

Birmingham City Council

Report to: Cabinet Member Finance & Resources

Date: December 2021



Subject: BIRMINGHAM AND SOLIHULL YOUTH PROMISE PLUS
- PROCUREMENT OF SPECIALIST SERVICES

Report of: Sue Harrison
Director of Children Services

Relevant Cabinet Member: Cllr Tristan Chatfield – Finance & Resources

Relevant O &S Chair(s): Cllr Mohammed Aikhlaq - Resources

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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:		
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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 To obtain approval to the strategy and seek authority to proceed with the procurement of two specialist services within the Birmingham and Solihull Youth Promise Plus (YPP) project via the Open Procurement route as two lots within the same tender:

- Lot 1: Specialist employment, education and training provision for young people with significant barriers.
 - Lot 2: Specialist wrap around service for young people with mental health support needs.
- 1.2 Each of the two contracts will be for a period of 19 months commencing 1 June 2022. There is no known option to extend these contracts beyond December 2023 as the EU funding for YPP will conclude in December 2023. The value of the contracts, based on an estimate of the resourcing required for the total period of 19 months, are:
- Specialist employment, education and training provision for young people with significant barriers: Total contract value £709,706 (approx. £449,000 per annum)
 - Specialist wrap around service for young people with mental health support needs: Total contract value £201,499 (approx. £127,000 per annum).
- 1.3 The Birmingham & Solihull Youth Promise Plus project is part funded by the European Social Fund and the Youth Employment Initiative.

2 Recommendations

- 2.1 That the Cabinet Member for Finance and Resources:
- 2.1.1 Approves the contents of this report in order to implement the strategy and the commencement of procurement activity for the services set out below in accordance with the requirement and approach set out in Section 3.
- i. Specialist employment, education and training provision for young people with significant barriers
 - ii. Specialist wrap around service for young people with mental health support needs
- 2.1.2 Delegates authority to the Assistant Director, Development and Commercial in conjunction with the Interim Director of Council Management (or their delegate), and the Acting City Solicitor (or their delegate) to note the outcome of the procurement process and approve the award of the contracts.
- 2.1.3 Authorises the Acting City Solicitor (or their delegate) to enter into all agreements to implement the above recommendations.

3 Background

3.1 Background and Service Requirements

- 3.1.1 The initial phase of Birmingham and Solihull Youth Promise Plus project ran from April 2016 until July 2018. Following Cabinet approval of the Full Business Case for the YPP project on 16 February 2016, the procurement strategy for the

project was approved on 11th May 2016 through delegated authority by the then Cabinet Members for Commissioning, Contracting and Improvement and for Learning, Skills and Culture, jointly with the Strategic Director for Economy.

3.1.2 On 24 October 2017, Cabinet approved a YPP project re-profile/downsizing. This was due partially to a revised procurement timeframe, but primarily in response to reductions in local match funded activity arising from initial late DWP approvals and subsequent changes and clarifications imposed by DWP around eligibility and evidence requirements during the lifetime of the project.

3.1.3 On 13 March 2018, officers presented to the Council's Commissioning and Contract Management Board a review of the YPP procurement process and lessons learned. This highlighted the need for, and measures taken to respond to, the following issues:

- Re-assessment of the balance of quality assessment and minimum quality thresholds within the project
- Maximisation of initial clarity and simplicity in respect of price quotation requirements
- Achievement of a more workable balance around payment by results terms within contracts.
- Taking active measures and providing feedback to ensure deeper market awareness and a thorough understanding of the project's innovative delivery model.

3.1.4 On 22 January 2019 Cabinet approved an extension to 31 December 2021 of the YPP project and a revised procurement strategy for YPP delivery. This included a strategic procurement approach to create a more workable balance between externally contracted provision and delivery partner/in-house activity. External procurement of new services was limited to a smaller volume of specialist contracted provision that could not be delivered through core project delivery.

3.1.5 On 9 February 2021 Cabinet gave approval to bid for a further extension to the YPP project to 31 December 2023 to enable continued large-scale response to the pandemic's impact on young people's prospects. This extension has been approved by DWP and accepted by the Council.

