


Decision maker(s) at each authority and date of Cabinet meeting, Cabinet Member meeting or (in the case of individual Cabinet Member decisions) the earliest date the decision will be taken		
	Cllr Holloway Date: 24 March 2017	 City of Westminster
Report title (decision subject)	Forward Plan reference: REQUEST TO EXTEND CONTRACT WITH PROSPECTS FOR A PERIOD OF SIX (6) MONTHS FROM APRIL 2017 TO SEPTEMBER 2017	
Reporting officer	Rupa Parmar, Head of Service, Tri-borough Children's Services	
Key decision	Yes	
Access to information classification	Part A – Public Report Exempt Part B This Part B report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	

1. EXECUTIVE SUMMARY

- 1.1. This report outlines the City Council's contractual arrangements across Westminster (WCC) for the monitoring and tracking of all young people aged 16-19, the assessment of children and young people who are eligible for an Education, Health and Care Plan (EHC¹) and the provision of specialist knowledge of post-16 options. For the purposes of this report EHC planning may also be referred to as Special Educational Needs.
- 1.2. The report seeks approval to proceed with a contract extension to the incumbent provider Prospects to allow for a wider strategic review of services which will inform a longer term commissioning approach for Westminster City Council.

2. RECOMMENDATIONS

- 2.1. That Part B report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 2.2. That the Cabinet Member waive the application of the Council's Procurement Code as detailed at 3.16, which, at the annual value noted in appendix A of the part B report would otherwise give rise to the requirement of inviting a minimum of three quotes through the Council's Capital Esourcing e-tendering system.
- 2.3. That the Cabinet Member gives approval to continue existing service provision with Prospects by extending the current contract with them for an interim period of six [6] months from April 2017 to September 2017 paid pro-rata at the previous 2016/17 annual value for a monitoring and tracking service for all young people aged 16-19 and the assessment of children and young people who are eligible for an Education, Health and Care Plan.

3. REASONS FOR DECISION

- 3.1. Current arrangements for SEN, data tracking and survey work are fragmented across the three boroughs with multiple providers delivering different but related elements of work.
- 3.2. Prospects form a collection of providers delivering tracking and SEN services and work alongside Central London Connexions (CLC) in the identification of 'not known'² young people. Providers access a shared national reporting system called the Integrated Youth Support Service (IYSS) for monitoring and reporting purposes. The delivery of tracking services provided by Prospects is reliant upon data and information from CLC who maintain database management services for young people across WCC. Whilst Prospects deliver core elements of tracking

¹ An EHC plan is the document which replaces Statements of SEN and Learning Difficulties Assessments for children and young people with special educational needs.

² Not known refers to a situation in which a young person's participation activity is unknown.

and SEN therefore, these services form part of a wider service offer for young people across WCC.

- 3.3 The services that form the subject of this report and the recommended contract extension are made up of two distinct statutory functions. In summary, they comprise tracking services as one function; this includes services to support the delivery of WCCs statutory responsibilities regarding young people's participation in education, employment or training. Key elements of this service include the Intended Destinations Survey, Activity Survey, the September Guarantee, Tracking of Not Known Young People and Raising the Participation Age, much of which is completed in direct partnership with schools and colleges. A more detailed breakdown for each element noted can be found at appendix B of the part B report.
- 3.4 The second function relates to SEN and the requirement to ensure all children and young people have access to an Education, Health and Care Plan assessment and the related advice and guidance, this includes a requirement for the provision of specialist knowledge and advice of post-16 options including apprenticeships, traineeships and internships. In their capacity as the commissioned provider, Prospects provide key workers to undertake the statutory assessment processes for the Education, Health and Care Single Assessment within the statutory deadlines, the issuing of EHC plans within 20 weeks and the post-16 advice.
- 3.5 Unusually, staff delivering SEN are employed through Prospects but seconded into the SEN Service based at Kensington Town Hall and managed by the Special Educational Needs Team Head of Service. The tracking and survey services are delivered directly from Prospects' offices.
- 3.6 There are a range of proposals in place to redesign these services in the future, including greater alignment of services across the three boroughs, transparency of service delivery for staff and commissioned providers in their areas of responsibility and improved value for money. To this end there is a need to refresh the current commissioning arrangements and these proposals will be detailed in a forthcoming strategy.
- 3.7 The proposed extension period requested in this report with allow for the necessary stakeholder consultation, procurement timescales and governance to ensure a streamlined and fit for purpose model is commissioned from September 2017 onwards.

