

**Wards Affected:**

All Wards

**AWARD OF CONTRACT FOR THE PROVISION OF SERVICES THAT WILL SUPPORT THE DEVELOPMENT OF THE GOVERNMENT'S TROUBLED FAMILIES PROGRAMME (REF: CU2360)**

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**Executive Summary:**

This report is seeking approval to award the contract for the provision of services that will support the development of the government's Troubled Families programme (known locally as Strengthening Families). The contract will provide personalised support for those families that meet the eligibility criteria and help scope the further development of services required in the longer term.

It is also proposed that the services be jointly commissioned with the National Probation Services (Thames Valley) who building on a successful pilot had intended to independently commission provision to support individuals currently probation and, where necessary, their families.

The contract term is for one year, starting on 29/07/2013 and expiring on 28/07/2014. The total annual value of this contract is £172,500 with the National Probation Service (Thames Valley) contributing £40,000 and Milton Keynes Council contributing £132,500 from the Troubled Families Programme grant received from central government.

**1 Recommendation(s)**

1.1 That the contract for services that will support the development of the government's Troubled Families programme (known locally as 'Strengthening Families') be awarded to **P3** and that the requirement to conduct a competitive process in line with the Contract Procurement Rules be waived on the grounds that

- owing to the time limited nature of the programme and the associated grant funding received from central government to support the development of designated services there is a need to demonstrate positive outcomes by the end of March 2015.

- market research has shown there is not an established market of providers locally for this sort of service. The scope and speed of delivery required in this circumstance does not allow time to develop providers to tender, and therefore we have sought to identify a provider who has the capacity and experience to meet our short term needs.
- making a short term investment in piloting provision offered by an external supplier with experience of working locally with individuals and their families that meet the eligibility criteria, will help scope the further developments necessary whilst the market for delivery develops

1.2 That the services be jointly commissioned with The National Probation Service (Thames Valley) thereby achieving economies of scale and building capacity for supporting identified individuals and their families in partnership with an organisation that has shared and complimentary objectives.

## 2 Context

2.1 'Strengthening Families' is Milton Keynes Council's approach to the Coalition Government's Troubled Families programme, announced in December 2011, to help families with a multiplicity of long lasting problems to improve their lives. The programme is led by the Department for Communities and Local Government (DCLG).

2.2 Troubled families are those that often cause problems to the community around them and place high costs on the public purse. The government characterised these families as households that:

- are involved in crime and anti-social behaviour
- have children not in school
- have an adult on out of work benefits

2.3 Through use of their research data, the DCLG identified that Milton Keynes has 425 troubled families who they believe meet the criteria to receive support.

2.4 In addition to the above criteria, the council is entitled to take into account local factors to act as filters alongside the prescribed criteria. In MK, domestic abuse, frequent Police call outs, substance misuse and issues relating to housing have been identified as relevant filters. These have been applied to supplement the criteria in identifying additional families and are taken into consideration where families meet some, but not all of the prescribed criteria

2.5 The three year programme is being run on a payment by results basis. It is judged that intervention with a troubled family will cost the local authority £10,000 of which the DCLG will provide 40% (£4,000) of the funding. The payment by results outcomes are:

- More than 85% attendance in schools and fewer than three exclusions from school
- A 60% reduction in anti-social behaviour across the whole family
- A 33% reduction in youth offending

- Households on the journey back into work

2.6 It has become increasingly evident that in order to achieve the desired outcomes practitioners will need to engage individuals and their families on a more intensive basis than capacity within existing services currently will allow for.

### **3 Background**

#### **3.1 Decision to Proceed to Tender**

3.2 Market research has shown there is not an established market of providers for this sort of service. The scope and speed of delivery required in this circumstance does not allow time to develop providers to tender, and therefore we have sought to identify a provider who has the capacity and experience to meet our short term needs.

3.3 Given the time-limited nature of the programme and the payments by results funding regime it is not considered feasible to run an Open Competitive Tendering process.

3.4 The identified provider has considerable experience of delivering highly specialised niche services that require very particular skills sets and expertise as well as considerable local knowledge.

3.5 Under public contract regulation this is a category B, and consequently it is not compulsory for this service to be advertised; however we have to demonstrate that we have acted in a fair, equitable and transparent way. In order to do this officers investigated the market and spoke to other local authorities and government agencies to determine if there were sufficient providers with the capacity to deliver within these demanding timescales.

3.6 Failure to build on the limited capacity that currently exists within the council will jeopardise outcomes for families as well as impact on the potential to recover investment in services from central government through the payments by results funding model.

3.7 Should the contract not be awarded and the council choose instead to proceed to a full competitive procurement process the timescales involved would inevitably reduce the overall impact of the programme and potentially expose the local authority to challenge from government that it is failing to demonstrate sufficient commitment to it.

3.8 The option to develop services in house is considered to be resource intensive and less likely to engage families on a voluntary basis than services provided by a third party voluntary sector organisation. The latter thought likely to be perceived as independent and less stigmatising than council provided services.