3.1.6 To implement the extended YPP project delivery the services described below need to be re-procured;

Service	Overview of Requirements
Lot 1: Specialist employment, education and training provision for young people with significant barriers	Recruit, arrange and deploy staff on a case-loaded basis to provide personalised support and create effective progression pathways for young participants with complex needs and barriers. The delivery will have a focus around care leavers, those at risk of offending and others from vulnerable groups

Lot 2: Specialist wrap around support for participants with mental health support needs	Deploy specialist support staff to wrap around employment, education and training (EET) support provided by YPP delivery partners and contractors to enhance support around mental health and to improve positive outcomes for those with mental health needs.
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3.1.7 Contracts currently exist for each of these areas of work as follows:

Service	Current Contractor	Contract Expiry Date
Specialist employment, education and training provision for young people with significant barriers	Change Grow Live	30 June 2022
Specialist wrap around support for participants with mental health support needs	Better Pathways	30 June 2022

3.2 Outcomes Expected

3.2.1 The following outcomes are anticipated as a result of the proposed procurement process to be carried out:

- Increased opportunities for young people to enter employment, education and training (EET) specifically for those facing the greatest barriers to achieving these outcomes
- Access to mental health support to help sustain young people on the YPP journey to achieving EET and increase their general wellbeing and aspirations.

3.3 Market Analysis

3.3.1 The YPP project began in 2016 and there has been considerable interaction with the market engaged with young people's employment, education and training in this time.

Intelligence suggests that there is competition in the broader employability sector which is wide and diverse. The two services within this strategy report however require the delivery of specialist provision and a greater degree of focus and expertise on the needs of young people in these two cohorts. In previous procurement exercises relating to these specialist areas of delivery, interest has been drawn from local specialist providers, often SMEs and the Third Sector.

The YPP team have a good understanding of the market as evidenced in Section 5 and have maintained links with partner organisations throughout the delivery of the current contracts, which will terminate in June 2022.

3.4 Strategic Procurement Approach

3.4.1 It is proposed to continue the more workable balance between new, externally contracted provision and delivery partner/in-house activity, which has been applied successfully in Phase 2 of the YPP project. Core project delivery will be managed within the existing YPP partnership agreements with explicitly named delivery partners. External procurement of new services will therefore continue to be limited to a smaller volume of contracted provision clearly focused on addressing specialist participant needs that cannot be fully met through the core project delivery already in place.

3.4.2 The following options were considered:

- 3.4.2.1. **Not to tender the requirement** This option is not recommended. It is proposed that the YPP Partnership will deliver all project activity for which there is in-house capacity and expertise and only those elements for which specialist providers are required would be tendered. Should the requirement not be tendered this would leave a significant service gap for the most vulnerable cohorts served by the YPP project.
- 3.4.2.2. **Select one provider to perform a service management role** across both specialisms (possibly with sub-contractual or consortium relationships in place to address specific service areas). Given the breadth of specialist needs amongst project participants this option would not meet the requirements. Although there would be some economies of scale and coordination benefits, the size of the resultant contract may favour larger national or multi-national service providers and may preclude tenders from local SME/VCSEs who often add value in the culture and responsiveness of their delivery.
- 3.4.2.3. **Undertake separate tender processes for each of the two services.** This is a potentially workable option, where the two contracts are entirely stand alone and tendered separately.
- 3.4.2.4. **Undertake one tender process with the two services are lots within the same tender.** This is the favoured option as the timeline for procurement of both contracts run concurrently. There is also significant synergy between the two services and a requirement for service providers to proactively work together to deliver their own contract targets effectively.

3.5 Procurement Approach

3.5.1 Duration and Advertising Route

Both contracts will be awarded for a period of 19 months and advertised in Find a Tender Service (FTS), Contracts Finder, www.finditinbirmingham.com and the Official Journal of the European Union (OJEU) site. As an EU funded project YPP procurement is still subject to advertisement on the OJEU in addition to FTS.

3.5.2 Sourcing Strategy

The contracts will be awarded to up to two suppliers. The service requirement will be split into two lots:

- Lot 1 - Specialist employment, education and training provision for young people with significant barriers.
- Lot 2 - Specialist wrap around service for young people with mental health support needs.

If an organisation wishes to apply for both lots separate tender responses must be completed for each service.

3.5.3 Procurement Route

The contract will be tendered following the 'Open' Procedure on the basis that:

- There are sufficient suppliers in the marketplace that could provide the required services.
- Bidders will be able to submit proposals to deliver the service in response to the clearly defined service specification. It is also the fastest and simplest route to ensure that replacement services are in place for when the existing contracts expire in June 2022.

