
REPORT OF

The Strategic Director People

TO

Procurement Board

ON

1 July 2020

TITLE: Approval for an Exception to Contractual Standing Orders to award a two-year extension for the delivery of Children's Centre services by Aguda NW at the Hershel Weiss Children's Centre.

RECOMMENDATION:

That the Procurement Board:

Approves the extension of the Contract for two years for Aguda NW to deliver a Children's Centre Service from Hershel Weiss Children's Centre as detailed in the table below.

Note that prior to the end of the period of time covered by the exception as indicated above, the Strategic Director will determine whether the service is to be decommissioned or, in consultation with the Corporate Procurement Team, will agree to undertake a compliant procurement process to re-let the contract by the end of the exception period

Detail required	Answers
Contract Reference	TBC
Title/Description of Contracted Service/Supply/Project	Hershel Weiss Children's Centre
Name of Contractor	Aguda NW
Type of organisation <i>(to be supplied by Corporate Procurement)</i>	Trading Arm of a Registered Charity
Status of Organisation <i>(to be supplied by Corporate Procurement)</i>	Non-SME
Value of Contract Extension	£189,190 (This is the value of the contract awarded to the provider, the Council invests an additional £10K p.a. for maintenance of the building, which the Council owns) Full Project
Existing Contract Term	01/04/2017 to 31/03/2020
Extension Period	01/04/2020 to 31/03/2022
Contact Officer (Name & number)	
Lead Service Group	People Services
Funding Source	Revenue Budget
Ethical Contractor	Mayor's Employment Charter Committed to sign up to the Charter <input type="checkbox"/>
	Accredited Living Wage Employer <input type="checkbox"/>

EXECUTIVE SUMMARY:

The purpose of this report is to request an extension to the contract for the delivery of Children's Centre services by Aguda NW at the Hershel Weiss Children's Centre.

There is provision within the current contract to extend the agreement for a further period from 01/04/2020 to 31/03/2021 and then a further option to extend from 01.04.21 to 31.03.22.

Commissioners are instead requesting to extend the contract for the full two years from 01.04.20 to 31.03.22 to ensure that we retain a strong service offer during this difficult period and as allowed under the Cabinet Office guidelines Regulation 72, whereby contracts may be modified without a new procurement procedure in light of

the unforeseen circumstances created by the COVID-19 outbreak. During this extension period further commissioning options for the service will be considered.

BACKGROUND DOCUMENTS:

Building lease dated 25th July 2008 for 25 years between the Council of the City of Salford and Aguda North West.

The land lease between the Council and OJC Trustees for the land on which the centre is situated for 40 years from 2008.

KEY DECISION: No

DETAILS:

Specialist Supplier

The current contract provider, Aguda Northwest is a specialist supplier in the area of providing culturally appropriate Children's Centre services for the Orthodox Jewish Community.

The Council has a duty under the Childcare Act 2006 to ensure that early childhood services are provided in an integrated manner in order to facilitate access and maximise the benefits of those services to young children and their parents. There is a duty to provide, so far as is reasonably practicable, arrangements for sufficient provision of children's centres to meet local need.

The current service provided by Aguda North West at the Hershel Weiss Centre ensures that the Council is complying with this duty and is doing so in a way which meets the needs of the Orthodox Jewish community which mainstream services do not always engage successfully with. The demand for the service is likely to grow with The Orthodox Jewish community in Salford being the second largest Orthodox community and a community that is "growing fast" (source: Orthodox Jewish Communities In Salford; Partners In Salford Report).

The Hershel Weiss Children and Family Centre is a responsive organisation with has extensive links into the community and is best placed to assess any emerging needs and gaps in provision. These strong community links benefits mainstream service providers, as the centre can facilitate access between the community and the services. A review of current provision has recently been undertaken which will help to further improve the positive impact of the Centre's activities on children and families in the Orthodox Jewish Community whilst meeting the five key priorities of the a Starting Life Well (SLW) service – safeguarding; inclusion; learning and development; communication; health.

