

REPORT TITLE: Extension of existing contact for Youth Support Services.

Cabinet Date	Wednesday 21 July 2021
Cabinet Member	Stephen Davies, Cabinet Member for Children’s Safeguarding and Early Years
Key Decision	Yes
Purpose of Report	To seek Cabinet agreement for a way forward for Youth Support services to continue to discharge the Council’s statutory and partnership responsibilities towards young people aged 10 to 24 years following the end of the current Youth Support contract in March 2022, acknowledging the wide-ranging impact of the coronavirus pandemic.
Recommendations	That Cabinet approves the variation of the Council’s existing contract with Prospects Services (the current provider of integrated countywide Youth Support services) by extending its term for an interim period of six months, from 1 April 2022 to 30 September 2022, in order to provide the Council with an opportunity to complete a process of extensive market testing and market development in preparation for a full procurement process for a replacement contract commencing in October 2022.

<p>Reasons for recommendations</p>	<p>The reason for the recommendation is that a six month extension to the council's existing contract with Prospects Services is required in order to secure the provision of statutory services for young people whilst the market for such services recovers from the effects of COVID restrictions. The proposed extension will allow the Council additional time to assess the impact of COVID-19 on young people's lives in order that the replacement service (for which a procurement exercise will be carried out commencing February 2022) will be fit for purpose and responsive to need.</p> <p>COVID restrictions have meant that it has not been possible to satisfactorily conduct an engagement exercise with Youth Service providers, nor carry out soft market testing in sufficient depth, to enable a thorough and best value commissioning process to take place. Services such as Youth Offending remain in transition from response to recovery, further impeding the exploratory work by the Council that is necessary to develop future Youth service provision.</p> <p>The proposed contract extension will enable extensive market testing and the reshaping of services to respond to extra demand for services arising from the COVID emergency.</p>
<p>Resource Implications</p>	<p>The Youth Support contract sum in 2021/2022 is £4.716m per annum.</p> <p>This includes the Youth Justice Board (MoJ) annual grant towards the Youth Offending Service (£548k for 2021/22 but variable); and a £254,775 contribution from Gloucestershire's Public Health grant, towards the integrated young people's substance misuse treatment service, which is confirmed to continue in 2022/2023.</p> <p>The value of the proposed new 6 month contract extension (April 2022 to September 2022) is £2.358m.</p>

Background Documents	<p>Previous decisions</p> <ul style="list-style-type: none"> • Options and Decision on Youth Support Service from 2020, 30 Jan 2019, Cabinet • Decision on Commissioning Youth Support, 22 July 2020 Cabinet – A Direct Award to Prospects Services from April 2021 for a period of 12 months. . <p>Youth duties</p> <ul style="list-style-type: none"> • Must know for youth services, March 2019, LGA • Youth Strategy Task Group Report, Oct 2019, OSC: Children & Families • Youth Work Inquiry Final Report, April 2019, APPG on Youth Affairs <p>Participation & skills</p> <ul style="list-style-type: none"> • Youth Survey 2019, Oct 2019, GFirst LEP & Young Gloucestershire <p>Health & wellbeing</p> <ul style="list-style-type: none"> • Children, Young People and Families - Needs Analysis, 2018, GCC Public Health/Inform Gloucestershire • Young People Substance Misuse Commissioning Support 2020-21, PHE • Frameworks for Teenage Pregnancy Prevention and Supporting Teenage Mothers and Young Fathers, 2019, PHE & LGA <p>Justice & prevention</p> <ul style="list-style-type: none"> • Police and Crime Plan 2017-2021, Police and Crime Commissioner • Child First Justice: The research evidence base. Loughborough University 2021 • Youth Justice Plans - YJB Practice Guidance March 2021 Youth Justice Board • Violence Prevention Needs Assessment, Jan 2020, Safer Gloucestershire
Statutory Authority	Section 507B of the Education and Inspection Act 2006
Divisional Councillor(s)	All
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Timeline	<p>The Youth support services market has not fully recovered from the effects of COVID restrictions and the Council is yet to understand the full impact of the pandemic on Young people. Therefore, a short-term contract extension will allow additional time to engage in vigorous market testing exercises and the exploratory work necessary to develop future provision.</p> <p>Market testing exercises are scheduled to take place from Aug 2021-Nov 2021. This extended period will allow for any further restrictions on engagement events. A short summer consultation would not be viable for smaller youth organisations, given that they will also inevitably be working towards full recovery of services and will therefore not be in a position to effectively partake in the testing exercise. Moreover, the lifting of furlough on the 30 September 2021 will give a more accurate picture of future capacity and aspirations of Youth Support service providers.</p>

