

HEALTH AND WELLBEING BOARD

31 January 2017

Title:	CONTRACT: Children's Emergency Duty Team: 4 Borough Shared Service Arrangement
Report of the Lead Member for Health and Social Care Integration	
Open Report	For Decision
Wards Affected: ALL	Key Decision: Yes
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Sponsor: Anne Bristow, Strategic Director for Service Development and Integration, London Borough of Barking and Dagenham	
Summary: <p>The Council is required to provide or secure an Emergency Duty Team for Children (EDT). There is a statutory duty for the council to safeguard children at risk of harm and the Children's EDT allows the Council to meet this duty.</p> <p>A review of the options for the future provision of the Children's EDT has taken place. Based on the review this report makes recommendations for the future procurement of the Children's Emergency Duty Team service.</p>	
Recommendation(s) The Health and Wellbeing Board is recommended to: (i) Consider the different options to secure the Children's Emergency Duty Team. (ii) Agree to enter into a new three (3) year shared service arrangement with the London Boroughs of Redbridge, Waltham Forest and Havering for the delivery of the four-borough Children's Emergency Duty Team from the 1st April 2017. (iii) Agree a total contract value for the London Borough of Barking and Dagenham of £691,231.49, with the following annual amounts; 2017/18 - £228,398.26, 2018/19 - £230,403.76, 2019/20 - £232,429.47.	
Reason(s) In 2013, the London boroughs of Barking and Dagenham, Havering, Redbridge and Waltham Forest agreed in principle to merge the Emergency Duty Teams (EDT). There is a four-borough Children's EDT delivered by the London Borough of Redbridge and a four-borough Adults EDT delivered by NELFT. Since June 2014, the Children's EDT partnership for the four boroughs, which is known as the '4-boroughs Children's EDT Service', has been providing this service. The	

Children's EDT is operated by the London Borough of Redbridge as the Lead Authority and the four-borough contract for the service ends in March 2017. There is no provision to extend the contract beyond this date

1. Introduction and Background

- 1.1 The Council is required to provide or secure an Emergency Duty Team for Children. The Social Work Emergency Duty Team (EDT) responds to out-of-hours referrals and enquiries relating to the care and support of children, young people and adults. There is a statutory duty for the council to safeguard children at risk of harm and the Children's EDT allows the Council to meet this duty.
- 1.2 For the Council to meet statutory safeguarding obligations it is essential that the EDT service is of good quality and is integrated with the work of the Council's Children's Care and Support teams and related IT systems.
- 1.3 Since June 2014, the Children's EDT has been a shared service. The service is operated by the London Borough of Redbridge on behalf of four neighbouring authorities under a shared contract arrangement.
- 1.4 Prior to 2014-15, Barking and Dagenham operated an in-house Children's EDT service.
- 1.5 In 2013, the London boroughs of Barking and Dagenham, Havering, Redbridge and Waltham Forest agreed in principle to merge their Emergency Duty Teams (EDT). It was decided to have a single Children's EDT partnership for the four boroughs, which is known as the '4-boroughs Children's EDT Service', operated by the London Borough of Redbridge as the Lead Authority.
- 1.6 The Barking and Dagenham Health and Well-Being Board approved the contact with the London Borough of Redbridge for the provision of the Barking and Dagenham Children's EDT service in 2014. As a shared service contract this decision was not subject to the Public Contracts Regulations 2006.
- 1.7 The contract for the Children's EDT Service commenced in June 2014 and runs until the 31 March 2017. There is no provision to extend the contract. This report considers the options for the future arrangements of the Children's EDT. The current cost of the service is £265,000 per annum, plus £5,000 of ICT support costs.
- 1.8 The Lead Authority, the London Borough of Redbridge, has prepared a budget for the continued operation of the Children's EDT service to March 2020 based on all four boroughs agreeing to a new 3-year contract. The proposed budget includes a reduction in expenditure of 7% in 2017-18 followed by increases of 1% each year in 2018-19 and 2019-20.
- 1.9 The funding model for the Children's EDT Service has been revised based on actual referrals. This will result in the Barking and Dagenham contribution reducing from 28% to 26% of the total contract value from April 1st 2017. The combined impact of the proposed budget and the re-basing of contributions is a reduction in cost of 15% for LBBD. This results in a total charge of £228,398 in 2017-18, inclusive of £5,000 of ICT support costs. This will increase to £230,404 in 2018-19 and £232,429 in 2019-20.