Previous research into alternative providers has identified that there are no alternative Orthodox Jewish service providers that are equipped to provide a similar breadth of service required by a Starting Life Well centre. Annex A lists the alternative suppliers were considered.

Compatibility with existing services

The project began some years ago, when it was funded as a stand-alone project as part of the Sure Start Local Programme (SSLP). In 2008 a formal appraisal process was carried out for the nine SSLP projects. A decision was made to re-commission this project with a remit to become a satellite Children's Centre in Broughton, in the heart of the OJC. Advice was taken from the Procurement Team at that time about this approach. Since then, it has developed a range of integrated services which now mirror the current 'core offer' for Children's Centres.

The project operates within a stand-alone building which was developed as part of the first round of Children's Centre capital funding. The building is the property of the City Council (which was leased to Aguda NW from 2008 for 25 years, free of charge). The land on which the building stand was similarly leased to the Council by OJC Community Trustees for 40 years, from 2008, also free of charge. The capital funding is linked to a requirement to provide services for children and families over the 25 year claw back period for Sure Start capital. At present Salford City Council retains £10,000 of the £104,595 annual funding for the annual maintenance of the building.

The interlinking of the service provided by Aguda NW at the Hershel Weiss Centre along with the mutual benefit of the longstanding leases on both land and building, (which gives the Council a site for delivery in the heart of the OJC community) means that there is a strong compatibility of interests and objectives between the Council's SLW provision and Aguda NW, as an established community provider of specialist services to the OJC.

In addition, the long-term nature of these leases, along with the original requirement that the capital funding is linked to a requirement to provide services for children and families over 25 years would make a cessation or change in this contract difficult. In fact legal advice is that the Council cannot offer the premises as part of a contract for the delivery of childcare services from the premises to another provider unless the current tenants breach the terms of the lease.

Value for money reasons

Aside from the rent-free access to a site in the heart of the OJC community (described above) this contract also provides a number of other elements of added value.

As a Third Sector provider separate from the Council, Aguda NW can source additional funds from sources that the Council can't always access. In addition, the annual funding that Aguda NW receives and would receive under this proposed contract extension is the same as it was receiving in 2011/12, despite meeting the needs of a

growing population and having to absorb inflationary pressures over this time period. And so the provider has worked to continue to deliver a service in a time of reduced funding in real terms.

Ongoing monitoring of delivery

The Provider works to a current service specification in line with SLW objectives and monitored quarterly. But, as discussed above, a review of delivery has been undertaken by Children's Services which will lead to further improvements in delivering SLW outcomes for children and their families.

With regard to Social Value, the current specification includes outcomes around addressing health inequalities for children and families in the relatively deprived OJC as well as outcomes around helping local families with employment and debt issues. These outcomes will be monitored against the specification.

KEY COUNCIL POLICIES:

A city where children and young people are valued; An Inclusive City; Early Intervention and Prevention Strategy.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The extension of this contract will mean a continuation of the current service and so there will be no changes in delivery that would necessitate an EIA.

ASSESSMENT OF RISK:

There is a high risk of disruption to service users if this contract is not extended with the current provider.

SOURCE OF FUNDING: This budget is currently covered by core funding.

LEGAL IMPLICATIONS: Tony Hatton, Principal Solicitor, tel. 219 6323

The Council has a duty under the Childcare Act 2006 to secure that early childhood services are provided in an integrated manner in order to facilitate access and maximise the benefits of those services to young children and their parents. Arrangements made pursuant to that duty must, so far as is reasonably practicable, include arrangements for sufficient provision of children's centres to meet local need. The service provided by Aguda North West at the Hershel Weiss Centre ensures that the Council is complying with this duty and doing so in a way which meets the needs of the Orthodox Jewish community.

