

## **Appendix 1** to be read in conjunction with section 1 of the report

Procurement management information

26 July 2019

### **Non conformance**

Reports from managers on non-conforming spend for the month of April 2019 are provided below.

Reports on low level spend (less than £5,000) have not been requested by the procurement manager and so do not appear below.

#### **1. Adult Services**

**99% conformance**

**£29,236 non-conforming spend**

#### **2. Children Families and Education**

**72% conformance**

**£691,237 non-conforming spend**

##### **2.1. Residential education provision - £491,571**

- **Cambian Group Ltd - £181,155**
- **Barford Children's Services Ltd - £5,040**
- **Keys Group Ltd - £88,514**
- **Bramley Care t/a Apple Orchard - £103,738**
- **Forevercare - £29,028**
- **Hamilton House (Brighton) Ltd - £35,635**
- **St Andrew's Healthcare Ltd - £15,173**
- **The Serendipity Centre - £33,288**

These are all contracts with specialist providers of residential and education provision. All involve special educational needs and disability (SEND) young people, and referrals are sent out to those specialist providers. Although there is a Children's Residential framework being sent up not all providers will join the framework and also there are parental wishes to take into account as they have a say over which provision they want their child to go to. Procurement officers are conducting a benchmarking exercise with other councils to explore other options in this area.

##### **2.2. SEND High Needs/ Element 3 Top-Up Funding - £72,942**

- **Hampshire County Council - £61,536**
- **OLA Schools - £11,406**

This relates to Portsmouth SEND pupils who attend schools outside Portsmouth. Top-up funding is the funding required over and above the core or place funding an institution receives, to enable a pupil or student with high needs to participate in education and learning. This is paid by the local authority which places the pupil or student and should mainly reflect the

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additional support costs an institution incurs relating to the individual pupil or student's needs. Top-up funding can also reflect costs that relate to the facilities required to support a pupil's or student's education and training needs (either for individuals or on offer to all), and can take into account expected place occupancy levels and other factors. This funding is allocated by local authorities to institutions from their high needs budgets and is sometimes known as element 3 (E3). Top-up funding is paid from the high needs budget of the local authority in which the pupil or student is resident or to which they belong. If the cost of providing for a pupil with high needs is more than allocated through the core or place funding, the local authority will allocate the institution this additional top-up funding to enable a pupil or student with high needs to participate in education and learning.

The E3 funding is given to the LA by the DfE on an annual basis and this is then managed by the LA on behalf of the DfE. If a young person is assessed as having extra support needs that will cost more than £6,000, the Local Authority (LA) must provide 'top-up funding' to cover the rest of the cost. Top-up funding rates are for local authorities to agree with schools and academies and should reflect both the needs of the individual and the cost of meeting those needs, there is no cap to top-up funding per young person.

No matter what school these students go to, PCC are required to pay the top up funding over the first £6,000. Sometime these schools are outside of area. The reason that students attend schools outside of Portsmouth is in some cases due to parental preference, in other cases where the children are LAC (looked after child) and are attending the nearest school to their placement, and in some cases the PCC SEND team have placed the student out of the city due to their needs.

For out of area schools based in Hampshire and the IOW the council in which the school is based requests payment rather than the schools directly. This is because Hampshire and IOW offer an SLA to schools to undertake this work and then make payment to the schools.

### **2.3. Residential semi-independent placements (post 16) - £59,300**

- **Fairways Care (UK) Ltd - £52,791**
- **Sakura Care Ltd - £6,509**

This relates to residential semi-independent provisions for post 16 and encourage young people to develop independence skills. As in all cases searches for vacancies were carried out with providers to see who had suitable placements and vacancies. Individual contracts were signed by a director. There is a Post 16 Semi Independent framework being developed and this provider has been asked to register their interest and tender for the framework so ensure future compliance.

### **2.4. Durham County Council - £27,860**

This relates to a placement in a secure unit following the court granting a secure order. We have to apply through a central hub for secure accommodation and have to wait for our young person to be accepted by the

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unit and then a placement offered. An individual contract is then drawn up and signed by the director.

### **2.5. Book Trust - £17,181**

Pupil premium-letterbox packs for 2018-19 for 128 looked after children. There was a discount price if ordered before 31st December.

### **2.6. Keyword Central Ltd t/a Street Support - £10,336**

Individual contracts are in place for each young person, all of whom are unaccompanied minors. Street Support offers semi-independent housing accommodation in shared provision for 16+. Once reaching 16-17 most of our unaccompanied minors are moved from fostering placements to Street Support. There is limited similar type of accommodation within the Portsmouth area which is also more expensive.

### **2.7. Brighton and Hove City Council - £9,000**

This was for intra-agency adoption fees. Standard fees are payable when children are placed for adoption outside the city.

## **3. Corporate Services**

**100% conformance**

**£850 non-conforming spend**

## **4. Culture Leisure and Regulatory Services**

**97% conformance**

**£19,508 non-conforming spend**

### **4.1. Mountjoy Ltd - £5,000**

Following the refurbishment works undertaken by BH Live and contracted with Mountjoy after a tendered procurement, an element of works had been missed by the external consultants and not included as part of the contract works. As the council were paying for the works indirectly and Mountjoy were still on site undertaking their final snags and handover it was deemed appropriate for a direct award to expedite the works, to comply with the existing working arrangements on site and to fit in with the daily workings of the MBC.

Any future works managed by Housing Neighbourhood and Building Services will be procured under the Mountjoy maintenance contract or via In-tend accordingly.

### **4.2. Portsmouth Golf Centre - £7,377**

Due to historical changes in the way Great Salterns Golf Course is managed, the lease to Portsmouth Golf Centre does not include some essential services for the running of the golf course (which were previously managed in-house). No other supplier could deliver these services (eg marshalling, collecting green fees). A waiver will be completed for this expenditure.

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### **5. Finance**

**100% conformance**

**£550 non-conforming spend**

### **6. Housing Neighbourhood and Building Services**

**99% conformance**

**£19,696 non-conforming spend**

#### **6.1. Alma Road Hostel - £10,901**

Housing Options are experiencing higher than expected levels of demand and all the local crisis provision for Bed and Breakfast accommodation for individuals/families pending a homeless decision is at capacity. The Authority has a provision to supply accommodation until a decision has been made to allow a discharge of their duty to the individuals concerned. Alma Road Hostel is based in Southampton and is providing additional support to meet the capacity issues within the city.

### **7. Portsmouth international port**

**100% conformance**

### **8. Public health**

**100% conformance**

### **9. Regeneration**

**96% conformance**

**£37.078-conforming spend**

### **10. Capital schemes**

**99% conformance**

**£10,952 non-conforming spend**