1.10 The Adult EDT is operated on behalf of the four boroughs by NELFT. This contract is being reviewed by Adult Care and Support. There are no plans to combine the adults and children’s EDTs within a 4-borough model.

2. Proposal and issues

Procurement Options

2.1 There are a range of options for the future procurement of the Children’s EDT service. These are summarised as follows:

1. Extend the existing contract by three years on the basis of the existing contractual terms and a reduced contribution from LBBB.
2. Extend the existing contract by one year, with contract variations to be negotiated.
3. Procure a new service alongside neighbouring local authorities through an open tender exercise.
4. Procure a single borough Children’s EDT service for Barking and Dagenham.
5. Bring the service back in-house.

Option 1: Extend the existing contract by three years on the basis of the existing contractual terms and a reduced contribution from LBBB.

Benefits	Risks
<p>Continuity of Service. No redundancy costs or TUPE process.</p> <p>The cost of the contract will reduce by approximately 15% in 2017-18.</p> <p>Minimises disruption and the costs associated with procuring a new service.</p> <p>The existing service is well integrated with the Children’s Care and Support services provided in LBBB.</p> <p>Enables LBBB to secure a known provider with a known level of support and performance.</p> <p>Staffing is now stable without the use of agency staff.</p> <p>Provides reasonable consistency for the existing service.</p>	<p>A detailed review has not been completed by the EDT Board.</p> <p>Commits the four councils to the same service model for a further three years and does not test the market for a better value provider.</p> <p>The existing service has not clearly demonstrated value for money despite improvements in efficiency.</p>

Option 2: Extend the existing contract by one year, with contract variations to be negotiated.

Benefits	Risks
<p>Continuity of Service for one year. No redundancy costs or TUPE process.</p> <p>Gives LBBD one year to review the service and consider alternative models in more detail.</p> <p>Minimises disruption and the costs associated with procuring a new service in the short-term.</p> <p>Retention of an established service that is improving and becoming more stable.</p> <p>Provides LBBD with a known and consistent level of support.</p> <p>There is a stable staff team for the first time.</p> <p>The four-borough model should result in economies of scale and opportunities for professional development for staff.</p>	<p>May increase the cost of the contract due to potential redundancy costs and a more limited planning timeframe.</p> <p>A one-year arrangement reduces the capacity of the service provider to reduce costs through long-term planning.</p> <p>A detailed review has not been completed by the EDT Board.</p> <p>The existing service has not clearly demonstrated value for money despite improvements in efficiency.</p> <p>Results in continued uncertainty for the service provider.</p> <p>May prevent the service from seeking new business opportunities from other local authorities.</p>

Option 3: Procure a new service alongside neighbouring local authorities through an open tender exercise.

Benefits	Risks
<p>May attract a good quality provider at lower cost.</p> <p>A new provider might offer a greater level of innovation.</p> <p>This approach would require the preparation of a new specification.</p>	<p>Requires agreement from all four local authorities, which is unlikely.</p> <p>The tender exercise is costly and will take at least 6 months to complete.</p> <p>The market is underdeveloped in this area.</p> <p>It may not be possible to secure a high-quality provider at less cost than the current service.</p> <p>Will result in a TUPE process and some staff may not wish to transfer to a new service provider.</p> <p>Creates uncertainty for the existing provider at a time when the service is stable and improving.</p>

	Could reduce integrated working with other agencies, including local authority Care and Support teams.
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Option 4: Procure a single-borough Children’s EDT Service for Barking and Dagenham.

Benefits	Risks
<p>The service would be wholly accountable to LBBB.</p> <p>The specification could be tailored to meet the specific of LBBB clients.</p> <p>This approach could be combined with the Adults EDT service if this was a desirable approach.</p>	<p>Would reduce economies of scale.</p> <p>Requires a costly and time consuming procurement process.</p> <p>A smaller EDT team may have less expertise and be less responsive, with less flexibility to provide staff cover.</p> <p>Results in a TUPE process. Staff may not be willing to transfer to the provider.</p> <p>The provider may not wish to take on staff liabilities, reducing the chance of a successful tender.</p>

Option 5: Bring the Children’s EDT service back in-house

Benefits	Risks
<p>The service would be wholly accountable to LBBB.</p> <p>The service will be fully integrated into the Care and Support structure.</p> <p>This approach could be combined with the Adults EDT service if this was a desirable approach.</p>	<p>Would reduce economies of scale.</p> <p>Requires a costly and time consuming transfer process.</p> <p>A smaller EDT team may have less expertise and be less responsive.</p> <p>There is less flexibility to provide staff cover in a small team.</p> <p>Results in a TUPE process and staff may not wish to transfer to LBBB.</p> <p>LBBB would be required to take on staff liabilities.</p>

Summary of Options

2.2 In terms of cost, the 4-borough model provides significant economies of scale. After 2 years of operation it has been possible for the London Borough of Redbridge to demonstrate financial efficiencies, reducing the overall cost of the service to LBBB by 15%.

