

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting31st October 2013

1. Title of Item/Report

'Transforming Rehabilitation: A Strategy for Reform' - Update

2. Record of the Decision

Consideration was given to a report on developments since the report to Cabinet on 5 September 2013 and sought approval for the next phase of work.

Cabinet received a report on the issue at its meeting of 5 September 2013 and agreed to support a proposed bid from a locally based consortium, and to receive further reports as more details become available.

Since that report discussions had continued, with three more local authorities taking part, in addition to the partners previously identified, and the Ministry of Justice had issued the Pre Qualification Questionnaire (PQQ). Work was underway to complete the PQQ by the initial deadline of 31 October 2013, and whilst this had now been extended to the 14th November 2013, the process was still a challenging timescale, and meant that the PQQ process must be completed in parallel with the design and establishment of the local consortium. However, the PQQ process envisaged that some of the bidding organisations would be new consortia established for the purpose of this procurement exercise.

One unexpected feature of the PQQ detail was that the Ministry of Justice had stated that bidding organisations must be able to “demonstrate access to funding equivalent to 50% of the annual contract value of any one lot they want to bid for”. For the Durham and Cleveland Contract Package Area this figure was £7 million, i.e. double the initial estimate of £3 million to £4 million given in the previous report. Some commentators had interpreted this statement as a tacit acknowledgement by the Ministry of Justice that their systems would struggle to cope with making timely contract payments, and others as a way of keeping smaller organisations out of the competition.

There were still significant gaps in the information available about how the later stage of the procurement process would unfold and in respect of

key information about how the new contract arrangements would operate. This meant that a fully detailed risk assessment could still not be prepared. Furthermore, the risk assessment for this undertaking was commercially sensitive with regard to potential competition and was also covered by a reciprocal duty of confidentiality owed by the Council to other partners within the consortium, so the outline risk assessment to date was attached to the report, which was exempt information in terms of Schedule 12A of the Local Government Act 1972.

Members of Cabinet understood that the reporting timescale for Cabinet on 31 October and the work involved in preparing the PQQ by the same deadline date implied that the two processes would proceed in parallel, and that some of the details of the consortium arrangements would not be determined until the last few days of October. Furthermore, since the PQQ deadline had been 12 noon on 31 October, preceding the time of the Cabinet meeting, the Chief Executive was asked to make the decision to identify £2 million within reserves, in line with the Urgency Procedure set out in the Council's Constitution.

RECOMMENDED to Council that:-

1. Council formally notes that despite the views of Stockton Borough Council and the Safer Stockton Partnership the Government has confirmed plans to outsource significant aspects of the probation service.
2. The Council continues to support the proposed bid by a local community interest company consortium.
3. The decision taken under the Urgency Procedure be endorsed that £2 million be approved in principle from the Council's investment reserve to support a bid by a local community interest company consortium in the event that the bid succeeds in the Pre Qualification Questionnaire process and is invited to submit a substantive bid, and this decision also endorsed by Council.
4. A further report be presented when the Pre Qualification Questionnaire is complete and sufficient information becomes available to support a fuller risk assessment.

3. Reasons for the Decision

1. In order to reduce the risks associated with an unconstrained commercial approach.
2. To ensure the viability of the next stage of work.

3. To ensure that the risks involved in the Council's involvement are more fully understood at the earliest possible opportunity.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

N/A

Proper Officer
04 May 2013