

Birmingham City Council

Report to Cabinet

Date: 22 March 2022



Subject: HOLIDAY ACTIVITY AND FOOD PROGRAMME PLANS
2022 – 2025

Report of: Sue Harrison
Director for Children and Families

Relevant Cabinet Member: Cllr Tristan Chatfield, Finance and Resources
Cllr Sharon Thompson, Vulnerable Children and Families
Cllr Jayne Francis, Education Skills and Culture

Relevant O &S Chair(s): Cllr Mohammed Aikhlaq, Resources
Cllr Narinder Kooner, Education & Children's Social Care

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference: 009868/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		
3. Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report provides an overview of the contractual arrangements and achievements of the Holiday Activity and Food (HAF) Programme in 2021. It also sets out the details of the planned procurement activity for the period of May 2022 to 31 March 2025.
- 1.2 The report details the procurement route, options and recommendations.

2 Recommendations

That Cabinet:

- 2.1 Notes the achievements of the Holiday Activity and Food (HAF) Programme in 2021).
- 2.2 Notes and accepts the grant funding of £8,029,880 from the department of education (DfE), as well as the future funding outlined in the letter until 2025, see **Appendix 5** for DfE grant determination letter.
- 2.3 Approves giving delegated authority to the Director of Children & Families in conjunction with the Cabinet Members of Finance and Resources, Vulnerable Children and Families and Education Skills and Culture to accept future grants regarding HAF from the DfE until 2025 as outlined in the DfE grant determination letter, **see Appendix 5**.
- 2.4 Approve the procurement strategy and give delegated authority to the Director of Children & Families in conjunction with the Interim Assistant Director – Procurement (or their delegate), the Director of Council Management (or their delegate) and the Acting City Solicitor (or their delegate) to award contracts and any subsequent contract extensions permitted within the contract arrangements.

3 Background

- 3.1 The Department of Education (DfE) confirmed in a grant determination letter dated 20 December 2021, that Birmingham City Council would receive a grant of £8,029,880 to continue the delivery of the Holiday Activity and Food (HAF) programme in financial year 2022-23. This funding is available to deliver holiday provision during the Easter, Summer and Christmas school holidays and will be used to coordinate and facilitate healthy food and enriching activities for children aged 5-16 years who are eligible for Free School Meals (FSM) and those with other vulnerabilities. In January 2021, there were approximately 62,000 children in receipt of benefit-related FSM; this increased to 76,000 by September 2021. Despite the increase in the number of children on FSM, Birmingham's grant allocation has reduced from £8.7 million in 2021/22 to £8.0 million in 2022/23.

3.2 Programme Management:

Street Games was appointed as the Programme Manager during the first year of the programme (2021). This contract commenced on 1 June 2021 and expired on 31 January 2022 with a contract value of £487,109. Cabinet Members approved a variation to this contract (valued £400,000) in August 2021 to widen the scope of the service, to include the following programme requirements: monitoring and evaluation, training/education and food logistics.

