

Notice of KEY Executive Decision

Subject Heading:	Variation of contract with Shaw Trust Ltd to extend for a period of up to 12 months to enable the procurement of the Targeted Information, Advice and Guidance (IAG) Contract. Shaw Trust operates locally as "Prospects."
Decision Maker:	Tara Geere, Director of Starting Well
Cabinet Member:	Kevin Gill, Cabinet Member for Children's Social Care
ELT Lead:	Tara Geere, Director of Starting Well (statutory Director of Children's Services).
Report Author and contact details:	Clare Jackson, Commissioner Clare.jackson@havering.gov.uk
Policy context:	At a local level, this contract supports Havering Council to meet its People Theme priorities in its Corporate Plan 2022/23 - 2026/27. This plan sets out how the Council intends to invest and transform the borough with an emphasis on improving the lives of vulnerable children, adults, and families.
Financial summary:	The one-year extension of the Targeted Information, Advice and Guidance Contract will cost £580,000.
Reason decision is Key	Expenditure in excess of £500,000
Date notice given of intended decision:	22 July 2026

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Relevant Overview & Scrutiny Committee:	People
Is it an urgent decision?	Yes. In accordance with Part 4.9.18 of the Council's Constitution, the Chair of the Overview & Scrutiny Board has granted permission to waive the call in process, as delay would seriously prejudice the Council's and the public interests
Is this decision exempt from being called-in?	Yes

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

People Supporting our residents to stay safe and well X

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

Part A - Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Director of Starting Well is requested to approve a variation of the existing contract with Shaw Trust Ltd to extend the contract for a period of up to 12 months, at a cost of £580,000, to ensure continuity of the Targeted Information, Advice and Guidance (IAG) service while a full re-procurement exercise is completed.

Shaw Trust owns and operates Prospects as part of its corporate group.

AUTHORITY UNDER WHICH DECISION IS MADE

Havering Constitution:

Scheme 3.3.3 Powers common to all Strategic Directors

1. Contracts

1.1 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3. This delegation shall include the ability to extend or vary a contract up to and including a value of £1,000,000 (provided that the extension is in line with the existing contractual provisions.)

As delegated to the Director of Starting Well as the statutory Director of Children's Services.

STATEMENT OF THE REASONS FOR THE DECISION

Background

The proposed contract extension for a period of up to 12 months will cost £580,000.

The arrangement represents value for money by avoiding emergency procurement, preventing service disruption, and allowing sufficient time to complete a compliant re-procurement exercise.

Recommissioning activity for the Targeted Information, Advice and Guidance (IAG) Service began on 17 June 2025. Since then, the timetable has been developed further to reflect the requirements of the Procurement Act 2023 and the associated governance process.

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This has increased the preparation required before the procurement can be formally progressed and has contributed to the need for a short-term extension.

The extension is therefore required to maintain continuity of the existing service while the Council completes a compliant procurement process and allows appropriate mobilisation arrangements for the successor contract. The extension is being sought to avoid a gap in provision and to manage operational, governance and TUPE-related risks.

The current Targeted IAG contract is due to expire on 31 August 2026. A full re-procurement is underway but has taken longer than originally planned due to necessary changes to the commissioning approach and the additional governance approvals required.

The additional time required has been driven by the need to review and refine the commissioning approach, ensure the specification reflects current service requirements, obtain the necessary governance and procurement approvals, and manage the transition to a compliant full re-procurement process. These steps have been necessary to protect the Council's legal, financial and service delivery position and to ensure that the future procurement is robust, transparent and capable of securing best value.

To avoid any break in service delivery, the Council proposes a time-limited extension of the existing contract with the incumbent provider, Shaw Trust Ltd (operating locally as Prospects), for up to 12 months. This will ensure service continuity while the re-procurement process is concluded and a new contract is mobilised, supporting compliance with statutory duties and continuity for vulnerable young people.

Appointing an alternative provider for a short 12-month period would cause significant inconvenience to the delivery of the service. A new provider would require mobilisation time, transfer of knowledge, set-up costs and contract management resource, which would reduce the effective period of service delivery and increase the risk of disruption for young people.

The London Borough of Havering has a statutory duty under the Education and Skills Act 2008, Education Act 2011 and The Children's & Families Act 2014 to secure access to Information, Advice and Guidance service for young people aged 16-18, and up to age 25 for those with special educational needs.

Performance Monitoring

The contract has continued to deliver performance that maintains the London Borough of Havering's position in Quintile 1 in England. The Targeted IAG service has delivered high levels of participation amongst young Havering residents and maintained low levels of NEET young people. Data published by the Department for Education's annual NEET and Not Known performance for Havering is 2.8% for 2024 with a participation rate of 94.6% placing Havering in Quintile 1 for this area of performance with 98% of learners having a September Guarantee and offer of education in place prior to leaving school at the end of year 11.

