

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

23RD JUNE 2014

SUBJECT:	CONTRACT EXTENSION FOR THE SUPPLY OF THE WORKING WIRRAL PROGRAMME
WARDS AFFECTED:	ALL
REPORT OF:	STRATEGIC DIRECTOR REGENERATION & ENVIRONMENT
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PAT HACKETT

1.0 EXECUTIVE SUMMARY

- 1.1 This report notifies members of Audit & Risk Management Committee of the delegated decision of the Strategic Director, Regeneration and Environment, to extend the contract for The Supply of the Working Wirral programme for a period of 10 months from 1st April 2014 to 30th January 2015 at a cost of £700,000.
- 1.2 The Working Wirral programme (operating name of ReachOut Partnership) is delivered by a consortium of voluntary sector partners led by Involve Northwest and supports Wirral Council to address worklessness issues in Wirral.

2.0 BACKGROUND

- 2.1 On 2nd August 2012 the Leader of the Council approved the appointment of a consortium led by Involve Northwest to supply the Working Wirral Programme. The contract to the value of £960,000 was awarded for a 12 month period from 1st September 2012 to 31st August 2013, however the Invitation to Tender allowed the Council the option to review and extend the contract for further period(s) up to 31st August 2015.
- 2.2 On 24th June 2013 the Leader of the Council approved a recommendation to allocate £504,000 of Working Neighbourhood Fund reserves to extend the contract for The Supply of the Working Wirral programme for the period 1st September 2013 to 31st March 2014.
- 2.3 On 25th February 2014 Budget Council agreed to award £700,000 of Council funds to extend the contract of the ReachOut Partnership.

3.0 OVERVIEW OF WORKING WIRRAL PROGRAMME

- 3.1 The Working Wirral service provides Wirral wide access to a programme of delivery with 3 main elements:
- **Universal Offer to add Value to DWP Services:** Delivery of Work Clubs in a range of community locations throughout the borough.
 - **Bespoke Offer to add value to DWP Services:** Engages and supports Wirral's workless residents not participating in the DWP Work Programme to provide an intensive personalised package of support. Activity commences with engagement of priority groups, followed by bespoke support to move closer to the labour

market and make the transition into sustainable employment. It also includes support to retain employment by providing mentoring and aftercare support for up to 26 weeks following a job start. This element also includes access to a participant discretionary fund to support participants to overcome barriers to their jobsearch and/or barriers to commencing employment.

- **Working with Council Programmes/Other Initiatives:** Links clients to programmes by referral mechanisms and supports the council with employment advice at events such as jobs fairs, redundancy support etc.

4.0 WORKING WIRRAL PERFORMANCE (1st September 2012 to 31st March 2014)

- 4.1 Table 1 below provides a review of performance for Working Wirral programme for the period 1st September to 31st March 2014 and demonstrates that the supplier has exceeded contracted outcomes.

Table 1: Working Wirral Performance Data September 2012 to March 2014

	Contracted	Achieved	% Achieved
Number of Participants engaged on Programme	1977	3114	158%
Number of Job Outcomes	1042	1440	138%
Number of Job Outcomes sustained at 26 weeks	676	727	108%

Source: Wirral Council Hanlon System May 2014

5.1 NEW CONTRACT OVERVIEW (1st April 2014 to 31st January 2015)

- 5.1 On 10th December 2013 Cabinet proposed to invest a further £700,000 to extend the contract of the ReachOut Partnership.
- 5.2 As the Council's budget was not finalised until 25th February 2014, Officers sought agreement from Legal Services and Corporate Procurement to commence preliminary dialogue without prejudice with the supplier regarding the detail of the contract extension.
- 5.3 On 19th February 2014 Involve Northwest supplied the Council with a proposal to deliver a programme as follows:
- **Duration of Contract:** 1st April 2014 to 30th January 2015 (10 months)
 - **Contract Value:** £700,000
 - **Headline Targets:**
 - 1020 participants engaged on programme
 - 600 job outcomes
 - 390 job outcomes retained in employment at 26 weeks
 - Delivery of 23 Work Clubs per week delivered in a range of community locations
 - Bespoke offer to support those furthest from the labour market
 - Lean approach to management (8.5%)
 - Expenditure weighted on frontline delivery for direct staffing costs (71%)

5.4 On 25th February 2014 Budget Council approved Cabinet's proposal to invest up to £700,000 and Contract Procedure Rules have been followed to approve the proposed delivery and contract extension as detailed in sections 10 and 11 of this report.