- 3.3 The initial scope was for Summer and Christmas 2021 with an option to extend until May 2022, subject to budget availability and satisfactory performance. The DfE has confirmed BCC's grant allocation for 2022 to 2023 and that the Council will receive a grant for the next 3 years from 2022 (to be confirmed by the DfE each year). This means that funding is available to extend the programme management contract with Street Games until May 2022 to deliver the programme for Easter 2022. Therefore, the Director of Children & Families in conjunction with the Assistant Director, Development and Commercial (or their delegate), the Interim Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate) approved the option to extend this contract for 4 months commencing 1st February 2022 for a period of 4 months, with no option to extend further (contract value £177,239).
- 3.4 **Activity and Food Provision:** The DfE grant conditions stipulate that 90% of the grant should be used to fund the delivery of activities and food for the eligible cohort during Easter, Summer and Christmas school holidays. Please note, that due to Covid-19 restriction during Easter 2021, no face-to-face delivery was provided.
- 3.5 In 2021 local activity providers were invited to bid for a grant to deliver a variety of enriching activities (including food) during the summer and Christmas school holidays.
- For the summer, funding was available via HAF Community Grants Programme for the voluntary and community sector (managed by BVSC) and via the council for schools and out of school service and commercial holiday activity providers.
- 3.6 Grants and/or contracts, worth £5.5 million, were awarded to over 220 providers to deliver 258 holiday clubs, providing enriching activities to approximately 32,000 children and young people during the summer school holidays of 2021.
- 3.7 Following the announcement of additional funding through the Department of Education HAF contingency fund, (worth c.£600,000), an online grants application process was introduced for the Christmas programme to manage a single grants pot for all providers. Grants worth £1.3 million were awarded to 110 providers to deliver holiday clubs during Christmas.
- 3.8 The Christmas grants programme was managed by Street Games who was awarded a contract to pilot an electronic grants programme, following a Request for Quotations via Find it in Birmingham, issued in September 2021. It became apparent that Street Games, as programme manager, was best placed to manage the grants process, providing an efficient and effective way of mapping, and monitoring the sufficiency levels of the programme whilst allocating funding. Due to this experience, commissioners have decided to incorporate the grant management requirements into the new programme management specification, set out below.
- 3.9 Whilst commissioners prepare to go out to tender in April 2022, the City Solicitor (or the Assistant Director, Legal) and the Chief Finance Officer (or the Assistant Director, Development & Commercial, have granted approval via a single contract negotiation, to award a new contract to Street Games for the provision of Electronic Grant Management Service for the Easter HAF programme only, for the sum of £19,464 for a period of four months commencing on 26 January 2022 expiring 31st May 2022.

3.10 **Central Food Supply**

The provision of healthy food is an essential part of the programme. HAF funded clubs are required to provide at least one meal a day (breakfast, lunch or dinner) that must meet School Food Standards and food safety requirements. Initial findings from the independent evaluation carried out by Northumbria University reported that most of the food served on the programme did not meet the School Food Standards.

3.11 During summer 2021, activity providers had the option to either provide food themselves or access a central supply, resulting in 70% of 365,504 meals being supplied directly by activity providers across the programme and the remaining 30% from the central supply.

3.12 A mini competition via the YPO Framework Category 9 concluded with Fresh Food for Now supplying a packed lunch. The majority of food provided via the central supply was delivered by Fresh Food for Now via the YPO framework Category 9. The contract, with a value of £310,000, commenced on 1 August and expired on 20 January 2022, with the option to extend for 12 months. As Activity Clubs reported that they have a positive experience with this supplier, commissioners would like to continue to utilise this supplier in 2022- 2023

3.13 Unfortunately, there was no supplier for breakfast through the Framework. However, as breakfast was an essential requirement, a direct award (via a single contract negotiation) was approved for Digbeth Dining for the contract value of £92,000 for the provision of this meal during the summer. This will be covered for the future in lot 2 as outlined in 3.19

3.14 Fresh Food for Now continued to supply food for Christmas. Due to the limited time available to source a supplier to provide healthy and nutritious breakfasts for the Christmas programme, activity clubs were given supermarket vouchers and menu suggestions to enable them to meet this requirement.

3.15 There remains a requirement for meals provided by the programme to meet the School Food Standards. Although there is an ambition to ensure that children who attend the programme do not go hungry, there is further work to do to ensure that the standard set by the DfE is achieved. Over the next 3 years there will be a focus on improving the quality and standard of food provided on the programme. This will be achieved by appointing an organisation to be responsible for the overall management of HAF food provision and standards.

3.16 **Scope and Specification**

3.17 It became apparent during 2021, that the success of the HAF programme was dependent on efficient programme management, the sufficient provision of activities and food, and effective targeted marketing and publicity. As described above the Programme Management Provider was responsible for ensuring sufficient provision across the city during Summer 2021 but needed to rely on other partners (to distribute and agree funding to activity providers) to meet agreed targets. During Christmas 2021, the Programme

Management partner was awarded the grants management contract to pilot an on-line process and to manage a single grants pot. This led to one provider with responsibility for ensuring sufficiency and provision, resulting in a streamlined and simplified process for the distribution of funding. Commissioners would like to retain this approach in the new service specification.

