
Report to CABINET

Targeted Youth Services – Options from April 2020

Portfolio Holder:

Cllr Amanda Chadderton
Cabinet Member for Children's Services

Cllr Zahid Chauhan
Cabinet Member for Health and Social Care

Officer Contact: Merlin Joseph Interim Director of Children's Services
Katrina Stephens, Director of Public Health

Report Author: Ed Francis
Ext. 6671

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Reason for Decision

The current contract for the delivery of targeted youth services delivered by Positive Steps is due to end on 31st March 2020 and it is intended that a procurement exercise is undertaken to establish delivery arrangements from April 2020.

The report sets out options in respect of how the service might be re-procured with particular reference to the Youth Justice Service. The report also seeks Cabinet approval that the decision to award the contract to the successful bidder/bidders be delegated to the Director of Children's Services in consultation with the Strategic Director of Reform and Cabinet Members for Children's Services and Health and Social Care.

Recommendations

1. That Cabinet accepts the recommended option in respect of the procurement approach to be undertaken.
2. That Cabinet accepts the recommendation that the decision to award the contract be delegated to the Director of Children's Services in consultation with the Strategic Director of Reform and Cabinet Members for Children's Services and Health and Social Care.

Targeted Youth Services – Options from April 2020**1 Background**

- 1.1 The Council currently commissions Positive Steps to deliver a range of services to support Oldham's young people under the overarching banner of Targeted Youth Services. These include support to young people around sexual health and substance misuse; services for young carers; delivery of missing from home return interviews; careers information advice and guidance as well as the Council's Youth Justice Service.
- 1.2 The contract is part-funded by Public Health and Youth Justice Grant, with the balance of funding being Council mainstream budget, any reduction in these sources of funding has been applied as a reduction in the contract value rather than by increasing the base budget.
- 1.3 Although the current contract commenced in April 2015 Positive Steps has been the provider of many elements of the contract for several years prior to this date. The organisation has worked with the Council to accommodate budget reductions over the life of this contract totalling approximately £478,000.
- 1.4 It should also be noted that Positive Steps also deliver the commissioned element of the Council's Early Help Offer. This service area is currently subject to a review in order to inform future commissioning intent.
- 1.4 This report sets out the proposed commissioning approach to establish delivery arrangements from 1st April 2020.

2 Current Position

- 2.1 When the services making up the current contract were tendered in 2014 it was decided to organise them into 'lots' as detailed below
 - Lot 1 - *The health and wellbeing of our young people*
Integrated Sexual Health and Substance Misuse Services
 - Lot 2 – *The prevention and reduction of youth offending and crime prevention*
Youth Justice Service
 - Lot 3 – *Support for vulnerable young people who are at risk*
Young Carers service
Careers Advice and Guidance – Vulnerable Groups
Missing from Home Return Interview Service

- 2.2 Services have been delivered in this format since April 2015.

3. Current Provider Performance**3.1 Integrated Sexual Health and Substance Misuse**

There have been examples of very good performance in some elements of this part of the contract, particularly in the sexual health element of the contract. A CQC inspection of the young people's sexual health service in 2017 was overwhelmingly positive and praised the integrated model. However, performance against the key indicators has not been consistently good over the contract term to date, for example numbers accessing

structured interventions for substance misuse have declined considerably year on year. This has been picked up alongside the contract monitoring process by the Director of Public Health, and these elements of the contract are now subject to separate monitoring meetings. A review of the current service specifications is underway as part of the proposed re-procurement process. The review of the specification will also consider the extent to which substance misuse patterns have changed, and how the service offer needs to be adapted in response.

3.2 Youth Justice Service

This service has recently been inspected by HM Inspectorate of Probation and received an overall 'Good' rating with some outstanding features although there were also some aspects of the service (out of court disposals) which were rated inadequate. The inspection confirmed that Oldham's arrangement with Positive Steps remains the only case where a local authority has contracted out its provision to a charitable trust and states "*this arrangement works well, with a good integrated service offer and access to mainstream services*".

