

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	17 November 2010
Title:	Authority to negotiate single tender service contracts for management of children's centres in Hampshire
Reference:	2064
Report From:	John Coughlan – Director of Children's Services

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1. Executive Summary

- 1.1. The purpose of this report is to seek authority to negotiate single tenders for the service contracts for 18 children's centres in Hampshire which come to an end on the 31 March 2011. The contracts would be for a fixed period of five months. This would enable the continuation of service delivery whilst awaiting the outcome of the government's Comprehensive Spending Review.
- 1.2. This report sets out the background to a proposal and considers the impact on finance and service delivery.

2. Contextual information

- 2.1. There are currently 81 children's centres in Hampshire. Of these, 18 Phase 1 and 2 children's centres are delivered through third parties whose contracts are due to terminate on 31 March 2011. The centres affected are listed in Appendix 1. In order to continue to provide services, approval is sought from the Executive Lead Member for Children's Services to authorise officers to undertake the necessary legal and procurement processes to enable fixed term single tender contracts to be put into place.

3. Finance

- 3.1. These contracts, totalling approximately £3.7m for a full year, are funded through the Sure Start Early Years and Childcare Grant in 2010/11. The amount of the grant in 2011/12 onwards is subject to the outcome of the Comprehensive Spending Review (CSR).

- 3.2. The timescales for a new tendering process (including a review of service delivery) are shown in Appendix 2, which indicates that the earliest realistic start date for any new contract is September 2011. This means that there is a financial risk in maintaining services at the current levels should the CSR result in a lower level of grant funding.
- 3.3. The cost of extending the contracts for five months from 1 April 2011 at current prices would be £1.5m, i.e. approximately £300,000 per month.

4. Performance

- 4.1. It is necessary to ensure that the performance of children's centres is maintained, particularly through this period of financial uncertainty. One way of helping to ensure this is achieved is through consistency of service delivery. In addition, from April 2010 children's centres became subject to Ofsted inspections as outlined in the Apprenticeships, Skills, Children and Learning Act 2009 with the outcomes contributing to the overall judgement of the County Council. Approval to follow a single tender route for the 18 centres mentioned in paragraph 2.1 would support maintaining consistency of service delivery.

5. Other key issues and risks

- 5.1. Overall funding is subject to outcomes of the CSR, however assuming a reduction of 25% in the grant funding, there would be a pressure of around £380,000 on these contracts for five months, to be met through efficiencies. However, carrying out a full tender process before the outcome of the CSR is known could expose the County Council to greater unknown financial risk for a period up to three years and / or a negative impact on the delivery of services.
- 5.2. The timescales quoted are best case scenario, allowing for just six weeks slippage from the contract award date in the tendering schedule and will require significant staff resources to achieve at a time of great change for the organisation.

6. Recommendation(s)

- 6.1. It is recommended that approval is given to proceed with the negotiation of single tender contracts in order to extend existing arrangements for management of the 18 children's centres listed in Appendix 1.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	
<i>NB: Only complete this section if you have not completed any of the Corporate Strategy tick boxes above. If it is not applicable, please delete.</i>	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Appendix 1

List of contracts for which single tender approval for extension is sought

District council area	Name of children's centre	Name of Contractor
East Hampshire	Bushy Leaze	Bushy Leaze Nursery School
Eastleigh	Little Coppice	Wyvern Technology College
Fareham	Merryfields	Neville Lovett Community School
Fareham	Keepsake	Portchester Community Centre
Gosport	Sure Start Rowner	Sure Start Rowner
Gosport	Stubblee Hill	Lee on Solent Infant School
Gosport	Haven	Haven Nursery School
Gosport	Haselbridge	Haselworth Primary
Havant	Park Futures	Park Families
Havant	Crookhorn Lane	Morelands Primary School
New Forest	Seedlings	Brockenhurst College
New Forest	Forest First	Totton College
New Forest	Cadland	Cadland Primary School
New Forest	Waterside Hythe	Waterside Primary School
New Forest	The Harbour	Eling Infant School
Winchester	The Carroll	The Carroll Centre
Winchester	Merry-go-Round	Wickham Primary School
Winchester	Lanterns	Lanterns Nursery School

Appendix 2

Timeline for tender process

Activity	Date
Approval sought for single tender extensions	17 November 2010
Consultation on proposed changes to delivery of children's centres services	04 January – 14 February 2011
Report to Executive Lead Member decision day	09 March 2011
Advertisement placed for Expressions of Interest (Eoi)	w/c 14 March 2011
Deadline for Eoi submissions	18 April 2011
Pre-qualification Questionnaire (PQQ) sent out	19 April 2011
PQQ return date	02 May 2011
Evaluation of PQQs	03 – 16 May 2011
Invitation to Tender (ITT) documents sent out	17 May 2011
Deadline for ITT submissions	04 July 2011
ITT evaluations (incl. interviews)	05 – 18 July 2011
Service contract awards	19 July 2011
Standstill period	20 July – 01 August 2011
Contract start date	01 September 2011