- 3.18 The management and provision of food is an essential part of the programme. There were over 365,000 meals supplied during Summer 2021. Seventy percent of this provision was served by activity providers and the remaining 30% was supplied by the central food suppliers. Commissioners would like to retain a mixture of commercial and community food suppliers to spread the risk and to ensure that the food available through the programme meets the diverse needs of the city. Therefore, activity providers will continue to have the option to request funding to supply their own food whilst the programme ensures that a central food supply is available. The quality of food available on the programme is of paramount importance and therefore commissioners are currently engaging with the market to understand if there is maturity in the market to meet our requirements. A separate service specification is being developed for food to ensure the programme delivers the DfE requirements. See below for details.
- 3.19 The Council requires a new delivery partner(s) to develop, mobilise and coordinate the HAF programme across the city for the next 3 year (from Summer 2022 until Easter 2025) subject to performance and availability of funding. It is proposed that the programme is delivered through the following two lots. Providers who wish to bid to manage the entire programme will need to demonstrate value for money/savings through economies of scale.

Lot 1: Overall HAF programme management:

- End to end project management of the HAF programme across the city
- Distributing funding via, an electronic grants management service, to Activity Providers to ensure sufficient levels of provision and effective use of limited resources.
- Demand management and supply mapping
- Providing assurance of the safety and quality standards of Activity Provision
- Marketing, communication, and community engagement
- Appropriately targeting the programme at the eligible cohort via effective marketing, booking and registration system.
- Meeting the DfE's reporting requirements
- Maximising the grant by identifying and utilising community assets and existing resources, including volunteers
- Working in partnership with key stakeholders in the city
- Please note that the programme management company cannot also deliver activities directly and will need to subcontract or provide a grant to activity providers to meet the HAF requirements. These contractual relationships can be developed during the life of the contract. The programme management company will be required to update the commissioner of any sub-contractual relationship changes through the duration of the contract.

Lot 2: Overall management of HAF food provision and standards:

- The logistical management of the central supply of food to ensure sufficient provision of food across the programme
- Providing assurances of the safety and quality standards of all food provision
- Procure and manage central food providers in line with the DfE programme and food safety requirements
- Ensure that food providers are:
 - Able to operate during non-term time across Birmingham during the Easter, Summer and Christmas school holidays
 - Provide meals at a cost of up to £5 ahead per day (inclusive of all costs)
 - Able to cook and deliver food across Birmingham to leisure centres, youth clubs, schools etc
 - Able to identify and source facilities to store and prepare food in the city
 - Provide nutritional advice, food activities and education to families and activity providers
 - Able to provide healthy food parcels including recipe cards and/or demos
- Please note that the management company cannot supply food and will need to subcontract catering companies to meet the meal requirements of HAF. These contractual relationships can be developed during the life of the contract. The programme management company will be required to update the commissioner of any sub-contractual relationship changes through the duration of the contract.

4 Market Analysis

- 4.1 Based on the tendering exercise undertaken in 2021 to procure a programme manager for HAF, we know there is insufficient capability in the market to meet current service requirements. However, as the programme management service specification and the new requirements for food are currently being developed, a Prior Information Notice (PIN) notice was issued on 18 February 2022 to warm up the market for this forthcoming procurement. Responses to this PIN notice, expected by 25 March 2022, will be used to inform the service specification.
- 4.2 Initial discussions with the market, in December 2021, in relation to the food requirements, indicate that the market is not ready to meet our requirements. A 'request for information' through three frameworks for Outsourced Catering Services: ESPO, CPC and YPO, indicated that most of the suppliers could meet our requirements; only one supplier expressed an interest in the service. Initial conversations with City serve, BCC's main provider for schools and corporate catering, confirmed that they would not be able to meet the HAF food requirements. However, this option will be explored further. All catering suppliers indicated that they operate on a term-time only basis and therefore would not have access to staff, resources and facilities outside of this period.
- 4.3 Commissioners met with The Activity Wellbeing Society (TAWs), a HAF activity and food provider during 2021, to understand how this local community organisation could support the HAF programme. Conversations revealed that they have the local networks and intelligence to develop the central food supply with Council support to access local assets and facilities. They also indicated they would be able to meet the food management requirements, which includes quality assurance, management of food and nutritional education.