	Review national data on the impact of COVID-19 for young people, benchmarking local data and trends Aug-Nov 2021
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	February - March 2022 - Market testing takes place
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	April - June 2022 - Tender process
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	July 2022 - Award contract/s
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	July – September 2022 Mobilisation period
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Background

1. In July 2020 Cabinet authorised the Executive Director for Children's Services, in consultation with the Lead Cabinet Member for Children's Safeguarding and Early Years to make a direct contract award to the Council's incumbent provider of Youth Support Services (Prospects Services), for a period of 12 months from April 2021 to March 2022.
2. The contingencies adopted during the continuing lockdown are likely to continue through 2021. Though vaccinations may be more effective than other control measures adopted in the UK so far, a pandemic virus with such worldwide coverage is highly likely to keep absorbing public energy and resource, and challenging our work improving opportunities and outcomes for our young people.
3. We know that during the last year there has been a 40% decrease in youth and holiday provision both nationally and across the county. Many services particularly those for young people with additional needs do not feel safe to fully open until later in the Autumn at the earliest.
4. Any capacity within the youth service market has been absorbed to meet current urgent/emerging needs, particularly around young people's mental health. The real scope and impact of the pandemic has yet to be fully understood for young people.

Current scope of Youth Support contract

5. The Gloucestershire integrated Youth Support Service, is currently provided by **Prospects Services** under a contract to March 2022. The contract includes a wide range of statutory, public health and other youth support functions, including youth offending and youth crime prevention, youth activity programmes, information, advice and guidance (IAG) for young people not in education, training or employment, homelessness, substance misuse treatment, sexual health, teenage pregnancy and parenthood, and wrap-around services for care leavers, all delivered by teams of Prospects staff integrated with other professionals seconded from Health, Police and Probation
6. The government is about to review its current guidance on the youth duties of local authorities, which may bring together various responsibilities derived from primary legislation in education, children & families, crime and disorder, health, civil society, homelessness and local government. National funding for open access or universal youth work is now almost entirely directed at and restricted to third sector delivery, whether national contracts for large programmes, regional contracts for example for the National Citizenship Service, or grants to local organisations.
7. Current Local Authority youth responsibilities, that we discharge largely through our Youth Support Services contract include:

5a. Youth activities and youth programmes: The Council has a statutory duty towards young people aged 13 to 19 (or to 24 if SEND) *“secure, so far as is reasonably practicable, sufficient provision of recreational leisure-time activities for the improvement of their well-being”*

5b. Youth offending, youth justice and youth crime prevention: The Council has a statutory duty to provide a multi-agency Youth Offending Team, with the participation of the statutory partners identified in the Crime and Disorder Act 1998 – Police, NHS and Probation.

5c. Youth homelessness: The Council has a duty to assess and advise all 16 to 17-year olds presenting as homeless: to mediate a return to family, find them accommodation or, if necessary ('the Southwark judgment'), take them into care. Under the Homelessness Reduction Act (2017), we have further duties to support young people at risk of homelessness: especially care leavers, those returning from youth detention and other vulnerable young people aged 16 to 24.

5d. Participation in education, training and employment: The Council has a duty to support young people to stay in education or training up to 18 (Raising the Participation Age), or to 24 for all care leavers and those with additional needs in an Education Health and Care Plan (EHCP). The Council must offer a September Guarantee for education and/or training places for all 16 to 17-year olds, and track all destinations, all those not in education, employment or training (NEETs), and unknowns. We have a new Care Leaver Offer, including increased personal advisor and other support.