- 2.3 The existing service model has good and improving performance. The recruitment of permanent qualified staff should enable to the service to improve further.
- 2.4 A three-year contract extension, in line with the current contract terms has allowed for the council to renegotiate the contract value. This option will provide for service continuity, whilst ensuring a stable contractual arrangement for the existing service to develop further and secure the required efficiencies.
- 2.5 Option 2 will result in uncertainty for the provider and will impact on long-term planning. This may prevent the service from securing new business from other local authorities.
- 2.6 Moving to an alternative service model (Options 3-5) at this stage is high risk for the following reasons:
- The procurement or transfer process is likely to be costly
 - The market for this service area is not developed and associated staff liabilities may restrict interest in the tender.
 - Staffing has been stabilised and a significant change would put this at risk.
 - There is no reason to believe that an alternative service model will reduce cost, and it may lead to increased expenditure when compared to the four-borough model.
 - These options all result in a TUPE process and a transfer of staff liabilities. This can be complex and may result in additional costs to the council.
- 2.7 The Adults EDT is provided by NELFT. This service is also under review and consideration will be given to the advantages of combining this service with the Children's EDT.
- 2.8 The reduction in the cost of the four-borough contract, combined with the reduction in the Barking and Dagenham contribution to 26% of the total, will result in a total saving of approximately £42,000 in 2017-18. This saving is only guaranteed by option 1.

Alternative Options Considered and Rejected

- 2.9 **Extend the existing contract by one year, with contract variations to be negotiated;** This is rejected because it is likely to increase the cost of the contract and create uncertainty for the provider.
- 2.10 **Procure a new service alongside neighbouring local authorities through an open tender exercise;** This is rejected because the market is underdeveloped for EDT services and the existing model provides good economies of scale and is performing well. There would also need to be a costly procurement exercise with associated TUPE issues.
- 2.11 **Procure a single borough Children's EDT service for Barking and Dagenham;** This option is rejected because it would reduce economies of scale leading to a more expensive service. There would be a costly procurement and potential redundancy costs. As the market is underdeveloped there is no guarantee that a provider would be secured.

- 2.12 **Bring the service back in-house;** This option is rejected because it would reduce economies of scale leading to a more expensive service. LBBDD would need to follow a TUPE process to take on staff from the existing service provider and would inherit associated staff liabilities.

Performance of the Children's EDT Service

- 2.13 The latest performance report was presented to the 4-Borough EDT Board in October 2016. It covers the period July-September 2016 and is available as a background paper to this report.
- 2.14 In the last quarter 4699 contacts were logged by the EDT Service. The breakdown of contacts is included in Table 1 below. The figure in the previous quarter was 4541. The total contacts per borough were Waltham Forest 1426, Havering 932, Barking and Dagenham 1455, and Redbridge 841, other Local Authorities 42.

Table 1: Contacts received by the 4-Borough EDT Service July 2016 - September 2016

Borough	July 2016	Aug 2016	Sept 2016	Total
Barking & Dagenham	616	479	360	1455
Havering	364	278	290	932
Redbridge	257	292	295	844
Waltham Forest	592	496	338	1426
Other LA	13	20	9	42
Total	1842	1565	1292	4699

- 2.15 There were 1931 missing or absent episodes, of which 773 were children and young people missing from care and 25 were missing from home. Barking and Dagenham had the highest proportion of missing/absent contacts at 34% of the total.
- 2.16 During the first quarter of 2016-17, the EDT dealt with 15 children from Barking and Dagenham that needed to be accommodated and a further 8 children were taken into police protection.

Table 2: Children Accommodated July 2016 – September 2016

Barking and Dagenham	Jul 2016	Aug 2016	Sep 2016	Total
Children Accommodated	5	4	6	15
Children Accommodated That Were Seen	5	3	4	12
Children Taken Into Police Protection	5	2	1	8
Number of Times Practice Manager Called	25	21	34	70

- 2.17 From May 2016, the EDT log contained a new category, Homeless Family. This is used when EDT receive a referral due to a family being homeless. Barking &

Dagenham have seen a significant increase in the number of homeless family referrals with 139 compared to 38 last quarter.