4. BACKGROUND

- 4.1 Local authorities have a duty to ensure they identify all children and young people in their area who have or may have special educational needs and / or disabilities. Only the local authority can carry out the EHC needs assessment to identify needs and ensure provision is made available to meet those needs. If they then issue an EHC plan it is the authority alone that has the legal duty to ensure that the educational provision is then made. This duty cannot be delegated and derives from Section 36 of the Children and Families Act 2014.

- 4.2 In addition, local authorities have statutory responsibilities for tracking the participation of young people and the subsequent reporting and monitoring of data to the Department for Education. Tracking relates to the young person's participation in education, employment or training, and where neither of these apply, to track and locate the young person and ensure careers advice and guidance appropriate to the young person's needs are made available. The duty to ensure local authorities perform this function derives from Section of 68 of the Education and Skills Act 2008.
- 4.3 The contract with Prospects was let in April 2013 for a period of 2 years without the option to extend. The contract was subsequently extended on short-term letters of extension until December 2015. A fresh contract was issued and commenced on 1 January 2016 for a period of 15 months and is due to expire 31 March 2017.
- 4.4 From a commissioning perspective, there have been various proposals to restructure SEN and tracking services over recent years. In 2014 a Bi-Borough LBHF and WCC procurement went ahead to jointly commission the services referred to above. The financial savings targets relating to these services at the time could not be delivered against the most competitive tender submissions and so the decision was taken not to award contracts through the procurement.
- 4.5 Rather, in view of the required savings at the time, direct negotiations and contract awards progressed with incumbent providers. In the autumn of 2016 a Prior Information Notice was published to alert businesses to a forthcoming tendering opportunity. This is currently on hold subject to a commissioning strategy which will set out a longer term approach.
- 4.6 The absence of running a competitive tender has in the main been the result of changing legislation which has subsequently altered responsibilities for the local authority and the externally commissioned providers. In addition, on-going reductions to public funding have meant different delivery models have been required.

5. PROPOSAL AND ISSUES

- 5.1. The performance of tracking services delivered by Prospects is well regarded with regular contract monitoring meetings evidencing good outcomes. With reference to national statistics WCC perform well with over 95% of young people aged 16-18 in education, employment or training, this statistic exceeds both the London and the Statistical Neighbour average³. At fewer than 5% WCC perform equally well in the percentage of 16-18 years olds whose participation activity is not known with this indicator also exceeding the London average.
- 5.2. The services delivered both by Prospects and the collection of providers also delivering services in this area have not been competitively tendered for some

³ Statistical neighbours provide a method for benchmarking. For each LA this model designates a number of other LAs deemed to have similar characteristics and these are known as statistical neighbours. This allows comparison of the target/chosen authority with the authorities in its Statistical Neighbour group.

time. As such, current arrangements do not evidence value for money or the most efficient model of delivery. Contracts with incumbent providers have been extended on more than one occasion and providers await forthcoming procurement.

5.3. The proposed contract extension request will allow the formulation of a clear strategy with appropriate consultation throughout. Furthermore, consultation will involve specialist and incumbent providers to ensure their views on the most appropriate delivery models are considered. The proposed extension request in this report will ensure WCC continue to achieve four key outcomes:

- The continuation of service delivery that support the achievement of local authority statutory requirements.
- Enable a full review to be undertaken to establish current and future service requirements.
- Build new specifications that are affordable, fit for purpose and better reflect service requirements.
- Allow suitable time for the procurement of services that are reflective of the priorities for each borough.

5.4 As the individual annual contract value is below the £589,148 EU procurement threshold there is no requirement to undertake a full EU competitive tendering exercise. The contract value falls within the Procurement Code where three quotes would be required; however this requirement can be waived with agreement from the appropriate Cabinet Member.