5 Strategic Procurement Approach

The following options were considered:

- 5.1 Not to tender for the requirement – This will mean we will not have a contract in place to deliver the service which create reputational damage to the Council.
- 5.2 Deliver the service in house – This option has been extensively looked at but unfortunately, it is not a viable option as the scope of this requirement does not fall in the requirement of what the in-house provider for school meals can deliver.
- 5.3 To use a framework agreement – This option is not considered viable as there was no framework that could deliver the requirement in its entirety. Using a framework would mean we have multiple providers to deliver different element of the requirement.
- 5.4 Preferred Option – Going out to full find a tender opportunity - This is the most viable option as it allows the Council to seek interest from the wider market and subsequently award to a provider who can deliver the entire requirement. Also, this option is in line with the Public Contract Regulations, given the value of the contract.

6 Procurement Approach

6.1 Duration and Advertising Route

The contract will be for 1 year with the option to extend four times for an additional 12 months each extension (1+1+1+1), each extension will be subject to available funding and satisfactory performance. This opportunity will be advertised in the official Find a Tender, Contracts Finder and Find it in Birmingham.

6.2 Sourcing strategy

The sourcing strategy is to go out to competition using an open procedure, for 2 lots with the aim of awarding the contract to either one or two provider who submits the Most Economically Advantageous tender (s) and meets the requirements of the service. Where one provider submits a MEAT tender, we will seek that tenderer to confirm additional value by having both contracts.

Given the tight timescale and the requirement to have this contract in place before the school holiday and mobilisation time, a PIN notice to reduce tendering timeline was published during week commencing 21 February. See indicative timeline below.

6.3 Procurement Route

The contract will be tendered using the 'Open' Procedure with a reduced tendering time via an initial PIN notice publication. The procurement route to market is on the basis that there are only a small number of providers in the market who could deliver the required services scope.

6.4 Tender Structure (including Evaluation and Selection Criteria)

6.5 Evaluation and Qualification Criteria – The evaluation of tenders will be assessed as detailed below:

Stage 1 – Qualification/Compliance section

Stage 1 – Company Information

Criteria	Evaluation
STAGE ONE - Selection Stage	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion	Pass / Fail
Supplier Portal	Pass /Fail
Modern Slavery Act 2015	Pass / Fail
Technical and Professional Ability	Pass / Fail
Declaration	Pass / Fail

Tenderers will be required to pass Stage 1 in order to progress to Stage 2.

6.6 Stage 2 – Invitation to tender including Social value

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 50%, social value 20% and price 30%. This quality / social value / price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification. Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model below

Quality (50% Weighting):

Sub-Criteria	Overall Weighting	Sub-weighting
Programme management	100%	20%
Programme design and development		35%
Management of delivery and coordination		10%
Stakeholder management/engagement		10%
Quality Assurance and Standards		10%
Resources management: targeting and maximising limited resources		15%

- 6.7 Tenderers who score less than 60% of the quality threshold i.e. a score of 60 out of a maximum quality score of 100 (60 marks out of 100) will not proceed to the next stage of the evaluation.

Social Value (20%):

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Qualitative	50%	Partners in Communities	40%
		Good Employer	30%
		Local Employment	30%
			TOTAL 100%
Quantitative	50%	BBC4SR Action plan	Total of financial proxies (£) score
			TOTAL 100%
Overall Social Value	20%		

6.7 **Stage 3 – Price Evaluation**

Price (30%):

Tenderers will be required to submit a total price for the delivery of the service. Also, a pricing schedule will be required to be completed for information only based upon the delivery of the service requirements and volumes.

