in accordance with Regulation 46 of the Public Contracts Regulations 2015) to the following providers:

- 1) **Prospects Services** for targeted careers information, advice and guidance services; and
- 2) **15Billion** for the provision and management of a client caseload information system.

The procurement process followed by the Council has already been set out in the body of this report and appears to be a fully compliant procedure.

The Local Government Act 1999, requires the Council to make arrangements to achieve best value in the exercise of its functions. Officers have satisfied themselves that the bids submitted by Prospects Services and 15Billion represented the most economically advantageous tenders for the Council overall.

This is a Key Decision subject to Part 4 Overview and Scrutiny Procurement Rules, and the Council's call-in procedure.

Signed: One Source Legal Services
Dated: 23.04.19

FINANCIAL IMPLICATIONS AND RISKS

The impact of the new contracts is set out in the table below;

	Cost Centre	Annual Current Contract/ Budget Value £'000s	New Contract Value £'000s	Contract Savings £'000s	7 Year Term		
					5 Year Value £'000s	2 Year Extension £'000s	Total £'000s

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Targeted Careers Information Advice and Guidance Service		670	580	(90)	2,900	1,160	4,060
Client Caseload Information System		40	39	(1)	194	78	272
Contract Total		710	619	(91)	3,094	1,238	4,332
2019/20 Budgets							
Children's Services Core Budgets							
A4166E 14-19 Strategy	A36670	640	640		3,200	1,280	4,480
Public Health Grant	A36670	30	30		150	60	210
Public Health Grant	A36660	39	39		195	78	273
Budget Total		709	709		3,545	1,418	4,963
Net Budget Shortfall/(Savings)		1	(90)		(451)	(180)	(631)

The Information Advice and Guidance contract will deliver a full year saving of £90,000 per annum from 2020/21 onwards. The part year effect in 19/20 will be c. £52,500. The Client Caseload contract has reduced by £1,000 per annum. Due to a current budget shortfall, the budget saving in a full year will be £500. Both of the above assume Public Health funding remains unchanged.

However it should be noted that the current budget of £709,300 for both contracts, includes £69,300 Public Health funding which is reviewed annually. Consequently there is a risk that this could reduce. Furthermore the conditions relating to Public Health funding are changing with effect from 2020/21 which could also affect how the grant is allocated. Any changes to this funding would impact the available savings accordingly, but the core element of the budget would still be sufficient to generate a minimum saving of £21,000 per annum.

Signed: Strategic Finance Business Partner
Dated: 23/4/2019

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no implications or risks anticipated to council staff as the employees involved in the delivery of the current service are employed directly by the existing Provider. As the current providers have been successfully awarded the new contracts, there are no TUPE issues for them to consider.

Signed: Strategic HR business partner
Dated: 24/04/2019

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics* and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EIA has been completed and has found that re-tendering the service will have no negative impact on the nine protected characteristics as set out in the Equality Act. The action undertaken in respect of the new contract will include monitoring how the service meets the needs of all eligible users, including those from ethnic minority communities and the disabled. The Council will also ensure that potential providers have undertaken equality training and adhere to the Council's Fair to All Policy or the own equivalent.

** 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.*

Signed: Strategic Corporate Equalities Advisor
Dated: 23/4/2019

BACKGROUND PAPERS

Not applicable

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Delete as applicable

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 9/5/2019

Signed