6. OPTIONS AND ANALYSIS

6.1 An alternative option to extending the current contract could be to undertake an open competitive procurement exercise. However, as noted above there are several proposals in place to significantly remodel these services going forward. Furthermore, there is insufficient time between the current contract expiry and the ability to run a fair and competitive tender process. As such, opening a tender opportunity at this stage is not advised.

6.2 Business analysis obtained thus far in the mapping and scoping work for these services indicates there are significant opportunities to deliver a more streamlined and better integrated service model in the future. Furthermore, there is a requirement to ensure all areas of learning and discussion with stakeholders are fulfilled prior to finalising the future model of delivery. The requested extension period will ensure all stakeholders have the opportunity to feed into and comment on future proposals.

7. CONSULTATION

7.1 Consultation regarding the requested extension period is scheduled for Thursday 16 March 2017. The Cabinet Member will receive a further report detailing the proposed strategy for the re-commissioning of these services and the planned procurement for service delivery beyond September 2017.

8. EQUALITY IMPLICATIONS

- 8.1 Prospects contract value will remain the same as the previous financial year.
- 8.2 There are no changes to the current provision of services as part of this extension request. If the recommendations of this report are accepted then the incumbent provider continues to provide the existing service with no changes to service delivery. As such, there are no new equality impacts that will result at this time.

9. PROCURMEENT IMPLICATIONS

- 9.1 Extending the current contract for an interim 6-month period with Prospects to maintain existing provision makes both service delivery and commercial sense, and as such the waiver from Procurement, given the circumstances described in the report, is supported. It will give time to agree a direction of travel for future delivery of these services. Leaving aside the regulatory aspect, from a procurement viewpoint the main consideration is determining what type of service we need from external suppliers. Upon completion of the service review, a procurement strategy for the new contract will be brought to Cabinet for approval ahead of tendering the new contract.
- 9.2 Otherwise, officers can either re-procure similar arrangements as currently or reconfigure them. The latter would seem a potentially more cost effective approach though will require more initial work and officer time.

Procurement Implications provided by Simon Williams, Procurement Consultant,
Email: Simon.Williams@rbkc.gov.uk Tel: 07712 415 195

10. LEGAL IMPLICATIONS

- 10.1 The proposed arrangement to award a new contract is below the relevant threshold in the Public Contracts Regulations (the "Regulations") and as such it is subject only to the limited regime in those Regulations.
- 10.2 Given the value and duration of the proposed arrangement it would be more straightforward to simply extend the existing contract if the value of that contract is below the relevant threshold and will remain below it after it has been varied, rather than directly award a new contract given that it appears that the council has not undertaken any assessment of the suitability of thy contractor for what would be a new contract.

- 10.3 Legal implications provided by Keith Simkins Solicitor Email: Keith.Simkins@rbkc.gov.uk Tel. 020 7361 2194

11. FINANCIAL AND RESOURCES IMPLICATIONS

- 11.1 The recommissioning of the contract will form part of the reconfiguration of Education Services Grant and Dedicated Schools Grant (DSG). The future provision of a monitoring and tracking service for all young people aged 16-19 and the assessment of children and young people who are eligible for an Education, Health and Care Plan. The new contract will be funded through the High Needs Block element of the DSG
- 11.2 As part of the medium term finance strategy of the service savings of £60k in 17/18 and a further £142k in 18/19 have been proposed from the recommissioning of the contract. For the 2017/18 financial year, the proposed savings will be achieved from a one off contribution from the Central London Connexions (CLC) reserves.

Finance Implications provided by Andrew Tagg, Head of Resources, Email: Andrew.Tagg@rbkc.gov.uk Tel: 0207 361 2258

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Local Government Act 1972 (as amended) – Background papers used in the preparation of this report – n/a.

Contact officer(s): Will Parsons, Commissioning & Transformation Lead, email: wparsons@westminster.gov.uk tel. 0207 641 2526

For completion by the **Cabinet Member for Children, Families and Young People**
Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **REQUEST TO EXTEND CONTRACT WITH PROSPECTS FOR A PERIOD OF SIX (6) MONTHS FROM APRIL 2017 TO SEPTEMBER 2017** reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Children, Families and Young People

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.