

Finance and Resources Committee

10.00, Tuesday 7 November 2017

Pupil Equity Funding Open Framework Agreement

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| Item number | 8.4 |
| Report number | |
| Executive/routine | |
| Wards | |
| Council Commitments | |

Executive Summary

The Finance and Resources Committee is asked to note the approval of the award of an open framework for the provision of Pupil Equity Fund services, under the Urgency Provisions as detailed in Committee Terms of Reference and Delegated Functions.

The framework duration will be for 24 months, with an option to extend for up to a further two periods of 12 months each.

The total estimated value of the open framework to the Council, including extensions, is £4,000,000.

Finance and Resources Committee

Pupil Equity Funding Open Framework Agreement

1. Recommendations

- 1.1 That the Finance and Resources Committee note that the Convenor and Vice Convenor of the Finance and Resources Committee provided Delegated Authority to the Executive Director of Communities and Families to award an open framework to the service providers as listed in Appendix 2 for a maximum value of £4,000,000 under the Urgency Provisions as detailed in Committee Terms of Reference and Delegated Functions. The purpose of the open framework is to deliver services for Pupil Equity Funding. The open framework was awarded on 8 September 2017 for a period of two years with the option to extend for up to a further two periods of 12 months.

2. Background

- 2.1 The Scottish Government has committed to providing additional funding in the form of Pupil Equity Funding (PEF), to schools across Scotland as part of the Scottish Attainment Challenge Programme over the next few years. In April 2017, funding of £7.5M for 2017-2018 was directly allocated to Edinburgh Council schools with the aim of closing the poverty related attainment gap within schools. It is anticipated a similar level of funding will be provided annually throughout the duration of the current Scottish Government (next four years). Funding was allocated per school based on recipients of free school meals.
- 2.2 The Council's Commercial and Procurement Service (CPS) quickly recognised and responded to the need to work closely with schools to assist them in the purchasing of services, in addition to staffing resources, with their PEF monies. As the Scottish Government's Operational Guidance for PEF recognises the Council has statutory responsibilities to comply with procurement legislation and existing procurement procedures as well as to secure Best Value. At the same time, CPS recognised the need and the intent of the Scottish Government to leave the rationale to Head Teachers as to what is effective and provide for flexibility and local service provision.
- 2.3 In order to achieve these requirements CPS have consulted with Communities and Families, Finance, Legal and a core group of Head Teachers. The solution identified was to put in place a dynamic schools services framework. An open framework with a large choice of providers who could deliver improvements in

literacy, numeracy and health and wellbeing and dynamic in that providers could be added at regular intervals as they are identified by schools over the course of the four-year funding period.

- 2.4 The main purpose of this open framework is to support schools with PEF expenditure at the same time as complying with the procurement obligations of openness and transparency and ensuring appropriate terms and conditions and checks are put in place. Schools were asked to point existing or proposed providers to register on Public Contracts Scotland which gives access to public authority contract opportunities.

3. Main report

- 3.1 As this is a Social Care service, it was tendered in accordance with the 'light touch' regime and the Procurement Reform (Scotland) Act 2014, Public Contracts (Scotland) Regulations 2015, the 2016 Regulations and the Procurement of Care and Support Services 2016 (Best Practice). The requirements for Best Practice, openness, transparency and fair and equal treatment, has also ensured that the requirement complied with the Council's Standing Orders.
- 3.2 An open OJEU notice was published via Public Contracts Scotland on 22 June 2017 to invite a wide variety of providers to tender.
- 3.3 The framework is lotted in the following format:

| Lot | Description |
|-----|--|
| 1 | Activity Based Learning |
| 2 | Clubs (After School/ Breakfast) |
| 3 | Counselling, Support and Advice Services |
| 4 | Creative Engagement |
| 5 | External Tutors/ Additional Support |
| 6 | Mentoring |
| 7 | Pupil Workshops |

- 3.4 A summary of the tender process is provided at Appendix 1 of this report.
- 3.5 Forty-nine organisations submitted their tenders by the deadline of 21 July 2017 and in total 123 different services were submitted.
- 3.6 Service providers were asked to provide a response to the following:

