

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Children's Services
<b>Date:</b>	25 July 2014
<b>Title:</b>	Children's Services Procurement Activities for 2014/15
<b>Reference:</b>	5773
<b>Report From:</b>	Director of Children's Services

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#### 1. Executive Summary

1.1 The purpose of this paper is to gain approval to procure and spend in relation to contracts and frameworks listed in Appendix 1 whose value will be over £1,000,000 in accordance with the Council's Contract Standing orders and Constitution.

1.2 This paper seeks to

- Give relevant background information on the procurement activities of Children's Services
- Requests approval to procure and approval to procure services and spend for contracts which require approval by the Executive Member as they have a value, or estimated value, in excess of £1 million. Contextual information is detailed in appendix 1

2.1. The County Council's Contract Standing Orders (CSO 3) requires that '*The commencement of a procurement process for a Contract is subject to the prior approval of the relevant decision maker who has the authority to give such approval under the Constitution.*' This report requests approval to procure for framework agreements and approval to procure and spend for contracts which require approval by the Executive Lead Member as they have a value, or estimated value, in excess of £1 million.

2.2. Children's Services procures relevant services on a regular basis. In advance of each procurement activity, operational and procurement staff work together to establish:

- Whether services need to continue to be procured

- Which procurement route offers the best value
- Which contract type is the most appropriate
- Which importance should be given to quality and to price for contract award decisions.

2.3 Framework agreements are not linked to specific one-off purchases or projects but provide for the ongoing services requirements of a large number of individual budget holders, either through direct call-offs or mini-competitions as required by each framework agreement. Therefore, the framework agreement values are only estimates and actual expenditure will be determined by the actual commitments made by budget holders. Framework agreements therefore only require Approval to Procure and not Approval to Spend. However approval to procure and spend will be required in relation to each separate contract called-off under the framework given that those contracts will include contractual obligations in relation to payment for services. Likewise, approval to procure and spend will be required in relation to any other contracts which are to be procured individually and have not been called-off under a framework agreement.

## **2. Recommendation(s)**

2.1. To give approval to procure and spend in relation to contracts and frameworks listed in Appendix 1 whose value will be over £1,000,000 in accordance with the Council's Contract Standing Orders and Constitution.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

**The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)**

Document

Location

Collaborative Tender for Residential and Special Educational Needs Placements



Executive Member  
report Residential and

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. Equality impact assessment has been considered in the development of this report and no adverse impact has been identified. The current Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Strategy has been subject to an equalities impact assessment.

### **2. Impact on Crime and Disorder:**

- 2.1. The current Corporate Procurement Strategy recognises that community cohesion, safety and security is a key part of the County Council's corporate priorities. The Strategy aims to continue to identify where procurement can ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.

### **3. Climate Change:**

- 3.1. The current Corporate Procurement Strategy does not have a direct impact on the Council's carbon footprint and energy consumption, although it aims to improve the Council's performance on sustainable procurement.

## Appendix 1

<b>Project title</b>	<b>Contract / Framework term and start date</b>	<b>Anticipated County Council value over term<sup>i</sup></b>	<b>Anticipated total value over term<sup>ii</sup></b> (Collaborative Spend)	<b>Approval required</b>
<p><b>16+ Support &amp; Accommodation</b> Work is underway to review accommodation offered to Young People aged 16+ in Hampshire. This includes Supported Lodgings, Supporting People accommodation, IFA &amp; Residential spend. Following a thorough needs analysis, some areas of this spend will be tendered to ensure a high quality effective service is in place for young people in Hampshire.</p> <p>The option to procure with the Isle of Wight Council as well as District Councils to offer collaboration and quality of provision is currently being explored.</p>	1 April 2015, 3 years plus 2 one year extensions.	£19m	£19m (+ IOW Spend)	Spend and Procure
<p><b>Adult and Community Learning</b> Funding for this service is via a grant from the Skills Funding Agency.</p> <p>The current framework will come to an end in August 2015. Figures are estimates based on current value and a possible four year framework. The future funding amount and funding conditions will not be known until later in the financial year.</p>	1 September 2015, one year with possible 3 years extension	£8.4m		Procure

<p><b>Overnight shortbreaks</b> Shortbreak services for disabled children and their parents / carers. The current framework will come to an end in March 2015. This tender aims to increase the number of providers.</p>	<p>1 April 2015 Maximum three years</p>	<p>Approx £5.1m to £5.6m</p>		<p>Procure</p>
<p><b>SEN and Residential Placements</b> Hampshire County Council is tendering on behalf of 11 Local Authorities for the provision of Residential Care, Residential Care and Education and Independent Education Provision.</p> <p>The Panel of Providers<sup>iii</sup> created as a result of the tender will ensure compliant procurement practices and enable Authorities to identify value for money placements.</p> <p>Approval to Procure and Spend was agreed by Executive Lead Member for Children's Services on 23 January 2013, report Ref: 4345. Approval is being re-requested as the project has spanned financial years and following the needs analysis the anticipated contract value has increased.</p>	<p>1 October 2014, 2 years plus 3 one year extensions.</p>	<p>£122,231,140</p>	<p>£482,646,945</p>	<p>Spend and Procure</p>
<p><b>Hampshire Nurseries</b> Following review and consultation the decision has been made to invite external Providers to tender for Nursery provision at Park and Trospacc which are currently managed by Hampshire County Council. Existing staff will TUPE across and the new Provider/s will take over all responsibility for</p>	<p>1 July 2015, 5 year lease agreement</p>	<p>£5,124,480</p>		<p>Procure</p>

<p>managing the Nurseries.</p> <p>There will be no cost to the Council aside from the cost of resourcing the tender process and contract management of the Provider/s, therefore approval to spend will not be sought in relation to this.</p>				
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<sup>i</sup> Anticipated County Council spend is subject to the budgets available

<sup>ii</sup> Anticipated Collaborative spend is subject to the budgets available

<sup>iii</sup> See Framework details in section 2.3