6.8 **Overall Evaluation**

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The maximum social value score will be awarded to the bid that demonstrates the highest social value. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

6.9 **Indicative Procurement Timeline**

Activity	Dates
PIN Notice	21 February – 25 March
Tender Publication	30 March
Clarification deadline	8 April
Clarification response deadline	13 April

Tender return	20 April
Evaluation	21 April - 27 April
Internal award approval	28 April- 29 April
Standstill	3 May - 13 May
Mobilisation	16 May – 31 July 2022

7 Consultation / Engagement

- 7.1 The HAF Steering Group members, consisting of senior members of the Council and its partners, have been consulted on the future planning of the programme.
- 7.2 All organisations who applied for a HAF grant in 2021 were asked to complete the 'Be Heard' survey by 4 January 2022. Twenty organisations responded to the survey by the deadline. Overall, the feedback was positive, with applicants favouring the winter grant process, which was an electronic online system, over the summer one. It was noted that the winter grants process was more efficient and responsive and enabled the programme manager to develop a better understanding of the level of sufficiency achieved.
- 7.3 Independent HAF Evaluation undertaken by Northumbria University provided useful insight into the experience of all key stakeholders.
- 7.4 Activity providers from 2021 attended an away day where their views were captured in workshops to help shape the future of the programme.
- 7.5 See market analysis (section 4) for examples of further consultation.

8 Risk Management

- 8.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

9 Compliance Issues:

How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 9.1 Outcome 2, Priority 1: We will improve protection of vulnerable children and young people (including those with Special Educational Needs and Disability).
- 9.2 The procurement of this management service will ensure that the Council meets the DfE requirements for the delivery of the HAF programme.

10 Legal Implications

The Council has power to procure these services under the general power of competence contained in Section 1 Localism Act 2011. Under S.111 Local Government Act 1972 the Council has the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of their functions

11 **Financial Implications**

11.1 The indicative contract value for each lot is as follows:

- Lot 1: £833,830
- Lot 2: £820,971
- Total: £1,654,801

11.2 These values are based on the total costs of programme, grants and food management in 2021, as reported to the DfE in the January 2022 HAF return.

11.3 Up to 10% (£802,900) of the total 2022-23 HAF allocation may be spent on management and administration. Of the £1,654,801 total indicative contract value, £481,000 relates to management and administration and will be charged against the 10%. The remaining contract value of £527,099 relates to delivery.

	Total cost	Chargeable to HAF grant category	
		<i>Management and admin</i>	<i>Delivery</i>
	£	£	£
Lot 1: Programme Management Cost (2021-22)			
Full year programme management cost	481,000	481,000	-
Other associated costs	130,830	-	130,830
Grant management cost	222,000	-	222,000
	833,830	481,000	352,830
Lot 2: Food related costs (2021-22)			
Food logistic	156,269	-	156,269
Food parcels etc	258,000	-	258,000
Food provision	388,702	-	388,702
Nutritional advice	18,000	-	18,000
	820,971	-	820,971
	1,654,801	481,000	1,173,801

11.4 The £322,900 balance of the 10% will be used to fund other management and administrative costs of the programme including the Local Authority's direct costs.

11.5 **Procurement Implications (if required)**

The procurement implications, rationale and approach are set out in paragraphs 4, 5 and 6 above.

11.6 **Human Resources Implications (if required)**

None.

11.7 **Public Sector Equality Duty**

Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

12 Background Documents

12.1 **Appendix 1** - Risk Register Holiday and Food (HAF) Programme 2022

12.2 **Appendix 2** - Environmental Impact Assessment

12.3 **Appendix 3** - Equality Impact Assessment (EIA)

12.4 **Appendix 4** - Data Protection Impact Assessment (DPIA) Full DPIA Template

12.5 **Appendix 5** - Grant determination letter