



Author/Lead Officer of Report: *Sam Martin-
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Report of: *John Doyle, Executive Director, People Portfolio*

Report to: *Leader of the Council*

Date of Decision: *12th August 2019*

Subject: *Sheffield Futures Contract Extension*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Children, Young People & Families</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Children, Young People & Families</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given?				
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).				

Purpose of Report:

This report recommends extending the contract the Council has with Sheffield Futures for the delivery of youth services. This will ensure continuity of delivery of services for young people, and will allow sufficient time for the review of youth services to be completed and a final decision on the future shape of youth services to be agreed by Cabinet.

Recommendations:

That the current Council Contract for the delivery of young people's services is extended for up to 12 months from 1st October 2019 to 30th September 2020. The supplier is Sheffield Futures.

Background Papers:

None

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Paul Jeffries</i>
	Legal: <i>Sarah Bennett</i>
	Equalities: <i>None</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>John Doyle – Executive Director of People Portfolio</i>
3	Cabinet Member consulted: <i>Cllr Julie Dore – Council Leader</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Sam Martin</i>
	Job Title: <i>Head of Commissioning – Vulnerable People</i>
	Date: <i>4th July 2019</i>

1. PROPOSAL

1.1 Approval is sought to extend the existing contract for the delivery of services for young people by Sheffield Futures up to 30th September 2020. The existing contract for services provided by Sheffield Futures ends on 30th September 2019. The council review of youth and young people services is not complete and some of the options being considered could have shorter implementation timescales than it was previously thought would be the case. A contract extension will enable a decision to be made by Cabinet, and provide time to implement any service developments that arise from that future decision. It is essential that in the meantime existing services to young people are maintained to ensure that the Council meets its statutory duties for the delivery of youth services to children and young people in the City.

1.2 The Leader was previously recommended to approve a re-procurement exercise but this is no longer considered to be the best option. It is anticipated that a final decision on future strategy will be made by the end of 2019, allowing time for the Council to implement the outcome of this decision by 30th September 2020 at the latest. As a result, running a complex tender process for a maximum 12 month contract is not considered to be good value in terms of officer and potential bidder time. A short term contract is also likely to be an unattractive commercial prospect; it is likely, for example, to involve significant costs in terms of TUPE transfers for potential new suppliers, so is likely to generate little market interest.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 This decision will ensure that young people living within the city continue to have uninterrupted access to a range of services and support, especially those targeted at the most disadvantaged young people.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 We have consulted with the current provider (Sheffield Futures) and they have confirmed that they are able to continue providing a service for the duration of the contract extension period.

3.2 A wider consultation on the future of youth and young people services was conducted in the Summer of 2017, and further consultation held with service providers and leads in the Autumn of 2018 involving Sheffield City Council staff involved in the services, Sheffield Futures staff, voluntary and community organisations across the city, young people, Council members and the general public.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 This is an extension of an existing contract hence there are no new equality implications. An EIA has been drafted.

4.2 Financial and Commercial Implications

4.2.1 The current budget plans for 2019-20 anticipated a reduction in expenditure facilitated by a significant reshaping of commissioning and contract arrangements and potentially additional external income. An extension to the current Sheffield Futures contract at the same cost as the existing contract will have the following estimated impact on Youth budgets:

2019/20 - £229k overspend

2020/21 - £74k overspend (assuming a new Youth service delivery model is implemented from 01/10/2020 with reduction in costs).

4.2.2 Officers will, in liason with the Lead Cabinet Member for Education and Skills, consider what steps can be made to mitigate this financial pressure as part of the council's ongoing budget monitoring and delivery programme.

4.3 Legal Implications

4.3.1 The Council has a variety of duties to children and young people including:

- in respect of children and young people aged 13 - 19 and 20 – 24 if they have a learning difficulty or disability, the provision of sufficient educational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities; and
- sufficient recreational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities (Education Act 1996);
- under the Education and Skills Act 2008 there is a duty to make available to young persons and relevant young adults for whom it is responsible such services as it considers appropriate to encourage, enable or assist the effective participation of those persons in education or training.
- the Education and Skills Act also placed a duty on 16 and 17 years olds to participate in education or training, and a related duty on local authorities with a view to reducing the number of NEET young people, by promoting the effective participation in education and training of 16 and 17 year olds in the area with a view to ensuring that those persons fulfil the duty to participate in education or training.

- 4.3.2 Together these duties comprise the offer of a “Youth Service” which is primarily targeted at those with the greatest need.
- 4.3.3 The legislation and the Department for Education guidance makes it clear that the government’s approach is to give local authorities freedom and flexibility to decide how to fulfil their statutory duties with regards to the provision of these services and they may provide them through a third party such as Sheffield Futures.
- 4.3.4 In order to enter into a further contract/extend existing contractual arrangements there will be a need to waive Contract Standing Orders.
- 4.3.5 A previous Leader Decision taken on 28th September 2018 authorised an extension of the Council’s contract with Sheffield Futures to 30th September 2019, and. if by that point a final decision had not been made about the future strategic direction of young people services. a procurement process via competitive tender for a new contract for services. The decision recommended in this current report, if taken, will supersede that previous decision.
- 4.3.6 Detailed legal advice is set out in the appendix to this Report.

4.4 Other Implications

4.4.1 **HR Implications**

At present, there are no known HR implications from a contract extension. Should any arise, we will seek to mitigate these through further discussion with the provider and will update the EIA as appropriate.

5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Re-commissioning of services on an open tender was considered however no decision has yet been made about the way that the Council wishes to deliver its services beyond 2020, and the timeline for managing any change and recommissioning would be impossible to meet within the timescale to 30th September 2019. Given the scale of the services under consideration, the costs involved to both the Council and potential providers in running a tender process, and the potential implications to staff and service continuity of short term changes this option has been rejected. It is considered that very few, if any, providers would consider bidding for a contract of such short length.
- 5.2 The only alternative option would be for the Council to allow the current contract to end without having alternative services in place by October 2019. This would lead to the Council failing to meet its statutory duties to provide a range of services to vulnerable young people. The Council would be forced to conduct an urgent in-source of some services which would lead to significant cost and disruption if not conducted as part of a properly planned strategic approach.

6. REASONS FOR RECOMMENDATIONS

- 6.1 This option provides continuity of service delivery, thus ensuring the Council has sufficient time to complete consultation, consider the proposals presented and make its decision regarding the future strategic direction for the delivery of youth services in a timely and considered manner.