3.5.4 Scope and Specification

- 3.5.4.1. A summary of the scope of service for each lot has been outlined in the table below. Both lots will support young people who are furthest from achieving EET and be delivered using mentors with expertise in the specific areas:

Service	Requirement	Number of young people to be supported
Lot 1: Specialist employment, education and training provision for young people with significant barriers	Appoint a single provider (or consortium where governance arrangements through a single entity has been established) to deliver integrated Intervention Worker services focussed on young people who are NEET and facing significant barriers to entering EET. Within the contract is a focus on working with offenders, those at risk of offending and with young people leaving local authority care or looked after children between the ages of 16 and 18	Approx. 400 engaged and supported
Lot 2: Specialist wrap around support for participants with mental health support needs	Appoint a single mental health service provider to deliver flexible wrap around support services to young people on the YPP programme who have additional mental health support needs. The service requirement must be delivered by Personal Mental Health Champions.	Approx. 80 cases of additional support

Detailed requirements for each lot will be set out in two separate Service Specifications.

3.5.5 Tender Structure (Including Evaluation and Selection Criteria)

3.5.5.1. Evaluation and Selection Criteria

The quality / price balances below were established having due regard for the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided. The tender documents will include full BCC contract terms and conditions.

3.5.5.2. The evaluation of tenders will be assessed as detailed below:

The assessment will be divided into the following stages:

Stage 1 – Suitability Assessment

Stage 2 – Invitation to Tender

Stage 1 – Suitability Assessment

Criteria	Evaluation
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.

Stage 2 – Invitation to Tender Stage

Evaluation and Selection Criteria

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 60%, social value 20% and price 20%. 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 described below:

Quality (60% Weighting)

For each lot quality will be assessed through a combination of:

- Written Proposal (40%)
- Interview/presentation (20%)

Criteria		Sub-Weighting	Theme Sub-weighting	Overall Weighting
Written Proposal	Delivery model and capacity	40%	40%	100%
	Deliverability and value for money		15%	
	Customer Care		25%	
	Management & Resources		20%	
Interview/ Presentation	Technical Competency – Engagement	20%	75%	100%
	Technical Competency – EU Funding		25%	
Overall Quality	TOTAL	60%		
<i>Minimum Threshold of 40% of available marks in Written Proposal required to proceed to Interview/Presentation</i>				

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% Weighting)

Lot 1- Specialist employment, education and training provision for young people with significant barriers: In addition to qualitative responses to the sub-criteria set out in the table, bidders will be requested to submit an action although the action plan will not be scored. The Project Manager will work with the successful provider to fine tune/develop the action plan as required.

	Sub-Criteria	Sub-Weighting	Theme Sub-Weighting	Overall Weighting
Qualitative	Local Employment	20%	25%	100%
	Partners in Communities		25%	
	Good Employer		25%	
	Green and Sustainable		25%	
Quantitative	BBC4SR Action plan			
Overall Social Value	TOTAL	20%		

Lot 2 Specialist wrap around service for young people with mental health support needs: Due to the relatively low total contract value of £201,499, a light touch approach will be adopted for Lot 2 and therefore no action plan will be required. Only the qualitative sub-criteria will be scored as shown in the table below.

	Sub-Criteria	Sub-Weighting	Theme Sub-Weighting	Overall Weighting
Qualitative	Local Employment	20%	25%	100%
	Partners in Communities		25%	
	Good Employer		25%	
	Green and Sustainable		25%	
	TOTAL	20%		

Price (20% Weighting)

For each lot suppliers will be required to submit a breakdown of expenditure for the duration of the contract as shown in the illustrative example. The grand total of the expenditure will represent the quoted price to deliver the -service

A maximum ceiling value will be set for each of the services.

In addition, for the Significant Barriers lot a performance profile will also set out the provider's anticipated achievement of the payment by results trigger stages.

The supplier with the lowest quoted price within our stated cost parameters will be awarded the total available marks for price evaluation with other suppliers being allocated marks relative to a proportionate ratio between their price and that lowest price.

Illustrative example of pricing schedule:

Proposed Expenditure Profile		Month 1	Month 2	etc...	TOTAL
Cost categories	Staff salary costs	£	£	£	£
	Management, Supervision & Support Salary Costs	£	£	£	£
	Other costs & overheads	£	£	£	£
	Participant Support Costs <i>(NB Significant Barriers only)</i>	£	£	£	£
	TOTAL	£	£	£	£

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 contract will be awarded to the first ranked compliant tenderer. **The Council will reserve the right not to award a contract to a provider who overall does not meet a minimum threshold of 60% of the available total marks in the evaluation process.**

3.5.6 Evaluation Team

The evaluation of tenders will be undertaken by officers from the Education and Skills Directorate, supported by the Corporate Procurement Services and YPP Project Delivery Partners.

