

# Report

## Cabinet Member for Communities and Resources

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### Part 1

Date: 20 September 2019

**Subject** Families First Programme

**Purpose** To seek the Cabinet Member's approval to waive Contract Standing Orders to extend for a period of one year, until 31<sup>st</sup> March 2020, existing Families First contracts granted to external consortia to allow for a full procurement and recommissioning process to take place as the provision of extensions within the contract terms have been exhausted. This would allow for new contracts to begin on April 1<sup>st</sup> 2020.

**Author** Families First Programme Manager

**Ward** All

**Summary** This report proposes that the contracts for the strands named below are extended until 31<sup>st</sup> March 2020. This extension is outside of the contract terms and is not in compliance with Contract Standing Orders but will allow the Council to implement the flexible funding arrangements for Families First under the new Children and Communities Grant. The Wavehill review of the Programme will be completed and the outputs/outcomes required for Flexible Funding (Children and Communities Grant) should be received which will lead to a procurement and recommissioning exercise for Families First services as required within the city by March 31<sup>st</sup> 2020.

**Proposal** To approve the waiving of Contract Standing Orders to extend the Families First contracts with the organisations named below until March 31<sup>st</sup> 2020 to allow for the procurement and recommissioning of new projects which will go live April 1<sup>st</sup> 2020.

**Action by** Head of Regeneration, Investment and Housing

**Timetable** To be in place by 1<sup>st</sup> April 2019

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Law and Regulation – Monitoring Officer
- Head of Finance – Chief Finance Officer
- Head of People and Business Change
- Head of Regeneration, Investment and Housing
- Resilient Communities Board
- Category Manager – Finance
- Community Regeneration Manager

**Signed**

## Background

In October 2017 Newport discovered it was to become an early adopter of Welsh Government's new grant funding initiative Flexible Funding from the 1<sup>st</sup> April 2018. However little information was made available on how this new fund was to operate and the recommissioning of Families First, which was already in progress, was put on hold until a fuller understanding of how the funding would impact the service was understood. Contracts were extended for 2018/19 for those external providers of services within Families First

The current Families First contracts are due to expire on the 31<sup>st</sup> March 2019 and as all extensions within the existing contract terms have been exhausted it is being requested that Contract Standing Orders be waived again so that an extension for a further year can be granted. This extension will allow the current review of the programme by Wavehill to be finalised in accordance with the Flexible Funding guidance and the new grant for Children and Communities. This will result in either recommissioning services or commissioning new services from the 1<sup>st</sup> April 2020. This approach will also allow for a full recommissioning and procurement process to take place in line with the findings of the Wavehill Review under the direction of the Resilient Communities Board.

The extensions to the external contracts within Families First were granted for 2018/19, the Cabinet Member waived Contract Standing Orders for this extension. The Resilient Communities Board has been unable to resolve the direction of services required within Newport because the results of the Wavehill review of current grants are awaited and the Welsh Government has changed the way in which the Flexible Funding grant is to be provided.

Having initially determined that this would be a grant encompassing the terms and conditions all 10 original grants, the Welsh Government decided latterly to split this money into two funding streams, the Housing Support Grant and the Children and Communities Grant. The Supplementary Guidance for these grants was sent out by the Welsh Government on the 17<sup>th</sup> January 2019. Both of these new grants have separate Guidance and Delivery Plans, where previously Newport had been developing a way of combining all 10 funding streams into one to meet the needs of citizens within Newport.

The announcement regarding the funding change resulted in the Wavehill Review of Flexible Funding, which had been planned earlier, having to refocus and although one meeting of partners has taken place the completion of the Review, to inform the planning of services in the future will not be available for some months yet.

Although the Supplementary Guidance has been received in the past few weeks for the Children and Communities Grant, the outputs/outcomes required for the grant are still awaited. Therefore, the Resilient Communities Board are unable to finalise the decision on the services required to meet these outcomes.

Last year the values of the individual Families First (external) contracts were below the OJEU 'Light Touch Regime for Social and other specific services (Regulation 74) threshold of £615K. This year the aggregated value over the two years, will take the contract values over the £615,000. However, there is still no clear direction for services and therefore we are seeking approval to extend the external contracts for Families First for a further year, whilst recommissioning takes place.

The following current external providers have been in place since 2012.

<b>Strand (or Project)</b>	<b>Lead Organisation</b>
Family Health and Wellbeing:	Newport Live
Confident and Nurturing Families:	Barnardos
Newport Parent Network:	GAVO
Income Maximisation (Disability Strand):	CAB
Young Carers (Disability Strand):	Barnardos (jointly funded with NCC)
Serennu Play and Youth Clubs (Disability strand):	Sparkle (jointly with NCC)

## Children with Additional Needs Service (Disability Strand): Barnardos (jointly with NCC)

As current contracts for Families First are due to expire on 31<sup>st</sup> March 2019, the Local Authority as the Grant Holder has to seek a Cabinet Member decision to waive Contract Standing Orders to extend the current contracts relating to Families First. To allow the Local Authority to consider the findings of the Wavehill Review and recommission projects/services for families First from April 1<sup>st</sup> 2020 onwards according to the outcomes of the new Children and Communities Grant when received.