3.3 Young Carers Service

Over 500 young carers are registered with the service with over 400 participating in organised activities most quarters. Positive Steps has been successful over the life of the contract in bringing in additional income from charitable sources to support the work.

3.4 Careers Guidance – Vulnerable Groups

Oldham's performance compared to comparator authorities in its overall NEET rate (% of young people not in education, employment or training) is mixed although there has been a recent significant improvement in five of the six worst performing wards reflecting the targeted work carried out. Areas of focus currently are in relation to teenage parents, young carers, care leavers and SEND young people.

3.5 Missing from Home Return Interviews

Overall performance by Positive Steps in relation to missing young people contacted and interviewed within the statutory required timescale (72 hours) is good although these figures are lower for children looked after who are a particularly vulnerable cohort. There is evidence though that interventions by Positive Steps are reducing the rate at which young people go missing more than once.

3.6 Service Specifications and targets for each area of the service are currently under review prior to the proposed re – procurement exercise in addition to stakeholder engagement about some of the areas of performance challenge to see if a different approach is needed.

4. **Options/Alternatives**

4.1 All the services delivered via this contract have their basis in statutory requirements of the Council although with some there is more latitude about how they might be delivered. In order to comply with procurement legislation it is a given that the Council undertakes a re – procurement exercise which it is anticipated will commence in October 2019 leading to a contract decision in December 2019.

4.2 Consideration has been given to the desirability of a repeat of the 'lotting' arrangement whereby there is an increased chance of organisations other than Positive Steps seeking to deliver elements of the service. This does not preclude an active consideration of the added value should Positive Steps or any other organisation bid to deliver every lot.

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- 4.3 In relation to Lot 2 and the delivery of the Youth Justice Service, the unique nature of the current arrangement with Positive Steps has led to consideration as to whether or not an alternative delivery arrangement could be established which avoided the necessity of including this as part of any procurement exercise. Procurement and Legal advice is that other than bringing the service back 'in house' for which there would be no demonstrable advantage, the Council must be seen to be allowing potential delivery organisations the opportunity to bid however unlikely it might be. It is intended to hold a market engagement event to gauge interest.
- 4.4 The evaluation criteria for each lot will be drawn up with due regard to social value and the contribution of any provider to the local economy.
- 4.5 Consideration has also been given to the contract term and current funding envelope. It is not thought that any reduction to the current contract value of £1.97 million is feasible without a significant impact on frontline service delivery. It is proposed that this is set as the upper limit against which bidders would be expected to set their price. A contract term of two years with the option of an extension by a further twelve months if required is recommended as a pragmatic position to take given the number of transformation initiatives under development which might impact on future delivery models.
- 4.6 There is also a recommendation that the Director of Children's Services is delegated the authority to award the contract in consultation with the Strategic Director of Reform and the Cabinet Members for Children's Services and Health and Social Care respectively. This is to ensure procurement timescales can be met to facilitate a contract award decision in December thus allowing enough lead in time should an alternative provider be appointed for all or some of the services. This includes a recognition that there may be TUPE implications for the current workforce.

4.5 **Option 1**

Option one is for the Council to proceed with the procurement plans laid out in this paper and re procure the Targeted Youth services in the current lots thus maximising the number of potential bidders.

4.6 **Option 2**

Option two would be to revert to the previous contracting arrangement where the services are brought together under one overarching contract. The presence of the Youth Justice service within this arrangement would limit the number of organisations who feel they could deliver the entire contract although it doesn't rule out consortium bids or subcontracting arrangements.

4.7 **Option 3**

Option three is to not proceed with the re-procurement exercise either by reason of affordability or in terms of the services currently making up the contract. As previously stated most of the functions are a statutory/mandated requirement

Preferred Option

- 5.1 Option 1 is the preferred option in that it maintains a comprehensive service offer across a number of services and the proposed level of investment is currently sustainable. By apportioning the services into lots the procurement process will support the objective of securing the best provider for each service block.
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5.2 It is also recommended that approval be given to delegate to the Director of Children's Services the authority to make the contract award decision in consultation with the Strategic Director of Reform and identified Cabinet Members.

