

Open Report on behalf of Debbie Barnes, Assistant Director Children's Services

Report to:	Executive Councillor
Date:	04 April 2011
Subject:	Solutions 4 PRU Alternative Provision Contracts
Decision Reference:	01865
Key decision?	No

Summary:

The Additional Needs Service within Children's Services have developed over a number of years a Pupil Referral Unit (PRU) for Key Stage 4 Pupils. This was an innovative development that has gained national recognition and is now branded under the name of Solutions 4.

As part of the evolution of Solutions 4 the (PRU) has over a number of years developed a market of Independent Training Centres that operate under the umbrella of the Solutions 4 PRU. These independent providers have not previously been exposed to competition as it was understood that there was a limited market for this provision previously.

A recent review of Pupil Referral Units in Children's Services including the Solutions 4 provision has recommended that the independent providers linked to Solutions 4 should now be exposed to competition.

However the existing contracts with providers end on the 31 March 2011. For this reason there would be a gap in service provision between April 2011 and the award of the intended tender for future provision to commence at the start of the new academic year 2011-12.

For this reason Children's Services is seeking exemption to the normal procurement process and to directly negotiate contracts with existing providers as an interim solution pending completion of the competitive tender.

Approval is being sought to ratify the continuation of services from 1 April 2011 and to negotiate directly with the Service Providers listed in Appendix A to put contracts in place for 65 days to 22 July 2011 plus two training days, making a total of 67 days. This will ensure continuity of the Alternative Provision service to the Key Stage 4 pupils on the Solutions 4 Pupil Referral Unit (PRU) roll who currently attend the training centres and will make the contracts co-terminus with the end of the academic year 2010/2011.

Each of the contracts has the facility for additional spot purchase of placements

at a rate of £35.61 per pupil, per day to ensure that there is sufficient placement availability to meet demand.

Recommendation(s):

The Executive Councillor is asked to consider the report and approve the recommendation to:

1. enter into one contract with First Steps for the provision of 42 places under a block payment arrangement to deliver alternative provision for the Solutions 4 PRU as outlined in Option A from 1 April 2011 to 22 July 2011 plus 2 training days and;
2. enter into one contract with Build A Future for the provision of 36 places under a block purchase arrangement to deliver alternative provision for the Solutions 4 PRU as outlined in Option A from 1 April 2011 to 22 July 2011 plus 2 training days and;
3. authorise the Director of Children's Services to take all decisions necessary to implement the above contracts.

Alternatives Considered:

1. 1A - To enter into direct negotiation with First Steps for a contract to deliver 42 block purchase placements for the delivery of alternative provision from 1 April 2011 to 22 July 2011 plus 2 training days, and spot purchase up to 14 further places if needed at a rate of £35.61 per pupil per day not including training days.

1B - To enter into direct negotiation with Build A Future for a contract to deliver 36 block purchase placements for the delivery of alternative provision from 1 April 2011 to 22 July 2011 plus 2 training days, and spot purchase up to a further 12 places, if needed, at a rate of £35.61 per pupil per day, not including training days.

Advantages

To ensure the contracts run to the end of the academic year for 2010/2011 to provide continuity for pupils in Key Stage 4 years 10 and 11 and enable those pupils to complete academic and vocational coursework, take final exams and allow for submission of portfolios for moderation.

Direct negotiation will ensure the Council meets its statutory duty to provide 25 hours education to pupils in Key Stage 4 to the end of the academic year.

Allow sufficient time for the strategic review of all the Council's PRU provision, including the Solutions 4 provision, to be completed and initial proposals submitted to Children's Services DMT and the Schools Forum in

early 2011 for these management teams to consider the future procurement options for the delivery of alternative provision.

Enable the Council to ensure that all future contracts for educational provision of any type with external providers are co-terminus with the start and end of the academic year.

Disadvantages

Although the award of the contracts identified in 1A and 1B would preclude price competition, this is not deemed a substantive reason when weighed against the significant disruption to pupils' education that would be caused by trying to place a vulnerable and complex cohort of learners in alternative placements during Term 4 of the academic year.

2. It is not considered viable to go out to competitive tender for two contracts of 67 days duration due to the major disruption this would cause to the Key Stage 4 cohort at such a significant point in their studies.
No option offered. There would not be enough time to conduct a tender to identify viable alternative providers.

Reasons for Recommendation:

It is the intention of the Director of Children's Services to expose the alternative provision services to competition in the future. The timescale to be determined by the outcomes and recommendations of the current strategic review of all PRU provision to be completed in early 2011 for DMT and the Schools Forum to consider. This will take into account the best options for the current Year 10 pupil cohort in Solutions 4 alternative provision who will need to complete their Year 11 vocational and core functional skills curriculum in 2011/2012.