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The DfE monitors the three-month average figures for performance purposes. These figures are published by the DfE and form part of the Annual NEET Scorecard. The tables below show the comparison between the final 2025/26 Dec - Feb data and the final monthly and average performance figures and quintiles for 2023/24.

NEET & NOT KNOWN - Academic age 16 & 17 (2023/2026)

Year	December	January	February	Dec - Feb Average
2025/26	3.2%	2.5%	2.6%	2.5% Q1
2024/25	3.6%	2.7%	2.1%	2.8% Q1
2023/24	3.3%	3.1%	2.2%	2.8% Q1

The spend data indicates that a one-year contract extension will cost a total of £580,000. The cost for the service remains the same as the original bid for the contract. On this basis, the total value of the contract will remain the same.

Shaw Trust is able to continue the service at the current contract value. Once the contract has been agreed, contract management will continue with quarterly contract monitoring meetings between the Council and supplier.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Do nothing (Rejected)

This option would result in the expiry of the current contract on 31 August 2026 with no replacement in place, leading to a break in service provision and failure to meet statutory duties.

Option 2: Accelerate re-procurement Retender (Rejected)

While the re-procurement is underway, accelerating the process beyond governance and mobilisation requirements would increase commercial and service risk.

Option 3: Award a 12-month contract to an alternative provider (Rejected)

This option was considered but rejected because appointing an alternative provider for a short 12-month period would not represent best value for the Council. A new provider would require mobilisation time, transfer of knowledge, set-up costs and contract management resource, which would reduce the effective period of service delivery and increase the risk of disruption for young people. It would also duplicate activity already planned through the full re-procurement process and may result in

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additional cost without delivering a clear improvement in outcomes. The preferred approach of a time-limited extension with the incumbent provider maintains continuity, avoids unnecessary transition costs and allows the Council to complete a compliant re-procurement exercise.

PRE-DECISION CONSULTATION

Engagement with several stakeholders has been undertaken to prepare this report. This includes supplies, Legal and Finance.

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

Name: Clare Jackson

Designation: Commissioner

Signature: *C Jackson*

Date: 05 August 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Council has the power to vary and extend the contract under s111 of the Local Government Act 1972, which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
2. The Council also has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The recommendation sought within this report is in accordance with this power.
3. The original contract value is above the relevant threshold for services under the Public Contracts Regulations 2015 (PCR 2015) and as such, the contract is subject to the full PCR 15 regime. The PCR is relevant here as the contract was procured under those regulations and remains live.
4. With regard to the proposed variation to extend the contract, Regulation 72(1)(b) of the PCR 2015 permits variations to a contract where additional works, services or supplies by the original contractor have become necessary and were not included in the initial procurement, provided that a change of contractor cannot be made for economic or technical reasons, or would cause significant inconvenience or substantial duplication of costs. Any increase in price must not exceed 50% of the value of the original contract, which it does not here. As stated in the report, officers are satisfied that a change of contractor would cause significant inconvenience to the Council.
5. CPR 35.3.2 states that where a contract variation is not provided for in the original contract, the Procurement Review Group must agree to the variation prior to it being made (it is understood that this is currently the Gateway Review Group (GRG)). Subject to approval from the GRG, the variation may be entered into.
6. Subject to approval from the GRG and for the reasons set out above, the Council may proceed with the variation and extension of the contract.

FINANCIAL IMPLICATIONS AND RISKS

The proposed direct award to Shaw Trust Ltd for a period of up to 12 months will cost £580,000. This expenditure is within the existing approved budget for the Targeted Information, Advice and Guidance service (A36670) and is also consistent with the current annual contract value. This is good value for money for the additional year, as no uplift has been applied. The total value of the contracted services over the full 8 years including the uplift is £4,640,000. This extension will ensure continuity of delivery of the council's statutory duty for this service to young people and enables the

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commitment to a full market testing process, which has already started, over the next 12 months can be completed, including any necessary handover between providers. This direct award avoids the risks, significant disruption and likely additional costs of alternative options that would otherwise be incurred.

Service budget monitoring and contract management arrangements will continue throughout the extension period to help ensure quality is maintained and expenditure remains within the approved funding envelope.

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

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

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.

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

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 socioeconomics and health determinants.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Under the Health and Social Care Act 2012 the Council is responsible for improving and protecting the health and wellbeing of residents. Havering Council is committed to improving the health and wellbeing of all residents.

State purpose of report: Extend the existing contract with Shaw Trust for a period of up to 12 months to allow for the full re-procurement of the Targeted IAG service.

The overall health and wellbeing implications arising from the proposed decision to extend the existing contract with Shaw Trust would be positive. The provider would be able to continue supporting service users, building on established relationships, and maintaining positive outcomes for young people.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Shaw Trust plan routes to ensure efficiency in reducing mileage, reduce paper-based forms where possible and use an energy saving philosophy in office space.

BACKGROUND PAPERS

None

APPENDICES

None

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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

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 Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____