

Bought-in Services – Early Years & Extended Schools Service

Summary

1. This report seeks the approval of the Executive Member to:
 - i. Award contracts for providing services previously provided through Service Level Agreements (SLAs) for the period April 2007 to March 2009 to the following organisations:

Service	Recommended Organisation
Business sustainability support to voluntary organisations	York Council of Voluntary Services (York CVS)
Providing support to existing and potential childminders	National Childminding Association (NCMA)
Providing support to existing and potential pre-school playgroups	Pre-School Learning Alliance (PLA)

- i. Instruct the Director of Learning, Culture and Children's Services to make best value arrangements to provide 'support to existing and potential out-of-school clubs' either through in-house provision or through re-tendering the service.

Background

2. The City of York Early Years and Extended Schools Service works in partnership with organisations that are engaged in improving outcomes for children and young people in York. SLAs have been one form of funding offered by the Learning, Culture and Children's Services Department to York's voluntary sector, utilising the distinctive skills and expertise of that sector, to procure a specific service for the local authority. Working in partnership with and providing funding to the voluntary sector in this way assists in maintaining the capacity of the sector.
3. For several years SLAs within the Early Years and Extended Schools Service were awarded to the following four organisations after annual negotiation:
 - York CVS - Business sustainability support to voluntary organisations
 - NCMA - Providing support to existing and potential childminders
 - PLA - Providing support to existing and potential pre-school playgroups

- York Childcare (YCC) - providing support to existing and potential out-of-school clubs
4. The Director of Learning, Culture and Children’s Services asked for a review of the process of awarding these four SLAs in order that we comply fully with relevant financial regulations. A decision was made to advertise publicly inviting quotations from organisations that would be interested in contracting to provide the services. Quotations were received from six organisations: The four that currently have the contracts and two private sector organisations.

Consultation

5. The current SLA funded organisations were involved in the discussions about formulation of the review and investigation of new ways of working. Officers of the Early Years and Extended Services made contributions in the process as well.

Analysis

6. Quotations from the interested organisations in response to the advertisement mentioned above have been evaluated by a panel including the Chair of Early Years and Extended Schools Partnership based on the following set of selection criteria:

Item	Description
1)	Offer Price
2)	Compliance to specification
3)	Commitment to provide service of high standard
4)	Commitment to prompt reporting on performance for every three-month period
5)	Commitment to work in partnership with the City of York Council and other organisations carrying out work that is of complementary nature.
6)	Capability and capacity, including references, proven operational experience, and adequacy of resources available to deliver the service
7)	Financial Viability of organisation
8)	Compliance with CYC Terms and Conditions (including Health & Safety)
9)	Efficient operation
10)	Commitment to stay updated on policy developments at national level

Item	Description
11)	Innovation in the way the services are to be provided
12)	In depth ability to support the Council business requirements including flexibility to accommodate future needs

7. These criteria were communicated to all interested organisations as part of the quotation process.

8. Quotations for the four contracts were received as follows:

Service	Quotations Received from
Business sustainability support to voluntary organisations	<ul style="list-style-type: none"> ➤ York CVS ➤ 4Children
Providing support to existing and potential childminders	<ul style="list-style-type: none"> ➤ NCMA
Providing support to existing and potential pre-school playgroups	<ul style="list-style-type: none"> ➤ PLA
Providing support to existing and potential out-of-school clubs	<ul style="list-style-type: none"> ➤ YCC ➤ 4Children ➤ Jan Anderson Childcare Services

9. Three awards of contracts are recommended as follows:

- Business sustainability support to voluntary organisations to York CVS

4Children's tender was ruled out on the grounds of price as their bid is not affordable within the budget available. York CVS's tender is affordable within the budget available and they have committed to a high standard of provision in carrying out the following:

- contact all the voluntary organisations involved in the sector
- assess their financial position
- prioritise those that are most in need of support
- visit and meet groups as necessary
- work with the groups and advise them regarding pricing that will ensure sustainability for the groups while being affordable for parents
- disseminate funding information to groups
- support groups in accessing appropriate funding

- Providing support to existing and potential childminders to NCMA

NCMA's tender is affordable within the budget available and they have committed to a high standard of provision in carrying out the following:

- targeted recruitment of new childminders in areas of need
- a Professional Development file for childminders to include a personal training plan, business plan, etc
- mentoring support to childminders at different steps of Steps to Quality
- support to new childminders through 'support childminders'

- three training events for childminders and one multi-agency training event

- Providing support to existing and potential pre-school playgroups to PLA

PLA's tender is affordable within the budget available and they have committed to a high standard of provision in carrying out the following:

- support all existing Pre-School Playgroups to offer sustainable good quality provision
- support groups that wish to set up Pre-School Playgroups where there is an identified need
- advise and support groups in setting realistic fee structure
- support pre-schools to offer extended provision in line with the government's plan
- explain the benefits of Steps to Quality to new and existing pre-schools
- conduct a multi-agency training each year

10. In respect of the service to 'provide support to existing and potential out-of-school clubs' there were issues with the quotations received and these are set out in the confidential annex. It is recommended that no contract is made for this service.