Plans for recommissioning/commissioning of services externally, if that is the recommendation of the review and is in line with the plans of the Resilient Communities Board would be put in place to ensure that the process began in September 2019 in readiness for services to commence on 1 April 2020 so that all considerations e.g. TUPE can be taken into account.

As will be seen in the table below (within the Financial Summary) which illustrates the plans for the contracts for the next year, there are staffing implications within Newport City Council and with external providers if these contracts are not extended. The delivery plan based on the extension of these contracts has been submitted to the Welsh Government which means that there should not be any claw back of funding.

### Financial Summary

Strand	Project	Lead Organisation	Activity	19/20 Total External Contract Budget £830,828.00
Children and Young People Skills	Newport Parent Network	GAVO	To enable parents and carers to have a voice in and influence the planning and delivery of services and to increase the voices of seldom heard parents in Newport.	£26,032
Family Well-Being	Family Well-Being	Newport Live	This project provides a multi-agency approach to addressing the family and community health needs of Newport through targeted health promotion, focused events, activities and provision designed to encourage physical activity. Professional support on all family diet, mental health and substance misuse issues will be available to meet identified needs. The project is led by Newport Live in Consortia with Newport Mind, Aneurin Bevan Health Board and Kaleidoscope.	£325,055
Confident and Nurturing Families	Confident and Nurturing Families	Barnardos	This project recognises and builds on parenting strengths and increasing resilience, and	£198,776

			encourages healthy relationships and support networks. Delivered in conjunction with Newport Women's Aid.	
Disability Family Support	Children with Additional Needs	Barnardos and NCC	The CANS team provides support for families whose child or children are aged 0-17 years and present with additional needs, which may be associated with a physical or cognitive impairment, and extends to physical, learning difficulties, sensory impairment and complex health needs.	£106,014
Disability Family Support	Young Carers	Barnardos	The project supports young people who help look after a member of the family who is sick, disabled, has mental health problems or is affected by substance misuse.	£97,826
Disability Family Support	Maximising Income for Families with a Disability	CAB	The service maximises the income of children and families with disabilities, improves their access to services to meet their needs, and provides financial assistance with regards to financial exclusion and debt	£38,674
Disability Family Support	Serennu Play	Sparkle	Multi-agency Family Support Provision for Children and Young People with a Disability or Developmental Difficulty, and provides a specialist play provision for those aged 0 – 18 years.	£38,451

All costs above will be met through the Families First Grant (now Flexible Funding, Children and Communities Grant).

## Risks

<b>Risk</b>	<b>Impact of Risk if it occurs* (H/M/L)</b>	<b>Probability of risk occurring (H/M/L)</b>	<b>What is the Council doing or what has it done to avoid the risk or reduce its effect</b>	<b>Who is responsible for dealing with the risk?</b>
If the contracts are not extended - the non-delivery of services	High – The Authority would then need to complete a full tender process which will take at least six months.	Medium/Low The Lead agencies have informally indicated they wish to continue with the contracts for a further year	Maintain an active dialogue with Strand leads and commence negotiations regarding services as soon as possible	Families First programme Manager
Lack of direction for the recommissioning and procurement processes leading to new Families First Programme not being achieved	H	M	Close working continues with Projects concerned and Procurement Team and relevant support provided where necessary	Families First Programme Manager
Non-compliance to the performance requirements of the WG, resulting in less funding being received	H	H	Work with Lead Agencies to ensure delivery is agreed and starts from April 1 <sup>st</sup> 2020	Families First programme Manager
Reduction in Project budgets now and in the future reduce services available to families therefore increasing poverty in the city	H	L	Projects delivering directly to families have been prioritised.	Families First Programme Manager

## Links to Council Policies and Priorities

The Families First contracts are a part of the £2,384.663.00 Families First Grant which is funded by the Welsh Government under the Flexible Funding initiative – the Children and Communities Grant, for which Newport is a Full Flexibility Pathfinder.

## **Options Available and considered**

The Cabinet Member could decide to not issue any contracts under Families First for the 2019/20 period which would mean that there would not be any services available during that time for families. This would result in an increased need for statutory services during that time and internal members of staff would need to be redeployed into other work.

As current contracts for Families First are due to expire on 31<sup>st</sup> March 2019, the Cabinet Member could seek to recommission the whole programme from April 1<sup>st</sup>. It is now not possible to do this fully, within the timescale.