#### **3.9 Market engagement and lessons learnt**

3.10 Although the market has not been fully tested informal enquiries suggest that there are few if any alternative providers who

- are able to offer the necessary quality and level of expertise
- possess the capacity to mobilise services quickly

- have established local networks
- are already working with partner organisations (National Probation Service) to deliver shared and complimentary objectives

3.11 A recent Children and Young People Select Committee report expressed the view that 'it takes a very skilled professional to take on this level of support'. I went on to conclude that 'there are few workers with this level of skill who are available to be deployed. Most are already in fulltime work. This is further compounded by the time-limited nature of the programme, due to end in March 2015'.

3.12 **P3** have built a strong track record at a national and local level for working with individuals and their families that have complex needs. Having delivered housing support services for MKC up to the end of March 2013 and the continuing services the organisation will provide for The National Probation Service (Thames Valley), P3 have been commended for the effectiveness of the services provided to date and are well placed to mobilise services within a relatively short timescale

3.13 P3 offers successful and lasting routes out of social exclusion and homelessness by operating a variety of services to help to overcome the challenges that the public sector can no longer tackle alone in creating positive outcomes to people at real risk of social exclusion. The organisation is currently working with a number of local authorities to achieve these aims.

#### **4 Contract Management**

4.1 The senior client officer for this contract is the commissioning officer for Children and Families Early Help. The contract will adhere to the council's standard terms and conditions as maintained by the council's Legal Services team.

4.2 The key governance processes include

- Performance review frequency: Quarterly
- Performance measurement: Progress against the performance measures will be established through monitoring of data returns produced on a quarterly, six-monthly and annual basis, dependent on the data return requirement
- Retention / Financial payment profile: Payments are monthly in arrears
- Break Clauses: Standard MKC terms and conditions apply
- Escalation process: Issues are escalated initially to the designated MKC Officer and if necessary to the MKC Head of Productivity Early Help
- Savings: The collaboration with The National Probation Service (Thames Valley) will deliver economies of scale resulting in better value for money than would have been achieved otherwise

- Social Value Act: The contract will make a significant contribution to local regeneration, skills & employment

## 5 Implications

### 5.1 Policy

5.2 The award of this contract will progress the following priorities/outcomes within the Corporate Plan 2012-16:

#### 5.2.1 Living in MK

All those living in Milton Keynes should enjoy happy and fulfilled lives, and be safe from harm and neglect and achieve their full potential. We aim to have strong communities with a sense of pride. People in urban and rural areas should be satisfied with Milton Keynes as a place to live and be effectively supported through high quality and efficient services, including those they develop and manage themselves.

#### 5.2.2 Working in MK

We also aim to improve the skills and opportunities of all people in Milton Keynes and help them into work in addition to attracting and retaining businesses to provide those

#### 5.2.3 Cleaner, Greener, Safer and Healthier MK

We aim to improve health and well-being, reduce health inequalities and work with partners to reduce crime and disorder to improve the quality of life in Milton Keynes.

5.3 The procurement of this contract requires elected members to waive s20 of the current contract procurement rules for the reasons set out in this report

### 5.4 Resources and Risk

5.5 The costs of the contract will be met by a grant from central government specifically for the Troubled Families Programme

5.6 Working alongside existing services the commissioned service will increase capacity to provide the necessary support to the families identified and improve outcomes. Based on government calculations this will in turn result in savings to the local authority

5.7 There is a possibility that there may be some organisations that might challenge the decision not to run a competitive tendering process. However, there is no evidence to suggest that there are very many organisations that have the skills, expertise or capacity to mobilise their services quickly and as a result the assessed the risk is low.

5.8 The key opportunity secured by this contract will be a reduction in overall cost to the council by assisting those individuals and their families who meet the criteria to make a more positive contribution to the community and become less

dependent on central and local government services. It is assessed that the delivery of this contract provides a MEDIUM Likelihood that a HIGH Impact will secure the opportunity defined.

5.9 The key THREATS for this contract have been assessed as:

Risk	Likelihood	Mitigation
Few if any suppliers have experience of delivering the outcomes required by the Troubled Families Programme and performance outcomes may prove difficult to achieve	H	M
Failure to award contract would leave the council with insufficient resources to deliver the programme	H	M
Decision not to proceed with open competitive tendering process could be open to challenge	M	L

5.10 The governance measures set out in 4 above provide a basis to conclude that these threats, properly managed represent a MEDIUM Likelihood or a MEDIUM Impact.

5.11 Resources & Risk Implications

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

5.12 Carbon and Energy Management

The award of this contract contributes to the reduction in our carbon emissions, reduced usage/costs; improved management/use of energy by locating provider staff in existing council and probation service premises and utilising the existing facilities

5.13 Legal

The Contract and its procurement are compliant with Council Constitution, UK and European Laws.

The contract will be awarded using the Council's standard terms and conditions of contract and will be drafted with support from the Legal services team.

5.14 Other Implications if you say Y then make sure this is addressed in the main body of the report.

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	Y	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers: Troubled Families Programme (DCLG March 2012)