

SURREY COUNTY COUNCIL**CABINET**

DATE: 28 SEPTEMBER 2021

REPORT OF CABINET MEMBER: DENISE TURNER STEWART, CABINET MEMBER FOR EDUCATION AND LEARNING

LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR FOR CHILDREN, FAMILIES AND LEARNING

SUBJECT: APPROVAL OF PROCUREMENT ROUTE TO MARKET AND TO DELEGATE THE AWARD DECISION FOR SURREY ONLINE SCHOOL

ORGANISATION STRATEGY PRIORITY AREA: EMPOWERING COMMUNITIES

Purpose of the Report:

Surrey Online School is an innovative Surrey County Council (SCC) service that provides an online, high-quality learning experience in a live, safeguarded environment for vulnerable children and children with additional needs countywide.

The service is part of SCC's alternative provisional offer and has helped to reduce PEX (Permanent Exclusion) as well as give children the opportunity to achieve academically which they may not have been able to otherwise do.

The current contract expires on 22 July 2022, at the end of academic year 2021/22, therefore a new contract is required for 1 September 2022. The new contract will be for a duration of 3 years with the option to extend for a further two (1 +1) years.

The Cabinet is asked to approve the procurement route to market and to delegate the contract award decision to the Executive Director (or delegate).

Recommendations:

It is recommended that Cabinet:

1. Grants approval to procure a contract for the provision of Surrey Online School. The new contract will start on 1 September 2022. This will be a 3-year contract with the option to extend by an additional two years in 12 monthly increments, making the possible contract term 5 years in total. Current estimated annual value is circa £310,000 so total cost over the maximum 5-year period could be up to £1,550,000.
2. Delegates the authority for the contract award decision to the Executive Director for Children, Families and Lifelong Learning and the Cabinet Member for Education and Learning.

Reason for Recommendations:

To comply with the Procurement and Contract Standing Orders agreed by the Council in May 2019 and to provide Cabinet with strategic oversight of planned procurement projects for 2021/22.

A new contract is required to meet the statutory obligation of Surrey County Council by providing quality assured learning experiences online for vulnerable children and children with additional needs.

Executive Summary:

Approval to Procure

1. The provision for Surrey Online School was not originally included within the Annual Procurement Forward Plan (APFP) 2021/2022.
2. Under section 1.6 of the Procurement & Contract Standing Orders (PCSO), where the need arises during the year for procurement activity on contracts over the Regulatory Thresholds which have not been pre-approved through the APFP, then Approval to Procure must be sought by the Head of Service concerned before any procurement activity may begin.
3. The Approval to Procure form is included in Annex 1 and has been approved by Anna Kwiatkowska, Head of Procurement, Rachael Wardell, Executive Director for Children, Families and Lifelong Learning and Leigh Whitehouse, Executive Director of Resources and S151 Officer.
4. The procurement represents the purchase of online learning for vulnerable children in alignment with [Surrey's Vision for Learning](#). [Surrey's Learning Strategy](#). This includes [Surrey's Vision for Learning](#) that incorporates:
 - Learning and achievement – Every child and young person will be entitled to a personalised learning programme to make the most of his or her ability. Children and young people will learn in an exciting and innovative array of styles and settings.
 - Inclusion and culture – Partners will work together to deliver excellent provision for all children and young people. Barriers to learning will be creatively addressed so that all achieve to their full potential.

Surrey Online School Procurement

5. The contract will be for a provider to deliver online live lessons by qualified teachers in small groups following the national curriculum.
6. The current contract is due to terminate in July 2022 and a procurement process is required to ensure service continuity of this award-winning service (Creative and Innovative Practice Award – Surrey County Council Workforce Celebration Awards 2021).
7. Surrey Online School (SOS) was launched in September 2015 and continues to be developed in partnership with the incumbent provider using a unique pedagogy that teachers have refined in over 65,000 lessons delivered to thousands of students

across the UK. In Surrey there continues to be demand for provision from internal services and a traded service to schools.