It is an established principle that an existing public contract is capable of being extended, and the Council's Contractual Standing Orders (CSO's) also allow for contract extensions to be made where the original contract makes provision for such an extension of the original term. There is, however, always a risk that any extension not provided for, if done outside of the usual tender process, could be subject to challenge by an aggrieved provider, on the basis that it ought to have been put out to competition and advertised in accordance with public contract regulations and CSO's.

Where there is no provision to extend within the original contract (or extension), all approvals for extensions over £150k must be referred to the Procurement Board. Notwithstanding Procurement Board approval for an exception, there is still a risk of challenge from aggrieved providers if the usual (formal) procurement process has not been followed and any extension has been awarded outside of that process, on the basis that it ought to have been put out to competition.

The risk of any such challenge naturally increases in tandem with the scope of services, value of the contract and/or proposed length of any extension to a contract, and the number of potential providers of the service, which in this instance there do not appear to be any other providers of these services within the market, and the extension with the existing providers with proven ability to meet the requirements of the service users would be argued to be more cost effective and efficient under the circumstances.

Whilst the proposed extensions may be challenged, it would appear highly unlikely in this instance, as it would seem for the reasons set out in the report therefore that Aguda North West is the only local provider able to provide this service with the breadth and depth of community links required. In those circumstances it would seem appropriate for the Procurement Board to approve an exception to CSO's in order to allow the contract to be extended.

FINANCIAL IMPLICATIONS Supplied by: Chris Mee – Strategic Finance Manager
Ext 0434

There is provision for the full cost of this contract identified above within the Children's service core revenue budget.

PROCUREMENT IMPLICATIONS: Supplied by Christopher Conway 0161 686 6248

Following the Cabinet Office guidelines Regulation 72, whereby contracts may be modified without a new procurement procedure. The following conditions may apply: (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; (ii) the modification does not alter the overall nature of the contract; (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement This justification demonstrates that our decision to extend or modify the particular contract was related to the COVID-19 outbreak. Providers are struggling to maintain staffing levels during this outbreak

and as we have no certainty as to whether the contract would be fulfilled it seems sensible to extend the current arrangements for up to a further 24 months. Procurement are happy to approve the recommendation to take up the option to extend the contract for up to a further 24 months until 31st March 2022 for the reasons stated in the report.

HR IMPLICATIONS: Not applicable.

CLIMATE CHANGE IMPLICATIONS: Supplied by: Mike Hemmingway, Principal Officer Climate Change, 0161 793 3209

The provision is right in the centre of the Jewish Community so most people access it via foot so keeping carbon emissions from car use to a minimum. Other people delivering from the centre tend to live local so again reducing carbon emissions.

OTHER DIRECTORATES CONSULTED: Not applicable.

CONTACT OFFICER: Debbie Fallon, Head of Partnerships Services to Children and Young People, Tel: 07570810739

WARD(S) TO WHICH REPORT RELATE(S): Mainly Broughton where the Centre is located and where the majority of the OJC live but also Kersal as there is significant OJC population there.

Annex A

- **Jewish Women's Aid** – is a national organisation that specialises in assisting women and families with issues of domestic violence and does not have the capacity to deliver a locally based family centre.
- **Interlink** – a locally based organisation that provides support to the Orthodox Jewish Community, and develops partnerships and community infrastructure, so would not have the capacity to deliver such focused children and family provision for the community.
- **Manchester Federation of Jewish Services** - provide a range of social welfare and social work services to both adults and children across Greater Manchester and the surrounding areas, the key issue for successful

engagement with the Orthodox Jewish Community is the location of the children's centre and its proximity to the community.

- **The Centre for Specialist Educational Assistance (Binoh of Manchester)** - a locally based organisation which supports the assessment and statementing process for Orthodox Jewish children who have learning difficulties and secures funding to deliver additional teaching support for these children and their families. The remit of the provider is not broad enough to deliver the services required by a Children's Centre.