In the meantime it is important that the current high standard of alternative provision continues to be provided by the two providers identified in the Summary who are:

- a) known to Children's Services, and;
- b) Section 11 compliant following the Council's assessment and;
- c) part of a category of contracts that deliver alternative provision under the Solutions 4 PRU. (See Appendix B for the list of block contract providers and exemption proposals).

1. Background

Solutions 4 is a Pupil Referral Unit (PRU) for Key Stage 4 (KS4) pupils only, years 10 and 11 aged 14 – 16 years old. Its statutory function is to provide education for permanently excluded students, and those KS4 students who fit the following categories:

- Pupils permanently excluded from school and those receiving fixed- term exclusions of more than 6 days
- Pregnant schoolgirls and school aged mothers

- Anxious/vulnerable pupils
- School refusers, phobics and young carers
- Pupils unable to attend school because of medical reasons
- Any pupils moving into the local authority (casual admissions) who are unable to find a school place because of insufficiency of school places within the local authority
- Children who, because of entering public care or moving placement, require a change of school and are unable to access a school place
- Pupils with statements of special educational need (SEN) whose placements are not yet agreed; and pupils awaiting assessment of SEN
- Asylum seekers and refugees who have no school place

There are 10 providers contracted to offer a wide range of accredited vocational qualifications and core skills teaching. All education is provided full time at each vocational training centre. The Solutions 4 PRU teaching and support staff work with the providers to support delivery of the core curriculum subjects, monitor individual portfolios, and offer pastoral support to pupils. There is also dedicated SENCO (Special Educational Needs Co-ordinator) support for pupils with statements and those with SEN needs.

Seven of the 10 providers are paid through a block payment contractual arrangement; the other three providers have spot purchase contracts. Work has been undertaken by the Commissioning, Efficiencies and Partnership Team in conjunction with the Interim Head Teacher of Solutions 4 to address the under utilisation of the block placements and from Term 2 (1 November 2010) cuts of between 25 – 30 % have been negotiated with 5 of the providers to ensure value for money for the Council. Of the two remaining providers one only has 8 places and to reduce the payment would have had implications on staffing and safeguarding requirements. The other is the only provider in the North West of the County and ongoing negotiations are in progress to ensure maximum value for money. Total maximum potential savings for the block contract reductions for all 5 providers amounts to £345,332.95 for 2010/11. (See Appendix B)

There is a perceived low level of achievement of pupils in Solutions 4 measured against NI 075 attainment of 5 A* – C grades at GCSE and the percentage of pupils who enter NEET (24% in 2009/10). However the majority of pupils have Special Educational Needs although not all have recognised plans or statements. The curriculum offers Entry Level qualifications as well as vocational and Level 1 and 2 qualifications. In 2010 out of 110 Year 11 leavers only one pupil did not achieve any qualifications. The introduction of contract management this year is concentrating on metrics to measure progress in behaviour, attainment and attendance to demonstrate the service is meeting the needs of pupils. Work is also ongoing to raise attainment targets and reduce NEET figures.

Lincolnshire, as with many other Local Authorities has never undertaken a procurement exercise for this provision, as it was considered a statutory education

function. However through analysis of the national political, economic and social drivers Children’s Services have identified the need for alternative provision to be subject to a competitive tender process and will await the recommendations of the strategic review of Lincolnshire’s PRUs to identify future commissioning options and the plan to ensure minimal disruption to pupils in Year 10.

2. Conclusion

The current contracts were put into place as a safeguard for the Council, but did not take account of the academic year. The extension of these two contracts in conjunction with the other 5 contracts block contracts and 3 spot purchase contracts submitted to the Authorised Officer for approval will ensure the Council meets its statutory duty to provide 25 hours education to the identified pupil cohort. It will guarantee continuity of education to pupils who have had a disrupted school experience.

3. Legal Comments:

The Constitution for the Authority sets out the process by which contracts should be negotiated. However, in exceptional circumstances and dependent on contract values alternative routes can be considered. In view of the values of these contracts the decision not to follow the specified routes is within the remit of the Executive Councillor. Further, the value of the contracts is below the minimum level for the EU treaty to apply in relation to Part B Services.

4. Resource Comments:

This proposal will provide continuity in the short term and allow a strategic review of all PRU provision to demonstrate if the service is delivered in a cost effective manner. This interim solution is subject to completion of a competitive tender and therefore it is recommended that a procurement programme is produced demonstrating how any new Contracts will be in place for the new academic year.

The Council’s Contract Regulations state the exceptional circumstances in which competition may be limited. Given the circumstances outlined in this report, it is considered that the recommendations offer the best value for money in the interim period.

5. Consultation

a) Has Local Member Been Consulted?

n/a

b) Has Executive Councillor Been Consulted?

No

c) Scrutiny Comments

n/a

d) Policy Proofing Actions Required

n/a

6. Appendices

These are listed below and attached at the back of the report	
Appendix A	Solutions 4 Providers, block places and values
Appendix B	Solutions 4 Providers and financial information

7. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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