Options

11. The Local Authority has a statutory responsibility to offer this service to out of School clubs who are subject to registration under Ofsted and therefore is directly accountable if there is non-compliance with the National Day-care Standards at any of these groups. It is therefore recommended that the Director be instructed to make arrangements to provide the service using his delegated powers. Options available are:

- To investigate an in-house arrangement to provide the service
- To re-tender the service

12. There is the capability to provide an in-house service as:

- The Early Years and Extended Schools Service has successfully linked through the Inclusion Officers within the Operational Team and also through members of the Play Team with many of the families from communities who find it hard to reach services, for example, refugee groups, looked after children and children or parents who may have special or particular needs. They have expertise in advising practitioners in the city to support these vulnerable groups to access the services provided.
- In-house provision could establish strong working relationships with head-teachers essential to creating out-of-school provision. Key personnel within the department have formed good working relationships with head-teachers across the city as part of their involvement with the Extended Services Initiative.
- The service has existing databases, communication opportunities and administration to deliver many of the objectives in a comprehensive way avoiding duplication. There are currently records of Out of School providers

already held in the department both as hard copies and electronic. By accessing this information and existing systems the service can carry out this work effectively and efficiently.

- There is opportunity in the department for this service to be supported by personnel who operate at a high strategic level ensuring their knowledge is up to date in this fast moving agenda.
13. Local authorities including Wakefield, Bradford, Leeds provide this support in-house. To determine whether an in-house solution represents 'Best Value' the following will be undertaken:
- a) Devise a model for service delivery
 - b) Cost the arrangement
 - c) Benchmark the arrangement for cost and quality against what is available externally
14. Depending upon the outcome of this exercise the service will either be established in-house or re-tendered. It will take some time to investigate this further and it is therefore proposed to seek a 3-month extension of the current SLA with York Childcare.

Corporate Priorities

15. The process that was being followed for the last few years for awarding the SLAs needed to change to meet financial regulations better. The contracts have been advertised publicly for any interested organisations to be able to participate in the bidding. There is an immediate need to decide upon which organisations are to be awarded the contracts so that they can start preparing for the work.

Implications

Financial

16. The contracts are funded through the General Sure Start Grant received from the Department for Education and Skills. The council has been allocated £920,097 in 2006/07 and £927,220 in 2007/08. The council has not been notified of the allocation for 2008/09 and whilst there is an expectation for this grant to continue, there is a small risk that the council would need to provide funds to support any shortfall in the 2nd year of the contracts. If the contracts are awarded the grant will be allocated with priorities as follows:

	Salaries* £	Contracts £	Other Operational Cost £	Total £
2006/07	566,730	126,920	226,447	920,097
2007/08	583,731	124,625	218,864	927,220
2008/09	601,243	124,500	201,477**	927,220

* An assumption of 3% increase for pay award and increments has been made

** This amount to be confirmed upon receipt of 2008/09 allocation

17. The individual contracts are shown in the table below:

	York CVS £	NCMA £	PLA £	YCC £	“Out of School” In-house / Contract	Total £
2006/07 (current SLAs)	21,920	40,000	25,000	40,000	0	126,920
2007/08	21,500	39,000	24,500	10,000	29,625	124,625
2008/09	21,500	39,000	24,500	0	39,500	124,500
Total 2007- 2009	43,000	78,000	49,000	10,000	69,125	249,125

18. **Human Resources (HR)** – There are no HR implications for the Council in awarding contracts to external organisations. However, should support to out of school clubs be brought in house the implications of the Transfer or Undertaking Protection of Employees (TUPE) regulations applying would need to be considered in detail. Adequate time will be needed to gather the full information about staffing implicated in the transfer, i.e. costs, pensions, existing liabilities etc. before a final decision is made.

19. **Equalities / Legal / Crime and Disorder / Property / Information Technology (IT) / Other** – there are no likely implications arising from the proposal.

Risk Management

20. One of the current Service Level Agreement organisations that the report does not recommend awarding a contract to (York Childcare) are likely to face financial problems as a result. This decision may also lead to a possible reduction in goodwill between the organisation and the council, particularly as this group (York Childcare) have previously been awarded the contract for several years.

Recommendations

21. The Executive Member is recommended to:

i. Award contracts for the period April 2007 to March 2009 to the following organisations:

Service

Business sustainability support to voluntary organisations

Providing support to existing and potential childminders

Providing support to existing and potential pre-school playgroups

Recommended Organisation

York Council of Voluntary Services (York CVS)

National Childminding Association (NCMA)

Pre-School Learning Alliance (PLA)

ii. Make no new SLA award in respect of “providing support to existing and potential out-of-school clubs”, but to:

- a) Extend the current SLA with York Childcare for 3 months
- b) Vire the relevant funds out of the SLA budget and
- c) Instruct the Director of Learning, Culture and Children's Services to make arrangements to provide the required service either through in-house provision or by re-tendering

Reason: To secure best value arrangements for these services.

Contact Details

Authors:

Heather Marsland
Head of Early Years and
Extended Schools Service
Tel No. 4391

Sabbir Ahmed
Business Support Manager
Early Years and Extended
Schools Service
Tel No. 4609

Chief Officer Responsible for the report:

Patrick Scott
Director of Learning, Culture and Children's
Services

Report Approved **Date** 22/11/06

Specialist Implications Officer(s)

Andy Hindle
Accounting Technician LCCS
01904 554571

Jo Brighton
HR Advisor
01904 554366

Wards Affected: *List wards or tick box to indicate all*

All



For further information please contact the author of the report

Confidential Annex 1: Key issues with tenders received in respect of 'support to existing and potential out-of-school clubs'