6 Consultation

6.1 At this stage in the process, consultation has been limited to those service leads in the Council who are operationally and strategically responsible for the cohorts of young people covered by this contract. There is support for Option 1.

6.2 A detailed piece of consultation with young people is underway to ensure they are involved in reviewing the service specifications and quality standards. Young people will also be involved in the tender process itself.

7 Financial Implications

7.1 The current budget in 2019/2020 for the Targeted Youth contract is £1,966,730. This is financed via a variety of funding sources, including Public Health funding and Grant funding from the Youth Justice Board.

Expenditure Budget	£
LOT 1 = Sexual health & substance misuse	453,000
LOT 2 = Prevention & reduction of youth offending	1,060,730
LOT 3 = Support for vulnerable people	453,000
Total	1,966,730
Financing	
Transfers from Public Health	1,000,000
Youth Justice Board Grant	495,900
General Fund	500,830
Total	1,996,730

7.2 As stated in 4.3, it is proposed that the £1.997m is set as the upper limit against which bidders would be expected to set their price. Should the contract price be less than the budgeted figure there would be a saving to the general fund. Should there be any future reductions in funding from either Public Health or Youth Justice Board, this would need to be addressed either by a reduction in the contract value or met from additional Council general fund resources. (C. Holdaway)

8 Legal Services Comments

8.1 Legal Services will provide legal advice and assistance to support the re- procurement process whichever option is chosen. It is important that sufficient time is given from the procurement process the award of contracts and the mobilization of new contracts which could involve a TUPE transfer process. Therefore a decision is required with regard to the appropriate option so that the procurement process can commence as soon as the specifications are finalised. (Elizabeth Cunningham Doyle)

9 Co-operative Agenda

9.1 The activities included within these services are aimed at ensuring young people achieve and succeed, becoming productive Oldham citizens. They encourage young people to do more for themselves and promote independence for young people so that they can begin to take responsibility for their own future and 'do their' bit for themselves and for Oldham as a Borough.

9.2 The successful delivery organisation(s) will be required to become key partners in delivering our ambition for young people.

10 **Human Resources Comments**

10.1 TUPE may apply to the workforce in the event of any change to provider organization.

11 **Risk Assessments**

11.1 N/a

12 **IT Implications**

12.1 None

12 **Property Implications**

13.1 None

14 **Procurement Implications**

14.1 As outlined in the report the current contract with Positive steps is ending on the 31 March 2020 and there is no provision within the contract terms to legally extend any further. It is paramount that a procurement exercise is carried out to re-procure the service in compliance to PCR2015 and the Council's contracts rule. It is recommended that the commissioners to:

- a) set up a working group (project board) involving Procurement team to develop the commissioning and procurement strategy.
- b) prepare specifications and clear KPI's for the service ensuring they are measured throughout the contracting period.
- c) ensure appropriate consultation is undertaken at pre-procurement stage with the provider market, service users and if required with other public sector organisations in compliance to the Social Value legislations.
- d) seek further advice with regard to TUPE implications and ensure appropriate discussions are carried out with the incumbent provider ensuring continuity of service delivery for the service users and staff. (Raj Ahuja)

15 **Environmental and Health & Safety Implications**

15.1 None

16 **Equality, community cohesion and crime implications**

16.1 Most of the services delivered under this contract are targeted at Oldham's most vulnerable young people and aim to ensure that the corporate ambition that Oldham is a place where children and young people thrive works for all whatever their background and disadvantage.

17 **Equality Impact Assessment Completed?**

17.1 No

18 **Key Decision**

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- 18.1 No
- 19 **Key Decision Reference**
- 19.1 N/A.
- 20 **Background Papers**
- 20.1 None
- 21 **Appendices**
- 21.1 None
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