

## Record of operational decision

<b>Decision title:</b>	Early Help Contracts extension
<b>Date of decision:</b>	4 <sup>th</sup> December 2023
<b>Decision maker:</b>	Service Director Early Help, QA and Prevention
<b>Authority for delegated decision:</b>	<p>Under the Chief Executive scheme of delegation (CYP-01), Commissioning for children's services including schools, early years, colleges, adult learning, social care and vulnerable children and young people may be undertaken by the Corporate Director for Children and Young People.</p> <p>The council's Contract Procedure Rules allow Service Directors, Directors or the Chief Executive (as defined by the requisite pay grade) to authorise a contract variation activity for total aggregate contract value up to £500,000. The aggregate value of each contract would fall under this threshold, so the decision can be taken by a Service Director or above. However, the Public Contract Regulations 2015 will have primacy in the application of the council's Contract Procedure Rules.</p>
<b>Ward:</b>	Countywide
<b>Consultation:</b>	<p>The council has engaged with the market and the incumbent providers in order to scope the short-term service options.</p> <p>The Service Director and Service Manager for the council's Early Help service have also informed the proposals of this report.</p> <p>The Council's legal and commercial services have also been consulted about the potential implications of the proposals.</p>
<b>Decision made:</b>	<p>To vary the contract periods of two contracts to extend them by a further 13-months from 1 March 2024 to 31 March 2025:</p> <ul style="list-style-type: none"> <li>a) Family Befriending, provided by Homestart Herefordshire, at a total cost of £73,480</li> <li>b) Family Mentoring, provided by Herefordshire Vennture at a total cost of £153,459</li> </ul>
<b>Reasons for decision:</b>	<p>Herefordshire's Early Help approach aims to provide early and effective help and support to children and families when they need it, with the long term aim of helping more families in Herefordshire to be able to help themselves and therefore improving their overall well-being and quality of life. Herefordshire's Early Help offer focuses on providing services at the right time based on the levels of need thresholds and is directly linked to the Governments Supporting Families Programme. The Council's Early Help Strategy, and medium-term commissioning intentions continue to be developed.</p> <p>Herefordshire Council currently has two contracts in place to deliver Early Help Support to families, as well as an in-house Early Help Team. Both commissioned contracts come to an end on 29th February 2024, it having previously been decided to extend for 11-months from 1 April 2023: <a href="#">Decision - Early Help Family Mentoring and Family Befriending contracts - Herefordshire Council</a>.</p> <p>At least 140 vulnerable families are supported each year across both services. Both contracts are majority funded through the national Supporting Families Programme, funding of which has been confirmed by the Government to 31 March 2025. The future funding of the programme is unclear, as such</p>

Government policy and funding of this work may change to an extent that would require the Council to review its Early Help commissioning intentions. The Council also funds £66k of costs across both contracts.

The uncertain availability of national funding in the medium term creates some risk to the council in awarding a new multi-year contract. The council could tender for a new one-year contract in the short-term, which could result in a change of service provider for the period. There is, therefore, a risk of undesirable levels of service disruption for the families being supported and for the employees and volunteers currently who deliver the service. Such disruption could be repeated again as a result of a further procurement exercise ahead on the end of the one-year contract.

In light of the uncertain funding position and potential disruption that would be caused by a change of service provider, it is therefore proposed to further extend the existing contracts by 13-months from 1 March 2024 to 31 March 2025.

Highlight any associated risks/finance/legal/equality considerations:

**FINANCE**

The Council funds approximately one third of both contracts at a total of £66k per year. This level of funding has remained the same since 2017. A further £100k of Supporting Families Programme funds is allocated across both contracts. The remaining costs have been met from reserves of Supporting Families Programme income in the current year, and will continue to be so during the proposed extension period.

The price of the Family Mentoring contract was significantly increased at the time of the previous contract extension, so no further price increase is included in the proposed extension. However, the contract price for the Family Befriending service has not been adjusted since 2017. Therefore, a small inflationary uplift of 3% (£1,980) will be applied for the period 1 April 2024 to 31 March 2025.

The breakdown of funding for each contract over the proposed extension period is as follows:

	Befriending		Mentoring	
	Mar-24	2024/25	Mar-24	2024/25
<b>Core budget</b>	£1,748.10	£21,402.39	£3,751.90	£44,597.61
<b>SFP income</b>	£2,648.63	£32,427.86	£5,684.70	£67,572.14
<b>SFP income reserves</b>	£1,103.27	£14,149.75	£2,367.94	£29,484.80
<b>In-year Total</b>	<b>£5,500.00</b>	<b>£67,980.00</b>	<b>£11,804.55</b>	<b>£141,654.55</b>
<b>Extension Total</b>	<b>£73,480.00</b>		<b>£153,459.09</b>	

**LEGAL**

When a contract is coming to an end, under the Council’s Contract Procedure Rules and the Public Contract Regulation 2015 (PCR) a new procurement is required. There is no extension provision within the contracts and the value of the modifications exceeds the limit allowed in the Council’s Contract Procedure Rules, but will be under the PCR light touch UK threshold. Having considered the risks associated with an uncertain funding position and the potential disruption to families that may result from the procurement of a short-term contract, it is proposed to extend the existing contract to March 2025 for which the exemption process to the council’s contract procedure rules has been applied.

	Original contract	Previous extension	Proposed 13 month extension	Aggregate variation	Aggregate as % of original
<b>Befriending</b>	£132,000	£60,500	£734,80	£134,145	<b>102%</b>
<b>Mentoring</b>	£200,000	£129,850	£153,459	£283,309	<b>142%</b>

**COMMERCIAL**

Market testing in 2023 evidenced interest from several potential providers in delivering a future contract. However, it is unlikely that there would be a good level of interest if the council were to tender for a short (1-year) contract due to the uncertain funding position. Therefore, the risk of a legal challenge by a potential provider to the proposed extension is deemed to be low.

There is a further risk that the funding position remains unclear into 2024/25. It is therefore proposed that the Council undertake an options appraisal to present to the Children and Families Directorate Leadership Team, and the Cabinet Member for Children and Families. The appraisal will set-out the pathway to a contract or contracts beyond March 2025 that are compliant with the Public Contract Regulation 2015 and the Council’s Contract Procedure Rules.

<p><b>Details of any alternative options considered and rejected:</b></p>	<p><b>Do nothing.</b> This is not recommended. Allowing the current contracts to end without ensuring a continuation of service would leave a significant gap and negatively impact the local Early Help offer potentially leaving a large number of families without assistance. This may limit the potential for meeting positive outcomes for vulnerable families, with the increased possibility of escalation to social care.</p> <p><b>Tender for new contract/s</b> Given the uncertainty around Government funding and policy and potential for service disruption to vulnerable families, this is not currently recommended.</p> <p><b>Deliver the services fully in house.</b> This option is not recommended at the current time. The Council’s Early Help approach and strategy remains under review. The services, as currently delivered, are based upon a supported community volunteer model, which provides good levels of social value and is not a model that the in-house Early Help service is currently designed to provide directly.</p>
<p><b>Details of any declarations of interest made:</b></p>	<p>Not applicable.</p>