

Children and Families Committee

Date of Meeting:	19 September 2022
Report Title:	Holiday Activity Fund Grant – Open Procurement 2022-2025
Report of:	Deborah Woodcock, Executive Director of Children's Services
Report Reference No:	CF/55/22- 23
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. This report seeks agreement from the Children and Families Committee to move to an open procurement procedure, as set out at Regulation 27 of the Public Contracts Regulations 2015, to spend up to the total amount of 'holiday activity fund' (HAF) grant allocated by the Department for Education (DfE) each financial year.

2. Executive Summary

- 2.1. In October 2021 the government announced further investment over 3 financial years for the holiday activities and food programme, which follows the successful roll out of the programme across England in 2021.
- 2.2. The 2022/23 HAF funding was awarded by the DfE in December 2021. Cheshire East's allocation is £878,640. The funding is expected to be used to support children eligible for benefit-related free school meals (FSM) with healthy food and enriching activities during the Easter, summer and Christmas holidays.
- 2.3. The supplementary estimate for this grant allocation was agreed by Finance Sub-Committee on 2 March 2022 and has now been added to the service budget.
- 2.4. To date, the HAF grant has been awarded via a grant agreement to holiday activity providers. It is proposed that from winter 2022 onwards, this grant is allocated via an open procurement procedure. Procurement for 2023/24 and

2024/25 will be within the grant allocated by the DfE for those financial years, which is expected to be broadly in line with the allocation for this financial year.

3. Recommendations

- 3.1. The Children and Families Committee is recommended to approve the HAF grant to providers to be delivered via the open procedure from the winter programme in 2022 to 2025.
- 3.2. The Children and Families Committee is recommended to delegate authority to the Executive Director, Children's Services for the dispersal of funds and contract awards to providers for the delivery of the holiday activity and food programme up to the allocated HAF grant amount each financial year.
- 3.3. The Children and Families Committee is recommended to receive an annual report on impact and spend against the HAF grant.

4. Reasons for Recommendations

- 4.1. The open procurement procedure will provide Cheshire East Council with increased transparency and control over the annual expenditure against the HAF grant. It will also provide increased assurance and security by way of a contractual agreement between providers and the council, as opposed to grant agreements.

5. Other Options Considered

- 5.1. The council could continue to deliver the grant under a grant agreement. This process is how the grant was delivered in the years 2020/21 and 2021/22.

6. Background

- 6.1. During the pandemic, a number of temporary grants and funding initiatives were introduced in recognition of the hardship this placed upon families and individuals. This included the 'HAF 2021' which ran across England. In Cheshire East, the HAF programme ran during Easter, summer and Christmas holiday periods. The grant supported over 3,000 young people and provided over 50,000 hours of physical and enriching activities.
- 6.2. The DfE has provided £878,640 of funding for 6 weeks of provision over 2022. This will provide 1 week of support in Easter, 4 weeks in summer and 1 week over Christmas. Funding will be allocated as required to the relevant school holiday period, with the actual split to be determined by need. An appropriate administration fee will be included within these costings.
- 6.3. On 27 October 2021 the government announced further investment over 3 financial years for the holiday activities and food programme to councils in England to support FSM young people in 2022 to 2025. This is an extension to the 2021 programme and runs from April 2022 to March 2025.

- 6.4. The HAF programme has the purpose of providing healthy meals and enriching activities for benefit related FSM eligible young people during the Easter, summer and Christmas holidays in 2022, with eligibility for the programme requiring a minimum of 85% of the programme to be delivered to benefit related FSM eligible young people with 15% of the programme available for young people with identified needs by providers/professionals. The funding was available to support clubs in offering comprehensive, inclusive, and accessible offers and to support quality improvements.
- 6.5. The proposed open procurement would not commit the council to expenditure but would provide a way that compliant contracts could be awarded to individual activity providers, subject to legislation and the council's procurement rules, contained within the Constitution.
- 6.6. The procurement will follow an open and transparent procurement procedure. The first stage is the selection process. The selection criteria will be set to ensure a high threshold for quality and cost and will focus on outcomes for children and families.
- 6.7. The new service specification and contract will contain a counteroffer stage to ensure that we achieve best value for money on all future activity applications and therefore ensure compliance with procurement rules and financial regulations. This procurement strategy provides an opportunity to explore a more personalised approach, and to improve choice and value for money.
- 6.8. The estimated aggregate value of the open procurement is such that these services must be procured in accordance with the Public Contracts Regulations 2015 and in compliance with the council's Finance and Contract Procedure Rules. The service has engaged with the council's Legal Services and Corporate Procurement Team in this process.
- 6.9. The HAF programme is project managed within the Children and Families Service. A bi-weekly steering group, with representatives from across the council and partner agencies, is responsible for implementation and progress and impact monitoring of the HAF.

7. Implications

7.1. Legal

- 7.1.1. The HAF has been determined by the Secretary of State for Education in exercise of the powers conferred by section 31 of the Local Government Act 2003. The purpose of the grant is for local authorities to make free places at holiday clubs available in the Easter, summer and Christmas school holidays in 2022.

