

Public Document Pack



Executive Board Sub Committee

Thursday, 29 January 2009 10.00 a.m.
Marketing Suite, Municipal Building

A handwritten signature in black ink, appearing to read 'David W R'.

Chief Executive

ITEMS TO BE DEALT WITH IN THE PRESENCE OF THE PRESS AND PUBLIC

PART 1

Item	Page No
8. CONNEXIONS - WAIVER OF PROCUREMENT STANDING ORDER	1 - 6

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

*Please contact Caroline Halpin on 0151 471 7394 or e-mail caroline.halpin@halton.gov.uk for further information.
The next meeting of the Committee is on Thursday, 12 February 2009*

REPORT TO: Executive Board Sub-Committee

DATE: 29 January 2009

REPORTING OFFICER: Strategic Director, Children and Young People

SUBJECT: Waiver of Procurement Standing Order

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 To seek a waiver of the tendering section of Part 3 Procurement Standing Orders

2.0 RECOMMENDATION: That

- 2.1 **It is recommended that the Operational Director, Preventative Services (CYPD) be authorised to award the contract for additional procurement support to the contractor Mott MacDonald Ltd in the sum of £56,000 (inclusive of expenses and Catalyst discount but exclusive of VAT) and that in the light of the exceptional circumstances namely the specialist nature of the services and the knowledge already acquired by the firm under previous Halton contracts and that in accordance with Procurement SO 1.6(b,c) Standing Orders 3.1 – 3.7 and 3.10 be waived on this occasion in view of the matters set in the Business Case.**

3.0 SUPPORTING INFORMATION

- 3.1 On 25th March 2008 the Secretary of State for Children, Schools and Families wrote to Local Authorities notifying them of interim arrangements for the delivery of 'connexions services' and assessments for young people with learning difficulties from 1st April 2008. The Education and Skills Bill, currently before Parliament, proposes that legal responsibilities be brought into line by effecting the transfer to Local Authorities of the statutory responsibility of 'connexions services'. Specifically these include:

- ❖ The provision of 'connexions services' under Section 114 of the Learning and Skills Act;
- ❖ The conducting of assessments relating to learning difficulties under Section 140 of the Act; and

- ❖ The provision of careers services under Sections 8 and 9 of the Employment and Training Act 1973.

3.2 In preparing for implementation of these arrangements in November 2007 the Executive Board agreed the following:

- (1) To commission Greater Merseyside Connexions Partnership, as a strategic and delivery partner in the Children and Young People's Partnership, to deliver 'connexions services' to all 13 – 19 year olds for the period from April 2008 to March 2011, initially;
- (2) To collaborate with partner Local Authorities in the City Region to jointly commission shared services that underpin and provide additional value to local Connexions Services for the same period, initially;
- (3) To review the Local Authority's position as a member of Greater Merseyside Connexions Partnership Limited to ensure that accountability to the Local Authority is maintained avoiding conflicts of interest. (Greater Merseyside Connexions Partnership Board is reviewing its structure and Governance in view of the impending changes):
- (4) To consider, where appropriate, commissioning other services from Greater Merseyside Connexions Partnership or other providers to meet the needs of young people as identified in local plans;
- (5) To confirm that the indicative grant allocation, (and when known the actual grant allocation), for Connexions is passported to Greater Merseyside Connexions Partnership for the period 2008 - 2011 in line with a specified service requirement, and that the Local Authority will seek agreement from it's Strategic Partnership to this undertaking; and
- (6) To act as Guarantor to the Merseyside Pension Fund in respect of a share, based on population, of the Greater Merseyside Connexions Partnership Limited.

3.3 Progress towards these arrangements has been overseen by a Transition Steering Group which comprises:

Chief Executives – Halton, Liverpool, St Helens
Directors of Children's Services – Knowsley, Sefton, Wirral
Chair – Chief Executive of Halton Borough Council

The work of the Transition Group receives the support of the Liverpool City Leaders Group.

- 3.4 In 2008 legal advice received by the participating Local Authorities indicated that the commissioning of Greater Merseyside Connexions Partnership could only occur for 2008 / 2009 and that EU procurement regulations would need to be followed from 2009 onwards. As a consequence work has been underway to secure the commissioning of 'connexions services' from 2009 – 2011.
- 3.5 To assist in this work support has been secured from the Merseyside Improvement Partnership (MEIP) which has funded consultants Mott MacDonald to advise on the details of the specification and procurement process. That work has been completed and the next stage will lead into procurement through a process of open competitive dialogue. Additional resources are being sought from the Efficiency and Improvement Partnership to fund the project NW costs associated with this work.
- 3.6 In December 2008 Executive Board agreed the following recommendations in relation to this complex project. That:
- (1) The existing contract with Greater Merseyside Connexions Partnership is amended to cover the period to 30th September 2009, pending the completion of procurement processes;
 - (2) The new contract for 'connexions services' should cover the period 30th September 2009 to 31st March 2012 with an option of an extension to the contract for a further period of up to 3 years, but for the contract to accommodate an appropriate break clause in the event of poor performance or reduced financial capacity to commission the service to the level previously agreed;
 - (3) Halton Borough Council is the lead Authority for procurement of the new arrangements on behalf of the 6 participating Local Authorities; and
 - (4) Halton Borough Council becomes the contract holding Authority on behalf of the 6 participating Local Authorities from the City Region for the new contract when awarded with the appropriate cross Authority commitments.