- 3.6.1 The service provision – how and what they will deliver, how they will engage pupils and a case study including resulting outcomes (50%);
- 3.6.2 How the service will close the attainment gap i.e. a method statement detailing how the service will lead to improvements in pupils in literacy, numeracy and/or health and wellbeing (30%);
- 3.6.3 Details on how the provider will communicate with the schools/s (20%).
- 3.7 The tender responses were evaluated and ranked based on most economically advantageous tender (MEAT), weighted 30:70 for quality and price. The framework will allow all providers who meet a minimum quality threshold to be admitted on to it.
- 3.8 Quality evaluations were completed by teachers and other council officers within Communities and Families.
- 3.9 The information supplied by providers will be shared with schools to allow the Headteachers to ensure the correct service is chosen to meet the requirements of their school. Headteachers will be able to use their discretion, knowledge and experience to select the most appropriate service provider given their knowledge of the child's circumstances and needs in order to provide the best outcome for each child. The ratio reflects that schools will be best placed to judge quality in this case.
- 3.10 Admission to the framework will not guarantee work and the Open Framework Agreement will be used at the discretion of schools. The Council will reopen the framework on six monthly periods for the duration of the agreement which shall enable new Service Providers to join the framework or current service providers to add additional services to the framework. This shall result in greater flexibility and choice for schools while providing opportunities for new and or smaller organisations to work with schools.
- 3.11 Schools will be able to direct award based on the pricing provided or complete a mini competition should this better suit their requirements.

4. Measures of success

- 4.1 The contract price is a fixed annual fee for the service for the duration of the contract, with greater understanding of the full costs being applied to the service(s).
- 4.2 The open framework encourages other providers to be part of the Pupil Equity Open Framework which will negate the need for waivers or separate contracts.
- 4.3 The open framework will allow the schools to determine which services are suitable for their school.
- 4.4 The open framework also allows micro and small to medium organisations the opportunity to advertise their services.

- 4.5 As part of the procurement process, the providers confirmed that they adhere to fair working practice policy.
- 4.6 CPS has been contacted by a number of other Councils requesting information on this procurement process therefore it is likely that this approach will be adopted by a number of other authorities.

5. Financial impact

- 5.1 Early stage discussions with schools have implied that the majority of funding will be spent on recruitment of extra staff which will not involve procurement (estimated £5.8M according to PEF forms). Other areas of spending will include services such as activity based learning, Counselling, ICT equipment and additional resources including goods. From this information, it was estimated that the open framework would be required to facilitate an estimated annual spend of £600K per annum on services.
- 5.2 However, as schools may require further resource, the open framework was advertised at £1,000,000 per annum. This will be reviewed on an annual basis.
- 5.3 Schools will have the opportunity to collaborate their requirements to make volume savings where service providers have allowed for this within their pricing structure.
- 5.4 The open framework allows for transparency of pricing for all Edinburgh schools, resulting in consistent pricing.
- 5.5 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

6. Risk, policy, compliance and governance impact

- 6.1 The contracts to be awarded are compliant with procurement regulations using the Light Touch Regime and the Council's Contract Standing Orders (CSOs).
- 6.2 The risk of legal challenge relating to contractual arrangements for the provision of services to support schools aim of closing the poverty related attainment gap will thereby be reduced.
- 6.3 The risk of schools purchasing services without minimum standards and Council standard insurance requirements will thereby be reduced.
- 6.4 All service providers shall be signed up to the Council's Terms and Conditions, reducing risk to the Council and schools.

7. Equalities impact

- 7.1 As the aim of the attainment fund is to ensure equity to all Scottish Pupils, the risk of negative equality impact is low. However, an ERIA and a Privacy Impact Assessment is in process.

8. Sustainability impact

- 8.1 No significant environmental impacts are expected to arise from this contract.
- 8.2 This procurement has adhered to policy on Sustainable Procurement and the Scottish Governments guidance on Community Benefits.
- 8.3 Community benefits will be sought retrospectively on yearly basis from providers with whom the schools collectively spend above £50,000 per annum. The designated Contract Manager will be responsible for monitoring delivery and reporting of community benefits by individual providers.

9. Consultation and engagement

- 9.1 The co-production for this has been extensive:
- Interaction with Head teacher groups in March 2017 to ensure early engagement;
 - Murrayfield Event for both Providers and schools to engage;
 - Meetings with Business Managers Groups and the Council education team to ensure that communication to the schools is clear and consistent; and
 - Forms sent out to Head Teachers to request information on proposals for spending PEF.