8. SOS commissions, from the contracted provider, online lessons in accordance with demand to deliver an alternative to less flexible and more expensive face to face learning. SOS facilitates the county council's response to increasing demand for flexible and bespoke alternative education solutions without incurring additional cost. SOS regularly collects feedback (see surveys in Annexes 2a & 2b) from customers, parents and students which is used to develop the service with the current provider to meet customer and user requirements.
9. There are inbuilt robust safeguarding systems which monitor child engagement and activity. Children can also voice their concerns over a secure and safe facility. The provision delivers live academic tutoring from qualified teachers and in collaboration with county council teaching staff also provides a quality personalised learning programme and social education offer.
10. To meet the statutory obligation of the county council, SOS provide quality assured learning experiences online for vulnerable children and children with additional needs.
11. In addition, Surrey Online School provide a successful traded service via Surrey Education Services portal that provides a variety of packages from Key Stage 1- 4 to support school leaders to rapidly respond to children's additional needs through an enhanced and bespoke offer in one accessible place. The traded offer includes a GCSE timetabled offer, a targeted GCSE offer, GCSE revision lessons, English to Speakers of Other Languages (ESOL) to non-native speaking children and an Enrichment curriculum offer. This traded element of the service delivery effectively generates sufficient income that this becomes a cost neutral contract.

Rationale for procurement

12. The current contract for Provision of Education Services is due to expire on 22 July 2022. A new contract will be required from 1 September 2022. Consequently, this requires the start of a procurement activity in the financial year 2021/22 to secure sufficient resources to carry out a full tendering exercise including pre- procurement market engagements. Budget is available for this provision in the financial year 2021/22 and the service is effectively self-funding.

Scope of procurement

13. This procurement focuses on the provision of live online learning to facilitate the delivery of education through Surrey Online School. Surrey Online School (SOS) is part of Surrey County Council education services and provides real time online lessons to a range of vulnerable children who are experiencing barriers to learning across the county. The lessons are delivered by qualified subject specialist teachers in a safe and secure online environment.

Technical benefits

14. This procurement will deliver following technical benefits:
 - Ensures continuity of the provision for next 3 years (starting on 1 September 2022) and potentially for additional 2 x 12 month extensions.

- The service provides great flexibility and adaptability. It allows for children to join differentiated courses at any time regardless of their location and catering for individual needs. Referrals are actioned within 48 hours ensuring that children do not have prolonged gaps in education.
- SOS is accessible to both children and schools. One of the key advantages is that the service is accessible to all children regardless of their age, stage or individual need providing a fully inclusive provision. Schools have also consistently reported the benefits of using SOS. See customer survey reports in Annexes 2a & 2b.

Consultation:

15. The Approval to Procure Form has been completed (Annex 1) and approved by Anna Kwiatkowska, Head of Procurement, Rachael Wardell, Executive Director for Children, Families and Lifelong Learning and Leigh Whitehouse, Executive Director of Resources and S151 Officer.
16. We have consulted wide range of stakeholders- the full list is at the bottom of this document

Risk Management and Implications:

17. Any risks identified will be managed through the procurement process.
18. The procurement process includes approvals before publication and again prior to contract award. Approvers include Finance, Legal, Commissioning and Procurement.

Financial and Value for Money Implications:

19. The overall estimated value of the contract over a five year period is £1,550,000. The annual cost is circa £310,000. Costs are fixed so not subject to annual inflation. This is estimated to be affordable within the existing service budget. The traded service to schools generates an income that currently funds the SOS delivery.
20. Further financial and Value for Money implications will be considered in the Procurement Report.
21. No further approval for the contract award is required provided that the outcome is within +/-5% of the budget agreed with Finance.
22. The robust nature of this contractual arrangement provides a good level of confidence as the capacity to generate income, which means that service delivery is effectively self-funded.
23. The traded service to schools generates an income that currently funds the SOS delivery. Cost savings can be demonstrated in terms of service delivery and also non cashable cost avoidance savings. There is the capacity to make significant cost savings by avoiding permanent exclusions, reducing the need for costly specialist placements, as well as negating the need for a SEND tribunal and the associated financial risk. This also aligns with the broader principles to promote inclusion in mainstream provision. Surrey Online School also integrates with Alternative Provision