3.6 Indicative Implementation Plan

DPR Approval (Strategy)	November 2021
ITT Issued	November 2021
ITQ Return	December 2021
Evaluation Period	January 2022
Interviews/Presentation	February 2022
DPR Approval (Award)	March 2022
Contract Award	April 2022
Mobilisation period	May 2022
Contract Start	June 2022

3.7 Service Delivery Management

3.7.1 Contract Management

The contract will be managed operationally by the Youth Employment Initiative (YEI) Project Manager in the Education and Skills Directorate with support from the Contract Manager, Corporate Procurement Services as required.

3.7.2 Performance Management

Key performance indicators for each of the services are as follows:

Service	Key Performance Indicators
Lot 1: Specialist employment, education and training provision for young people with significant barriers	<ul style="list-style-type: none">• Participants registered• Participants engaged• Participants achieving EET• Participants completing support• The number of FTE Intervention Workers and the average number of participants on a worker caseload will also be monitored to ensure quality of service.
Lot 2: Specialist wrap around support for participants with mental health support needs	<ul style="list-style-type: none">• Number of hours of contract delivery• Number of hours of direct support to YPP participants• Number of hours of delivery of mental health awareness sessions/group activity/engagement events• The number of FTE Personal Mental Health Champions and the average number of participants on a worker caseload will also be monitored to ensure quality of service.

4 **Alternative Options considered and Recommended Proposal**

4.1 Alternative procurement options are shown in paragraph 3.4.

5 Consultation

5.1 Internal

5.1.1 The services to be procured have been included in the Planned Procurement Activities Report approved by Cabinet as part of the sounding out process on 7 September 2021 for the value of:

- £709,706 for Specialist employment, education and training provision for young people with significant barriers for a 19 months contract and
- £201,499 for Specialist wrap around service for young people with mental health support needs for a 19 months contract

5.1.2 Cllr Jayne Francis, Cabinet Member for Education, Skills and Culture has been consulted and supports the proposals.

5.2 External

Consultation has taken place concerning both services as follows.

5.2.1 The specialist employment, education and training provision for young people with significant barriers will support young people who are NEET and will have a particular emphasis on supporting:

- those at risk of offending or re-offending,
- those leaving (or about to leave) local authority care and looked after children between the ages of 16- or 18.

In order to understand need in these two cohorts consultation has taken place with the following organisations:

- The Police and Crime Commissioner (PCC)
- The Police (Neighbourhood Police teams and Police offender management teams)
- The Violence Reduction Unit
- The Youth Offending Service
- The Children's Trust
- Children in Care 16-18 and Care Leaver teams 18+
- The Virtual School

During the delivery of YPP there has also been engagement with a wide range of smaller organisations working with these cohorts including trauma services, and participation in other learning opportunities around these groups including:

- “Tackling County Lines Conference Update” produced by the National County Lines Co-ordination Centre,
- Participation in the Sir Josiah Mason “Young People’s Strategy 2021-2026 – Journey towards a brighter future” for care leavers, care experienced young people, those who are homeless or at risk of homelessness.
- A contribution to the PCC call for evidence to the Police and Crime Plan.

5.2.2 The specialist wrap around service for young people with mental health support needs will support young people with low level mental health support needs.

Consultation has taken place to ensure the provision delivered will complement what already exists and in which some young people may already be receiving support. There has also been a need to understand the provision into which young people with higher support needs can be referred. The following organisations have been part of the consultation.

- Forward Thinking Birmingham,
- Papyrus Charity for the prevention of young suicide
- The Prince’s Trust
- Birmingham Children’s Trust
- University Hospital Birmingham
- Solihull Metropolitan Borough Council
- Birmingham City Council Public Health
- Birmingham Youth Service
- Birmingham Careers Service

YPP also undertook a survey published on BeHeard between 6 September and 18 October 2020. Its aim was to assess the impact of YPP on young people who had been engaged in the project in the previous 12 months, with particular reflection on the impact of the Coronavirus pandemic. The results of this survey have informed the design of both tender documents, as have the case study examples provided by both current providers which give feedback from the young people supported.

6 Risk Management

6.1 The CPS approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Education and Skills Directorate and CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.