7.1.2. Where services wish to undertake an activity not originally identified in the budget, approval must be sought for a supplementary estimate.

7.1.3. Approval of a supplementary revenue estimate requires adherence to the provisions of the Financial Procedure Rules as set out in the Constitution and specifically the provisions of Chapter 3 Part 3 at para 18 shall apply:

Funded from Additional Grants

Directors may make applications for grants, where the application does not create a financial or any other commitment, in consultation with the Chief Finance Officer. However, if the application is for a grant in excess of £1m, or if any match funding will be required, then CLT must be consulted in advance.

Successful grant applications will require a supplementary estimate to incur spending, in line with the approval limits set out in the table below.

If grant application or receipt commits expenditure outside of the Control Totals then a Virement or Other Supplementary Estimate will also be required.

Amount of grant to be received	Approval Level
Up to and including £100,000	Officers
Between £100,000 and £500,000	Relevant Member of CLT in consultation with Chair of the relevant Committee and Chair of Finance Sub-Committee
£500k and up to £1m	Committee
£1m and above	Council

7.1.4. The supplementary estimate for this grant allocation was agreed by Finance Sub-Committee on 2 March 2022 and has now been added to the service budget.

7.2. Finance

7.2.1. Expenditure on the HAF will be fully funded by a government grant of £878,640 in 2022-23. The duration of the scheme is from April 2022 to March 2023. The HAF grant for 2023/24 and 24/25 will be included in Cheshire East's Medium Term Financial Strategy.

7.2.2. The council will spend the grant in accordance with the conditions and not exceed the amount advised by the DfE. There will not be any unfunded ongoing commitments as a result of this expenditure.

7.2.3. A payment of up to 80% of the total 2022/23 allocation was made in April 2022 following satisfactory receipt of a report to the DfE setting out:

- how the authority's 2022/23 programme will work
- how many children the authority expects to work with in 2022/23.

- 7.2.4. A payment of up to the remaining 20% of the total 2022/23 allocation will be made in April 2023 following satisfactory submission of key information about the programme.
- 7.2.5. The authority must provide an annual report on the HAF programme to the DfE by 30 June 2023.
- 7.2.6. If the authority fails to comply with any of these conditions, the grant may be reduced, suspended or withheld.
- 7.2.7. Payment information for the following years (2023/24 and 2024/25) has not yet been received from the DfE.

7.3. **Policy**

- 7.3.1. The policy context is the corporate plan. Any policy implications that arise from activities funded by the HAF will be dealt with in an individual report to members or officer decision records.

7.4. **Equality**

- 7.4.1. In accordance with the public sector equality duty, the DfE has had due regard for the potential equalities impacts of this grant.
- 7.4.2. An equality impact assessment has been completed and is available via [Equality Analysis Impact Assessments \(cheshireeast.gov.uk\)](https://cheshireeast.gov.uk/equality-analysis-impact-assessments)
- 7.4.3. We expect that the implementation of the grant will have a positive impact in relation to the protective characteristic of age, particularly for children and young people. It will also support the need to ensure that we have fairer and more resilient communities.

7.5. **Human Resources**

- 7.5.1. Existing staff are being redeployed to administer this grant wherever possible. Reasonable administration costs are funded as part of the grant and we will ensure that the full costs of any additional staffing are offset against the grant.

7.6. **Risk Management**

- 7.6.1. There are several risks associated with providing grants to a high number of individuals and families.
- 7.6.2. As with any welfare payment to vulnerable recipients there is a risk of fraud, as recipients might appear to be eligible when they are not. To help mitigate this risk, the local authority will work with other organisations, including early years settings, schools, and colleges to administer this scheme to help identify vulnerable families, households, and individuals.

7.6.3. Risks are routinely assessed and reported on at the bi-weekly steering group, and remedial action is taken, as required.

7.7. Rural Communities

7.7.1. Children and families in rural areas of the council will directly benefit from receipt of the new grant as the activities will be available to across Cheshire East.

7.8. Children and Young People/Cared for Children

7.8.1. Children and young people who suffer the greatest inequality in terms of lack of household income will directly benefit from this grant. Cared for children are one of our most vulnerable groups and will continue to benefit from the grant.

7.9. Public Health

7.9.1. Poverty poses a threat to the public health of our residents as they are less likely to be able to access the conditions that promote a healthy physical and mental lifestyle. Holiday activities can help people to avoid stress and feel in control, to access experiences and material resources, to adopt and maintain healthy behaviours, and to feel supported by a financial safety net.

7.10. Climate Change

7.10.1. There are not expected to be any climate change implications from the HAF. Environmental impacts such as recycling, and waste are considered within grant applications.

Access to Information	
Contact Officer:	Douglas Hubbert, Business Development Manager Douglas.hubbert@Cheshireeast.gov.uk
Appendices:	None
Background Papers:	None