4.0 BUSINESS CASE FOR WAIVING TENDERING STANDING ORDERS

- 4.1 The first phase of this work has now been completed, and the project is now moving into its second phase of procurement. Due the size of the potential contract (over 3 years potentially approximately £50m) and the complexity of commissioning the services across 6 Local Authorities, it has been agreed that dedicated project management is needed to steer the process through open competitive dialogue and to the point of awarding the contract.

- 4.2 To fund this work a further bid has been made to the North West Efficiency and Improvement Partnership. A decision is awaited on this bid and a decision is expected to be made by the end of the month. In the event of the bid being unsuccessful, the 6 Local Authorities have agreed to underwrite the costs of the project management equally.
- 4.3 All 6 Local Authorities have considered whether they have the specialist capacity available internally to project manage this work and if so to second a dedicated worker to this role. No capacity is available within the 6 participating Local Authorities.
- 4.4 As a consequence of the above it is considered appropriate to return to the previous consultants Mott MacDonald, who have provided consultancy for phase one of the project. They have indicated that they could undertake the work at a cost of £56k. The benefits to them of undertaking this work are the prior knowledge and intelligence acquired on the subject in undertaking Phase one of the work. This is a complex project and one that involves detailed discussion and planning with each of the 6 LA's. The previous consultants have already established relationships with key personnel in each LA and a detailed understanding of the issue facing each LA in this contract. As a consequence it is the case that the preferred provider would necessarily expend less time in getting up to speed in scoping and undertaking the work compared to a new provider. As a result the value for money test will be met.
- 4.5 Transparency in the awarding of this contract will be secured through application of appropriate audit procedures and the Freedom of Information Act.
- 4.6 In terms of propriety and security the appropriate integrity clauses will be built into the contract between HBC and the provider, and only staff with a need to know will have information about the contract.
- 4.7 The Operational Director, Preventative Services (CPYD) will remain accountable for this contract and its implementation will be monitored via The Transition Steering Group.
- 4.8 Under the terms of the Public Contracts Regulations 2006 this contract will be exempt from the full tendering requirements of the 2006 regulations because it's value is substantially below the financial threshold by which they apply.

5.0 POLICY IMPLICATIONS

- 5.1 Since the 1st April 2008 funding for 'connexions services' has been directed to Local Authorities through the LAA 'single pot'. Agreement had previously been secured to passport the indicative allocation to

enable the commissioning of 'connexions services' collaboratively with the 6 Merseyside Authorities. It was anticipated that the commissioning arrangements would be for 3 years from 1st April 2008 to 31st March 2011. More recent legal advice has confirmed that the current arrangement for commissioning Greater Merseyside Connexions Partnership could only be secured for 1 year, and that EU Procurement Regulations would need to be followed thereafter.

- 5.2 Funding would be committed for a period beyond the existing funding period covering the period up to 31st March 2012. Notwithstanding this Local Authorities will continue to have statutory duties for the delivery of 'connexions services'.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

- 6.1.1 The success of the Connexions Service is crucial to the delivery of the Every Child Matters Outcomes. One of the key Connexions outcomes is to reduce the number of 16 - 18 year olds in Halton who are not in employment, education or training. This target is currently within the suite of LAA targets and has recently been announced as part of PSA Delivery Agreement 14 – 19 - to increase the number of children and young people on the pathway to success.

6.2 Employment, Learning and Skills in Halton

- 6.2.1 The work Connexions Personal Advisers undertake is crucial to the future prosperity of young people in Halton. Impartial information and advice coupled with raising aspirations to improve enterprise are important skills young people in Halton will need to access future employment and learning opportunities.

6.3 A Healthy Halton

- 6.3.1 High quality information, advice and guidance will inform young people on the benefits and options in adopting healthy lifestyles.

6.4 A Safer Halton

- 6.4.1. Connexions working within the Integrated Youth Service Agenda in Halton works closely with young people to both equip them to be safe but also to challenge young people's actions and behaviours in order for Halton to be a safer place to live.

6.5 Halton's Urban Renewal

- 6.5.1 Connexions work with a range of partners and are committed to the urban renewal agenda currently taking place in Halton.

7.0 RISK ANALYSIS

A strategic risk assessment has been undertaken.

8.0 EQUALITY AND DIVERSITY ISSUES

Equality and Diversity issues will be at the forefront of developments and will be addressed as part of the service specification developments.