Priorities

8. The Council has been able to maintain a satisfactory service for young people through the current Youth Support contract during the pandemic with astute contingency planning. However, anecdotal evidence continues to highlight a marked deterioration in young people's mental health and resilience, especially affecting the already at risk. This key group have lost contacts with third sector youth provision during lockdowns, coupled with newly rising levels of exploitation, homelessness, substance misuse, self-harm and eating disorders. There has also been a resurgence in disengagement from education and unemployment for 16-24s (already quadrupled, with dozens of our care leavers having lost their jobs), and an ongoing recession particularly impacting on young people with fewer skills or less parental backing.
9. Even if entry-level jobs in the retail, hospitality and leisure sectors recover, the dice will still be stacked against young people struggling to get their first jobs (or retain them after incentive schemes time out). The granting of an additional 6 months will ensure we fully understand the impact of COVID on our young people and are able to shape services to better meet their needs in the future.

Options

Option 1: Do nothing

10. This is not tenable. The current arrangements are coming to an end in March 2022, and doing nothing would mean the Council would be unable to meet its statutory duties and the wellbeing of vulnerable young people in the County would be at risk.
This option is not recommended.

Option 2: Procure a five-year contract for integrated countywide Youth Support services to commence March 2022

11. A future contract for integrated provision, with the service offer and costs sustained at current levels, would still be based on the following required outcomes; all youth support clients (whether they enter service because of disengagement, youth offending, substance misuse, homelessness or whatever) would be supported towards long-term outcomes of social and emotional thriving, participation in education, training or employment and preparedness for adult life.
12. The procurement process in respect of such contract would be hurried, given that the Council will not be in a position to fully understand or take account of the impact of the pandemic on Gloucestershire young people, and could therefore make it necessary for the Council to negotiate future time consuming and potentially costly contractual changes to reflect avoidable COVID influenced demand, without having an opportunity to fully test the market.
13. A replacement Youth Support service contract which commences in March 2022 would not provide officers with sufficient time to understand how COVID has changed the needs of the service and to have the time to review what needs to be delivered, to whom and how. Until the work is completed, officers will be unable to tender the service as it will not deliver the needs as they can not be identified.

For these reasons this option is not recommended.

Option 3: Vary the Council's existing contract for Youth Supports services by extending it for an interim period of six months (from April 2022 to September 2022) and then returning to cabinet for permission to conduct a competitive procurement process in respect of a 5 year contract to replace it.

14. A modification under Regulation 72(b) of the Public Contract Regulations 2015 to extend the current contract with the existing provider would offer the continued delivery of statutory duties while finalising the post COVID model of youth support.

15. The pandemic period has brought exceptional demand for services and many barriers to full service-user, partner and market engagement, which are only just beginning to ease. A hurried exercise to achieve a new contract in April 2022 would limit the thoroughness, innovation and quality the Council requires from Commissioners to ensure public money achieves the best outcomes in the most economically advantageous way. A significant period of market testing will be the best way to shape the market to align with our transformative commissioning intentions, both in youth support and children and family centre provision. Working with the market in this way is more likely to achieve better specifications and higher quality bids for future service delivery. This will also provide the Council with additional time and opportunity to more accurately measure the impact of COVID on Gloucestershire's young people, identify priorities with regards to recovery and consider these within the new contract specification, as well as highlighting any areas of development or requiring investment of additional resources .

This is the recommended option to allow the Council to commission appropriate provision for GCC young people post lockdown, that will be needs led and achieve best value for money.

Risks

16. COVID has had a major impact on Youth support services, hence time needs to be taken to review the service to understand what it needs to deliver into the future. Accordingly, it is recommended that the council's existing youth support services contract with Prospects Services be extended on the proposed basis in order to provide the council with sufficient time to review and reframe the needs of young people before then re-procuring such services. This will ensure that a reshaped service is properly realigned to account for the changing needs of young people affected by the pandemic. Such reshaped services will need to make provision for, amongst other things, a noticeable increase in teenage pregnancies during lockdown and rising unemployment for young people again as a direct consequence of business closure due to lockdown. The Council anticipates that young people's employment will be further affected once furlough is ended in September 2021. Further evidence of the continuing impact of COVID on the wellbeing of young people is demonstrated by a noticeable increase to MASH which has been 120% higher during the pandemic. Nationally, young people's emotional wellbeing needs have increased, this is shown locally by the increase of referrals to TiC+ during the pandemic, with young people presenting with more complex mental health needs. Accident & Emergency have also reported an increase in young people presenting with mental health needs. These demands and needs which are still emerging as a result of the pandemic need to be addressed within the new specification.