6.0 RELEVANT RISKS

6.1 The supplier has exceeded contracted outcomes for the period 1st September to 31st March 2014. Any future risk to the Council will be managed as follows:

- The Council will continue to manage the contract through existing staff in Regeneration and Planning who have the expertise and proven track record in managing such programmes. This includes a Contract Management Plan with robust scrutiny of performance outcomes and financial monitoring.
- A clause in the contract to pay the supplier monthly instalments in arrears, subject to retention of 5% to be withheld from each instalment. This retention will only be released if the Council is satisfied that targets have been met or all reasonable endeavours have been used to achieve them.

7.0 OTHER OPTIONS CONSIDERED

7.1 At the time of tendering for the original contract (September 2012) the Council was only able to confirm funding for 12 months but included the option for the Council to review and extend the contract. This decision to allow the option of extended contracts for a further 2 years up to August 2015 was taken owing to the nature of programmes to support disadvantaged residents and communities to find sustainable employment. These are not maximised via shorter term contracts as they require longevity to embed in the community and provide the longer term support for those who are furthest from the labour market and additionally retain them in employment for 26 weeks.

7.2 This extension to contract has mitigated the financial cost to the Council of conducting an open and competitive retendering process.

8.0 CONSULTATION

8.1 The Working Wirral Programme supports Wirral's Corporate Plan and Investment Strategy priorities developed through extensive consultation.

9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

9.1 The Working Wirral contract is delivered by a consortium of voluntary sector partners led by Involve Northwest.

10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

10.1 On 25th February 2014 Budget Council agreed to award £700,000 of Council funds to extend the contract of the ReachOut Partnership.

10.2 This is now the 2nd contract extension that has been negotiated for this contract. When comparing this 2nd contract extension to the original Invitation to Tender, the Supplier provides a:

- £10,000 (12.5%) reduction in the monthly contract price
- £500 (30%) reduction in the unit cost per job outcome
- 25% increase in the number of job outcomes

The additional job outcomes that this contract extension provides are welcomed to support the Council in the delivery of the Investment Strategy and Corporate Plan.

11.0 LEGAL IMPLICATIONS

- 11.1 As the original tender for the Working Wirral programme allowed for extension(s) of contract to August 2015, there is provision within the contract to extend and this has not already been utilised to its full extent. Additionally, the extension to contract does not amount to a significant or material alteration to the contract advertised and the pricing model provides value for money. As such the Strategic Director, Regeneration and Environment has approved the extension to contract and followed Contract Procedure Rules to record this decision.
- 11.2 The decision has been forwarded to the Head of Procurement who will keep a record of the approval. Legal services have prepared the documentation to record the terms of the extension.
- 11.3 The decision has been notified to:
- The Leader of the Council;
 - Cabinet Member for the Economy, and
 - Members of Audit and Risk Management Committee (via this report).
- 11.4 There are no Transfer of Undertaking Regulations implications as Involve Northwest is the supplier of the existing Working Wirral contract that ceased on 31st March 2014.

12.0 EQUALITIES IMPLICATIONS

- 12.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
(a) Yes and impact review is attached

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010/regeneration-housing-planning>

13.0 CARBON REDUCTION IMPLICATIONS

- 13.1 There are no direct carbon reduction implications arising from this report.

14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 14.1 There are no direct planning or community safety implications arising from this report.

15.0 RECOMMENDATIONS

- 15.1 Members of Audit & Risk Management Committee are requested to note the content of the report.

16.0 REASON/S FOR RECOMMENDATION/S

- 16.1 As required by Contract Procedure Rule E123 the Strategic Director, Regeneration and Environment is required to notify members of Audit & Risk Management Committee of the delegated decision to extend the contract for The Supply of the Working Wirral programme.

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REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Delegated Report to the Leader of the Council: Tackling Worklessness the Supply of the Working Wirral Programme (Approved 24 th June 2013)	19 th June 2013
Delegated Report to the Leader of the Council: Tackling Worklessness (Approved 2 nd August 2012)	24 th July 2012
Report to Cabinet: Tackling Worklessness	19 th July 2012
Report to Cabinet: Tackling Worklessness/Supporting Apprentices In Wirral	12 th April 2012