

On behalf of Debbie Barnes, Assistant Director Children's Services

Report to: Executive Councillor

Date: 7 April 2011

Subject: Early Years and Creche Service Contract-Boston

Decision Reference: 01871

Key Decision? Yes No

Summary:

The Sure Start Grant that has supported Children's Centre commissioning comes to an end on the 31 March 2011. A new grant called the Early Intervention Grant offers the opportunity to support commissioning intentions for Children's Centres going forward. Children's Services were not made aware of the provisional grant settlement until late January 2011 and this budget was not formalised until February 2011.

An outline 3 year procurement plan has been developed for children's centres by Children's services but in line with the contract and procurement rules these services will need to be exposed to competition via competitive tender. For this reason Children's services is seeking approval to directly negotiate an interim contract solution with an existing provider of Early Years provision to provide service continuity and market stability whilst the tender process is concluded in 2011.

The competitive tender would seek to put in place a longer term contract starting 1 April 2012 to 31 March 2015 with the option of early termination should commissioning intentions change or funding be withdrawn.

The interim provision is classified as a Part B service therefore Public Contract Regulations do not apply. The interim contract will only run for a maximum of 12 months and is below the current EU procurement financial threshold.

Entering into an interim contact will enable outcomes for children to be improved prior to the award of a longer term contract through competitive process.

Recommendation(s):

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

1. Enter into An interim contract with the Lincolnshire Pre School Learning Alliance to continue to deliver the Early Years and Creche Service within Boston from 1 April 2011 to 31 March 2012. The value of this contract being £129,898
2. Authorise the Director of Children's Services to take all decisions necessary to implement the contract

Alternatives Considered:

The alternative option is to delay implementation of the provision until award of full tender. This would mean that improved outcomes for young children may be delayed until award of full contract. Grant may not be fully utilised to best effect. This is therefore not a recommended alternative solution.

Reasons for Recommendation:

It is the intention of the Director of Children's Services to expose early years contracts to competition in 2011-12. The timescale for this will be determined to enable new contracts to be in place by April 2012.

In the meantime it is important that the high standard of provision continues to remain with the Lincolnshire Pre School Learning Alliance, who are known to Children's Services.

Late confirmation of funding available for 2011/12 has been a major factor in this decision

1. Background

The Lincolnshire Pre School Learning Alliance are a well known experienced provider. They offer early years services, that support the development of children in line with the Early Years and Foundation Stage Profile, with creche facilities to enable parents and carers to attend relevant training.

There services are inclusive and have activities available to support targeted groups of people, such as young parents and dads.

Contract Management has taken place and evidence collated from this

process, shows that the provider has built strong and effective relationships with children and families and that they have achieved the deliverables set by the locality team.

The Council's Contract Regulations usually require some form of price competition where the anticipated cost of the service is above £10,000. The total value over the one year of the proposed contract is £129,898

Under the Council's Contract Regulations approval can be given for direct negotiation of contracts with a value of more than £75,000 but not more than £250,000 by the relevant portfolio holder. Approval for direct negotiation of contracts over the value of £250,000 must be made by the Executive.

Under EU procurement rules, these services are classified as Part B services and the value is below the latest EU procurement threshold for the procurement of services (currently £156,442) so the Public Contracts Regulations which govern local authorities procurement do not require this service to be exposed to competition through a tender advertisement in the Official Journal of the European Union (OJEU). Contracting authorities are still bound to comply with the fundamental rules and principles of the EU Treaty which include obligations of transparency and non-discrimination. These obligations would normally require an advertisement and tender process unless a contract would be of no interest to organisations located in other Member States. Because of the specialist nature of the service and because the contracts will only be for one year's duration, requiring the contractor to have an existing organisational infrastructure in the local area, it has been considered, in this instance, that the contract will be of no interest to organisations located nationally or in other Member States.

2. Conclusion

The current provider has been working in the area for a number of years and is well known to both locality teams, children and families. By agreeing to this waiver of contract regulations will mean the continued provision of activities to children and their families accessing services at the Boston Children Centres.

3. Legal comments:

The Constitution sets out the process for entering into contracts. In exceptional circumstances contracts can be let by direct negotiation. The process is dependent on the value of the contract. Contracts with a value of £75,000 to £250,000 should be taken to the relevant Executive Councillor for formal approval prior to the contract being entered into.

Further, the Authority needs to take into account the Public Contract Regulations and the EU Treaty requirements. The report clarifies how these requirements have been met. It is a matter for the Executive Councillor to

decide whether to approve the recommendations, however, they are lawful and within their remit.

4. Executive Director of Resource and Community Safety comments:

This proposal will provide continuity in the short term and provide an interim solution to allow for the completion of a competitive tender. It is therefore recommended that a procurement programme is produced demonstrating how any new Contract will be in place by 1 April 2012.

Contract costs will be met within the existing budget. Negotiation of the interim contract should seek to ensure value for money for the Council.

5. Consultation

a. Has a Local Member Been Consulted?

N/A

b. Has the Executive Councillor Been Consulted?

N/A

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

7. Background papers

Document title

Where the document can be viewed

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