Moreover, in view of the fact that the youth support services market remains in recovery, any new capacity within it has been targeted at working to mitigate the impact of COVID on young people in key areas, such as mental health, rather than progress the commissioning process, which requires extensive market testing and market development work.

In view of the above considerations, if a five-year contract is hurriedly procured to commence in April 2022 (ie, rather than the recommended 6 month interim extension to the council's existing contract with Prospects Services), there is a risk that the services

thereunder will not meet the emerging needs of young people following the impact of COVID-19 given that there will not have been an adequate opportunity for the council to properly engage with them. There is also a risk that a hurried procurement process will result in low quality tender responses. .

17. There is a risk in respect of any contract variation that it may be subject to legal challenge under the Public Contract Regulations 2015 (“PCRs”). While it is acknowledged that a contract variation is only permissible under the PCRs on very limited grounds, the variation proposed in this report is justified on the basis that:

- (a) A change of provider cannot be made for economic or technical reasons; and
- (b) A change of provider would cause significant inconvenience or a substantial duplication of costs for the council; and
- (c) The increase in price of the contract does not exceed 50% of the original contract value.

In the context of the Council’s proposed contract variation, it would not be possible to engage any provider other than Prospect Services to provide youth support services during the 6 month period required by the Council. The reasoning for this is that the size of the Integrated Youth Support Service and the breadth of required services means it would not be possible, before April 2022, to mobilise a replacement supplier who would be able and ready to discharge the Council’s statutory duties. Moreover, in view of the need to carry out youth engagement events, extensive market testing and market development during a period in which the youth support services market remains in recovery, the comprehensive procurement process that will be needed to appoint a service provider to provide a service of the complexity described above, would not be possible before April 2022 without substantial duplication of costs.

Moreover, a short-term contract award to anyone other than the incumbent provider would cause significant inconvenience, service disruption and a substantial duplication of costs to the Council, on the basis that the Council would incur foreseeable costs with regards to the TUPE transfer of staff and other pensions, salary and HR costs associated with moving such a sizeable service infrastructure to another supplier for a interim period while the full procurement takes place.

The increase in price resulting from the proposed 6 month extension will not exceed 50% of the original contract value.

The council shall publish a modification notice and voluntary transparency notice in Find a Tender in accordance with its transparency obligations under the Public Contracts Regulations (2015).

Financial implications

The value of the proposed 6 month contract extension commencing April 2022 is £2.358m.

Climate change implications

Not affected

Equality implications

An Equalities Impact Assessment (EIA) been completed. The service will continue to work with the current specified service user group of 10-24s and inclusively with young people with additional needs through its established and accredited equality and diversity strategy. The service is relaunching an intensive work programme for girls and young women on the cusp of offending/reoffending and actively reaches out to young people from underrepresented communities

Data Protection Impact Assessment (DPIA) implications

Data Protection Impact Assessment is a legal requirement. Commissioning are working with IMS to complete and identify any personal data risks

Social value implications

Continue to work with the incumbent provider (Prospects) on the Social Values contained within the original contract.

Consultation feedback

A period of vigorous market testing from August to November 2021 will be the best way to shape the market to align with our transformative commissioning intentions, both in youth support and children and family centre provision. Working with the market in this way is more likely to achieve better specifications and higher quality bids for service delivery

The pandemic has thus far prevented such engagement and soft market testing, but this could potentially begin in early 2022 as it is anticipated restrictions are fully lifted.

Officer recommendations:

Considering the options and associated risks, Officers advice that **Option 3** is recommended as the optimum way of discharging the Council's statutory and partnership Youth Support responsibilities in the current circumstances.

It is therefore recommended that the Council:

varies the Council's existing contract with Prospects Services (the current provider of integrated countywide Youth Support services) by extending its term for an interim period of six months, from April 2022 to September 2022, in order to provide the Council with an opportunity to complete a process of extensive market testing and market development in preparation for a full procurement process for a replacement contract commencing in October 2022..

Performance Management/Follow-up

Current performance management arrangements will continue to apply throughout the contract term, in any transition periods and in new contract mobilisation.