
NORTH AYRSHIRE COUNCIL

18 February 2020

Cabinet

Title:	Award of Contract for Early Learning and Childcare Funded Entitlement
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Purpose:	To advise Cabinet of the outcome of a tender exercise and subsequent award of contracts for the Early Learning and Childcare Funded Entitlement
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Recommendation:	Note the outcome of the tender and homologate award of the contract to 86 local providers
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1. Executive Summary

- 1.1 As a result of the Scottish Government announcing an increase to Early Learning and Childcare (ELC) hours and changes to policy alongside this, North Ayrshire Council requires to establish a Flexible Framework of childcare providers for the ELC Funded Entitlement.
- 1.2 In order to comply with the Council's Standing Orders Relating to Contracts and Contract Procedure Rules, The Procurement Reform (Scotland) Act 2014 and The Procurement (Scotland) Regulations 2016, a form tender exercise was advertised via the Public Contracts Scotland advertising portal.
- 1.3 The contract period is for a period of 5 years for each Lot with the award to the providers listed in Appendix 1. The Flexible Framework will re-open to new applicants every 6 months.
- 1.4 Due to urgency to meet the registration timelines the Chief Executive has used delegated powers to approve the award. This ensures providers receive notification of award in advance of the registration period, which will then allow parents and carers to register their child for an ELC funded place.

2. Background

- 2.1 The Council has a statutory duty to make pre-school education available for eligible children under the Standards in Scotland's Schools Act 2000. Scottish Government has made a further commitment to extend the entitlement for all eligible children to 1,140 hours of ELC by 2020/2021 as set out in 'A Blueprint for 2020; Expansion of ELC in Scotland'

- 2.2 The Funding Follows the Child approach places choice in parents' and carers' hands allowing them to access their child's funded entitlement with a range of ELC providers, therefore the Council have set up a Flexible Framework for the provision of ELC services.
- 2.3 Prior to the procurement tender being published, all Councils in Scotland worked with Scottish Government to determine a sustainable hourly rate for delivery of funded childcare. Each Council set a rate locally for providers delivering the funded entitlement. This rate complies with The Funding Follows the Child Operating Guidance and reflects delivery of national policy objectives, allows investment in the setting and enables payment of the real Living Wage for childcare workers delivering the funded entitlement. North Ayrshire Council's rate for 20/21 was set at £5.31 per hour of Early Learning and Childcare.
- 2.5 A formal contract notice was advertised on 21st November 2019 under the Light Touch Regime in the Public Contracts Scotland Procurement Portal and the Official Journal of the European Union (OJEU) and the procurement exercise was carried out via the PCS-Tender E-Tendering System. The return date for tenders was 12 noon on 24th December 2019.
- 2.6 The contract was split into the following Lots:
- Lot 1 – Nursery Services (including Private and Third Sector Settings)
 - Lot 2 – Childminding Services
 - Lot 3 – Applicants where the setting has been registered with the Care Inspectorate for less than 12 months
- 2.7 The contract notice attracted 118 expressions of interest, of which 90 submitted a tender response
- 2.8 For each Lot, the tender responses received were evaluated on a Pass/Fail basis as per the new Scottish Government National Standards for ELC. A price quality ratio of 95% Quality and 5% Cost was used. As the payment rate was pre-determined, bidders were simply asked to confirm acceptance of the rate.
- 2.9 The tender evaluation was completed 29th January 2020 and due to the value of the contract the decision to award should be taken to Cabinet.
- 2.10 As per information published on the North Ayrshire Council website, parents must register children for their chosen provider in early February. Providers required confirmation of award to the Flexible Framework in advance of this registration period in order to balance the ratio of funded vs non-funded hours within their setting and determine business sustainability.
- 2.11 Due to the urgency to meet the registration timelines, the approval to award the contract could not be delayed until the February Cabinet. In accordance with section 23.7 of the Standing Orders Relating to Contracts and Contract Procedure Rules for North Ayrshire Council, the Chief Officer with the approval of the Chief Executive is empowered to authorise acceptance of the tender for reasons of urgency, subject to a report being submitted to Cabinet at the first available opportunity.

2.12 The contract award was therefore approved by the Chief Executive on the 31st January 2020. Contracts were awarded to the 86 local providers listed in Appendix 1 to allow registration of children to proceed in February.

3. Proposals

3.1 Cabinet to note the outcome of the tender exercise and homologate the award of the Flexible Framework to the 86 local providers listed in Appendix 1

4. Implications/Socio-economic Duty

Financial

4.1 The total estimated value for the overall Flexible Framework is £18,000,000. A budget of £18,000,000 is available for this requirement.

Human Resources

4.2 None

Legal

4.3 To comply with the Council's Standing Orders Relating to Contracts and The Procurement (Scotland) Regulations 2016 a formal tender exercise was advertised via the Public Contracts Scotland advertising portal. Due to urgency, namely the need to ensure providers receive notification of award in advance of the registration period, which in turn enable parents and carers to register their child for an ELC funded place, it was necessary for the Chief Executive to accept the tender under his delegated powers. These enable him to deal with urgent issues subject to reporting back to the Cabinet at the first available opportunity. As a result, this report is for noting.

Equality/Socio-economic

4.4 Award of this Flexible Framework will provide high quality, flexible ELC that is accessible for all families.

Environmental and Sustainability

4.5 None

Key Priorities

4.6 This Flexible Framework contributes to the following Council Plan priorities:

- Aspiring Communities
 - Children and young people experience the best start in life
 - Inclusive, growing and enterprising local economy

Community Wealth Building

- 4.7 Award of this Flexible Framework contributes to the pillars of Community Wealth Building set out below:

Procurement: All 86 providers awarded onto this Flexible Framework are local providers, which will contribute towards the growth of our local economy.

Employment: Awarded providers agreed a commitment to Fair Working Practices, including Living wage

Land and Assets: Not applicable

Financial Power: Not applicable

Democratic Ownership: The 86 local providers' delivery arrangements will contribute to and support the desired diversification of business models.

5. Consultation

- 5.1 Education was involved throughout the procurement process

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For further information please contact **Anne Lyndon, Senior Manager (Corporate Procurement)**, on **01294 324 097**.

Background Papers

Tender Outcome Report (NAC/5011)