(AP) strategy. The Alternative Provision (AP) strategy seeks to provide positive educational and wellbeing outcomes for young people. The Education is outside of school, arranged by local authorities or schools, for pupils who do not attend mainstream school for reasons such as exclusion, behaviour issues, school refusal, short or long term illness. SOS could directly compliment a number of the objectives of the AP strategy through seeking to contribute to a reduction in exclusions and potentially contributing to a reduction in high cost specialist placements.

Section 151 Officer Commentary:

24. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the proposed route to market for the Surrey Online School. There is no expected direct impact on the Medium Term Financial Strategy. Further opportunities for generating additional income in conjunction with the wider Schools Traded Services programme will be monitored.

Legal Implications – Monitoring Officer:

25. Cabinet is being asked to give formal Approval to Procure for this project in accordance with the Council's Procurement and Contract Standing Orders. In making this decision, Cabinet should be cognisant of its fiduciary duty to Surrey residents to ensure services are provided effectively while also maintaining a balanced budget.
26. Notwithstanding Cabinet giving Approval to Procure, officers will have to ensure that the Public Contracts Regulations 2015 are complied with in relation to any procurements undertaken. Furthermore, commissioners will need to be aware of the 'best value duty' under Section 3 of the Local Government Act 1999 and its requirements on them. It states that the Council "...must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."
27. The procurement is expected to be carried out using a compliant public sector framework and will be subject to the framework terms and conditions.
28. Where required Legal Services will provide support for reviewing the framework, drafting the contract and sealing the contract.

Equalities and Diversity:

29. Equality, diversity and inclusion are at the heart of SOS. The SOS provision is committed to supporting all learners and tailoring learning experiences to their needs. The service is accessible to all and any barriers to learning are addressed on an individual basis to enable all to achieve to their full potential.

30. An EIA (Equality Impact Assessment) was carried out in 2017 (Annex 3). As there are no material changes within policies, functions and services there is no requirement to repeat the EIA at this time.

Other Implications:

31. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report
Environmental sustainability	No significant implications arising from this report
Public Health	No significant implications arising from this report

Environmental sustainability implications

32. The contract to be procured will be environmentally friendly as it is an online provision with widely available opportunities for a positive impact on environment. This would include, but is not limited to following examples:

- No need for children or staff to travel which means fewer emissions impacting the environment and resulting in improved air quality.
- Reduced power consumption as the service does not require infrastructure including premises and the management of associated utility services.
- Reduction in printing and use of paper and other stationary materials due to the full digitisation of the service

What Happens Next:

33. The timetable for implementation is as follows:

Action	Date
Cabinet decision to add the procurement to the Annual Procurement Forward Plan 2020/21	28 September 2021
Procurement Planning	October/November 2021
Tender process	January/February 2022
Contract Signature	April/May 2022
Contract Commencement Date	September 2022

Contact Officer:

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Consulted:

Hayley Connor, Director, CFL Commissioning

Carol Savedra, Head of Commissioning, SEND, Education, Early Years & Corporate Parenting

Jane Dufton, Service Manager for School Relationships and Support

Julie Barker, Commissioning Manager for SEND, Education & Early Years

Susanna Mackie, Technical Manager, Surrey Online School

Mike Patrick, Lawyer LGL contracts and Special Projects

Anna Kwiatkowska, Head of Procurement

Georgina Mistry, Senior Finance Business Partner ELL

Daniel Peattie, Strategic Finance Business Partner, CFL

Annexes:

Annex 1 – Approval to Procure form (Part 2 exempt annex)

Annex 2a – SOS Customer Survey Results

Annex 2b – SOS Parent & Student Survey Results

Annex 3 - Equality Impact Assessment 2017

Sources/background papers:

None

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