## **Preferred Option and Why**

The **preferred option** is for the Local Authority as the Grant Holder to seek a Cabinet Member decision to waive Contract Standing Orders to extend the current contracts relating to Families First for a further year until March 2020. During this year a full recommissioning and procurement process will be undertaken so that new projects will be in place for April 1<sup>st</sup> 2020. This is necessary as the aggregated value of the contracts are above the OJEU 'Light Touch Regime for Social and other specific services (Regulation 74) threshold of £615K.

## **Comments of Chief Financial Officer**

There is no adverse financial impact in implementing this proposal. Newport City Council has been awarded Full Flexibility Pathfinder status under the new Flexible Funding arrangements and so extending these contracts for a further year will allow for the Wavehill review of the programme to be completed. The values of the individual Families First contracts are below the OJEU 'Light Touch Regime for Social and other specific services (Regulation 74) threshold of £615K so there is no legal requirement for the Council to tender them in accordance with the Public Procurement Regulations Act 2015.

The Full Flexibility pathfinder will give 100% flexibility across grants in order to achieve increased programme alignment, make more effective use of funding and meet local needs. There are staffing implications within Newport City Council and with external providers if these contracts are not extended.

## **Comments of Monitoring Officer**

The proposed action is in accordance with the Public Contracts Regulations 2006 and Contract Standing Orders. The existing Families First contracts have already been extended once and a further extension cannot be granted in accordance with the contract terms. The contracts expired as at 31<sup>st</sup> March 2019 but there is still uncertainty regarding the outputs/outcomes required for the new Flexible Funding Children and Communities Grant, while the Wavehill review is still on-going. Therefore, the only practical solution is for the Council to extend the current contracts for a further 12 months, to enable the review to be completed and to allow for a full re-commissioning and procurement of the services. The aggregate value of the Families First services exceeds the EU threshold for the "light touch" procurement regime for social care contracts, as set out in Regulation 74 of the Public Contracts Regulations. Therefore, there will need to be a decision to formally award these contracts to the existing providers for a further 12 months, based on the need to ensure continuity of service. The flexibility allowed under the light-touch procurement regime would enable the Council to enter into a direct award, without competition, provided this maintains service delivery and is not considered to be anti-competitive. Given the timescales involved, there is insufficient time for any competitive tendering process and 12 months would be the minimum period required to complete such an exercise. Therefore granting a 12 month extension pending a re-tendering exercise should satisfy the light-touch regime. In addition, it will be necessary for the Cabinet Member to formally waive the requirement for competitive tendering under the Council's Contracts Standing Orders. The reasons for Waiving Standing orders to allow for the direct award of the contracts to the current providers will need to be reported to Audit Committee in due course.

## **Comments of Head of People and Business Change**

From an HR perspective, there are no staff implications to this report.

This report has fully considered the sustainable development principle of the Well-being of Future Generations (Wales) Act 2015. How the proposal meets the five ways of working (long-term, prevention, integration, collaboration and involvement) of the sustainable development principle is fully detailed in the appropriate section of the report.

## **Comments of Cabinet Member**

Cabinet Member has been briefed on the report.

## **Local issues**

Not Applicable

## **Scrutiny Committees**

N/A

## **Equalities Impact Assessment and the Equalities Act 2010**

Not applicable

## **Children and Families (Wales) Measure**

This Measure placed a duty on Welsh Ministers, local authorities and other public bodies to set specific objectives for tackling child poverty and to publish child poverty strategies. Families First Programme came into being as a result of this Measure and is one of the Welsh Government's anti-poverty programmes.

## **Wellbeing of Future Generations (Wales) Act 2015**

### Long term:

The extension of these contracts will support families to avoid becoming engaged with statutory services thus preventing long term needs escalating.

### Prevention:

Families First is a prevention and early intervention Programme

### Integration

The services provided by Families First are family centred and provided following an assessment of individual need. The Team Around the Family meeting is an integrated meeting with all professionals present and the resulting Action Plan is agreed and owned by the family. Therefore, the family will be assisted to realise their potential in all aspects of life across the Wellbeing Goals (economic, social, cultural and environmental)

### Collaboration

Families First provision as a whole is a collaboration between 5 different services within NCC and works in collaboration with health, police, schools, Newport Mind, Barnardo's, CAB, GAVO, Newport Live under the governance of the Resilient Communities Board and ultimately the PSB.

## Involvement

Families First holds regular Engagement days with Parents and Families in Newport (the last was on Feb 23<sup>rd</sup> 2018) in the City Centre and activities are devised to particularly include hard to reach families. As a whole Families First utilises a multi-agency engagement process with families recording their views and completing Distance Travelled Tools at different stages of their involvement. We have also had a Review of services provided by Families First carried out by the IPC, where over 60 families were involved in giving feedback about the Programme

## **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

## **Consultation**

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

## **Background Papers**

None

Date: 20 September 2019