10. Background reading/external references

- 10.1 Scottish Government Pupil Equity Fund Guidance.

Alistair Gaw

Executive Director for Communities and Families

Contact: Lorna Sweeney, Schools and Lifelong Learning Senior Manager

E-mail: Lorna.Sweeney@edinburgh.gov.uk | Tel: 0131 529 2217

11. Appendices

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

Appendix 2 - List of Providers

Appendix 1 - Summary of Tendering and Tender Evaluation Processes

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|---|---|
| Contract Period | Commencement will be 8 September 2017 for an initial period of 24 months, with the option to extend for up to a further two periods of twelve months each, undertaken at the sole discretion of the Council. |
| Estimated value of contracts | Maximum £4,000,000 (including extensions) |
| Standing Orders observed | 2.4 EU Principles have been applied 2.7 Commercial and Procurement Manager provided resource to undertake tendering 3.2 Director has responsibility for all contracts tendered and led by their Directorate 5.1(b) Tenders evaluated on basis of most economically advantageous tender |
| Governing UK Regulation | Procurement Reform (Scotland) Act 2014, Public Contracts (Scotland) Regulations 2015, the 2016 Regulations and the Procurement of Care and Support Services 2016 (Best Practice). |
| Tenders Returned | 55 (49 organisations, 123 services) |
| Tenders fully compliant | 54 |
| Recommended Provider(s) | Please see Appendix 2 |
| Primary Criterion | Most economically advantageous tender to have met the qualitative and technical specification |
| Evaluation criteria and weightings and reasons for this approach | Quality (30%) Price (70%) |
| Evaluation Team | Council officers from Communities and Families |
| Consideration of procurement methodology and processes to ensure SME friendly | Access to the Open Framework. |

Appendix 2 List of Providers

| Service Provider | Applicable Lots |
|--|-------------------|
| Achieve Training | 6,7,4 & 3 |
| Action for Children | 1,3,4 & 6 |
| Apex Scotland | 5,6 & 7 |
| Barnardos | 2, 3, 4, 5 & 6 |
| Be Experimental | 1 & 2 |
| Bright Light Couples Counselling Lothian | 3 |
| Cannongate Youth | 1, 3,4 & 7 |
| Children 1st | 3,5 & 6 |
| Chroma | 3, 4, 5 & 7 |
| Citadel Youth | 3 & 6 |
| Community Help Initiative (CHAI) | 3 |
| CrossReach | 3 |
| Cyrenians | 3, 5 & 7 |
| Dundee Academy of Sport | 1, 4 & 7 |
| Eco Drama | 1 & 4 |
| Enable Scotland | 2,3,4,6 & 7 |
| Friends of the Award in Edinburgh and Lothians | 1 |
| Glasgow Science Centre | 4 & 7 |
| Impact Arts | 1, 3 & 7 |
| Lifelink | 3 |
| Move on | 6 & 7 |
| Multi Cultural Family Base | 1 & 3 |
| No Tosh Ltd | 1, 4 & 7 |
| People Know How | 1, 4, 6 & 7 |
| Pilton Community Health Project | 3 |
| Place2Be | 3 |
| Positive Realities | 3 & 7 |
| Quarriers | 1, 3 & 7 |
| Rathbone | 3, 6 & 7 |
| Rewise Learning Ltd | 1, 4 & 7 |
| Rural Urban Training | 1 & 7 |
| School of Hard Knocks | 1, 6 & 7 |
| Scottish Association for Mental Health | 7 |
| Screen Education | 4 |
| Skill Force Development | 1 |
| Smart Play Network | 1 & 4 |
| Springboard | 1 & 7 |
| Strange Town | 4 |
| The Broomhouse Centre | 1, 2, 3, 4, 5 & 6 |
| The Drama Studio | 4 |
| The Fruitmarket Gallery | 1, 4, 6 & 7 |
| The Junction Young People Health and Wellbeing | 1, 3, 4 & 7 |
| The Moment is Now | 7 |
| The Spark | 3 |

| | |
|---------------------------|-------------|
| Venture Scotland | 1 |
| Walk the Talk Studios Ltd | 7 |
| Westerhailes Youth Agency | 3, 5, 6 & 7 |
| With Kids | 3 & 5 |