7 Compliance Issues:

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

7.1.1 The proposals contribute to the delivery of the Council’s core vision and priorities in the Council’s Vision and Forward Plan 2018 - 2022 of:

- **Birmingham is an entrepreneurial city to learn and work and invest in:** The YPP Project mobilises the talent of young residents to contribute to the local economy through employment, education and skills training. The project supports the Council's Apprenticeship Pledge, in supporting young people to gain the skills and experience to progress to apprenticeships. Young people will also be offered the opportunity to consider self-employment if it aligns with their aspirations and a pathway will be available to develop the necessary skills.
- **Birmingham is an aspirational city to grow up in:** Young people within the YPP project may have low aspirations because of their life experience and mental health. The model used in both services will assign a support worker to mentor the young person to jointly raise aspirations and goals to achieve improved life chances and wellbeing.
- **Commonwealth Games:** Young people will be actively signposted to opportunities generated by the Commonwealth Games where this meets their aspirations and skills.
- **Birmingham is a city that takes a leading role in tackling climate change:** The YPP project has a Sustainable Development Policy; committed to:
 - Delivering the YPP project sustainably, by aiming to reduce negative environmental impacts of delivery and to increase positive and sustainable environmental impacts of the project.
 - Promoting sustainable economic development in the project outcomes, including promotion of green jobs and economically sustainable activity.

7.1.2 **Birmingham Business Charter for Social Responsibility (BBC4SR)**

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the procurement strategy set out in paragraph 3.5.5 and the action plan of the successful tenderers will be implemented and monitored during the contract period.

The Social Value outcomes to be supported by this contract have been determined and are included in the specification, as well as incorporation of the associated themes from the BBC4SR that are included in the tender evaluation, therefore no additional stakeholder consultation is required.

7.2 **Legal Implications**

- 7.2.1 The City Council has the power to enter into this activity by the general power of competence secured by Section 1 of the Localism Act 2011. The activity is within the boundaries and limits of the general power set out in Section 2 and 4 of the Localism Act 2011 respectively.

7.2.2 Information Management

Any organisation working with the YPP project in the context of these services will be required to sign a Data Sharing Agreement as part of their contract with BCC.

7.3 Financial Implications

7.3.1 This is a procurement process for two services with several fee elements as set out in the table below;

Service	Payment
Lot 1: Specialist employment, education and training provision for young people with significant barriers	<ul style="list-style-type: none"> A ring-fenced budget for participant costs Fixed Fee of 50% of quoted price (payable against an agreed spend profile) 50% linked to Payment by Results (PBR) participant progression trigger points: <ul style="list-style-type: none"> Engage (15%) Achieve (35%)
Lot 2: Specialist wrap around support for participants with mental health support needs	Fixed Fee of 100% of quoted price (payable against an agreed spend profile and subject to adjustment where there is in excess of 15% variance to agree performance profile)

7.3.2 The maximum costs of the services have been calculated on the basis of historical spend patterns and are equal to:

Service	Cost
Lot 1	£709,706
Lot 2	£201,499

7.3.3 The service will be provided for a period of 19 months between June 2022 and December 2023 with an expected spend profile of –

Service	2022-23 June 2022 – Mar 2023	2023-24 Apr 2023 - Dec 2023	Total Cost
Lot 1	£373,529	£336,177	£709,706
Lot 2	£106,052	£95,447	£201,499

7.3.4 The cost of the proposed contracts will be met from the Birmingham & Solihull Youth Promise Plus project budget, which is part funded by the European Social Fund and the Youth Employment Initiative. The budget was approved by Cabinet in February 2021 and includes a contribution of £0.357m from Policy Contingency reserves.

7.3.5 The costs of undertaking this procurement exercise will be met by the project.

7.4 Procurement Implications

7.4.1 This report concerns the procurement strategy for the following services:

- Specialist employment, education and training provision for young people with significant barriers.
- Specialist wrap around service for young people with mental health support needs.

and the implications are detailed throughout the report.

7.5 Human Resources Implications

- 7.5.1 The procurement activity and the subsequent contract management will be undertaken by Council staff.

The necessary information in relation to TUPE for both contracts will be obtained from the incumbent providers and made available to bidders during the tender process once a confidentiality agreement has been signed. There are no TUPE implications for Birmingham City Council staff.

7.6 Public Sector Equality Duty

- 7.6.1 A relevance test to decide whether the Youth Promise Plus Project, including planned procurement of the specialist services has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted (review of Amended function) on 1 December 2020 reference EQUA607. The screening identified that there was no requirement to assess this further and completion of an Equality Assessment form was not required

8. List of Appendices accompanying this Report

Appendix 1 - Social Value Rationale

9. Background Documents

Birmingham & Solihull Youth Promise Plus Projects PPAR Report – approved in September 2021.