- 2.18 Since the EDT Board Meeting in May 2016, corrective action has demonstrated a substantial improvement in the number of children seen who are accommodated. Overall there has also been an increase in the number of children seen out of hours in all local authority areas.

Table 3:

Month	Visit Made to Child	Child Seen	Reasons for Referral
Jul 2016	1	1	Unaccompanied Asylum Seeker
Aug 2016	4	4	Placement Breakdown x 1 Unaccompanied Asylum Seeker x 2 Police Protection x 1
Sep 2016	7	7	Placement Breakdown x 2 Unaccompanied Asylum Seekers x 2 Parental Substance Misuse x 2 Physical Abuse

- 2.19 The recording of data is effective and the EDT Board use performance data to inform strategic decisions and service planning.
- 2.20 A new staffing structure was adopted following the transfer of staff to establish the new service in 2014. Staff vacancies resulted in the use of a high proportion of agency staff. This impacted on service delivery and resulted in increased costs.
- 2.21 Following this period of high staff vacancies and use of agency staff, the team has stabilised. This has followed the permanent recruitment to a number of positions. The rota is fully covered, with all double shifts staffed at the weekends.
- 2.22 The EDT service has received positive feedback from Barking and Dagenham senior managers in Children's Care and Support. The EDT responds to a variety of challenging issues in Barking and Dagenham. EDT staff are working effectively with Children's Care and Support staff to tackle these cases.

3. Mandatory Implications

Joint Strategic Needs Assessment

- 3.1 Whilst not explicitly linked to the health components of the JSNA, this strategy does support the key priority themes of Care and Support and Protection and Safeguarding.

Health and Wellbeing Strategy

- 3.2 Whilst not explicitly linked to the health components of the Health and Wellbeing Strategy, this procurement does support the key priority themes of Care and Support and Protection and Safeguarding.

Integration

- 3.3 The 4 Boroughs Children's EDT Service is an integrated Local Authority approach that will provide a high-quality value for money service. This integrated approach will enable management costs to be shared and will improve working relationships between EDT staff and daytime duty teams with improved and consistent communication and practice.

Financial Implications

(Implications completed by: Katherine Heffernan, Group Manager for Service Finance)

- 3.4 The council will spend £265,000, plus £5,000 for ICT support, in 2016-17 in line with the four-borough Children's EDT contract. This is within the existing budget for the Children's EDT.
- 3.5 The cost split for the service was determined in 2013-14. A new cost split has been proposed by the London Borough of Redbridge reflecting the number of contacts per borough. It is anticipated that based on the number of contacts and referrals received the contribution from Barking and Dagenham will reduce from 28% to 26% from 2017-18.
- 3.6 The existing service is performing well and can deliver 15% reduction in cost from 2017-18. A new contract based on the existing terms and conditions can be put in place for the period April 1 2017 until March 31 2020.
- 3.7 The required budget in 2017-18 will be approximately £223,398, plus £5,000 for ICT support, and will increase by 1% in 2018-19 and 2019-20 respectively. This will deliver a 15% saving of approximately £42,000 in 2017-18. The subsequent increases will require a small budget uplift in 2018-19 and 2019-20.
- 3.8 The total value of the new three-year contract is £691,231.49. This level of funding can be met from the existing Children's Care and Support budget.

Legal Implications

(Implications completed by: Kayleigh Eaton, Contracts and Procurement Solicitor, Law and Governance)

- 3.9 This report is seeking approval from the Health and Wellbeing Board to enter into a three-year shared service arrangement with the London Boroughs of Havering, Redbridge and Waltham Forest for the provision of a statutory function, namely the Children's Emergency Duty Team Shared Service.
- 3.10 This report advises that this is a shared service arrangement led by the London Borough of Redbridge. Under the Public Contracts Regulations 2015 ("PCR 2015") an exemption has been provided for contracts which establish or implement co-operation between contracting authorities. Providing the arrangement is a genuine collaboration between the local authorities, this will not be an agreement which is subject to the PCR 2015.
- 3.11 As the value of the Council's contribution exceeds £500,000 the responsible directorate is seeking approval from the Health and Wellbeing board to enter into this arrangement.

- 3.12 The Law and Governance Team will be on hand to assist and advise on the proposed documentation to be adopted for the shared service arrangement and will be available to answer any queries which arise throughout the contract period.

Risk Management

- 3.13 There are no procurement implications for this partnership agreement, due to the fact that under the Public Contracts Regulations 2015 (“PCR 2015”) an exemption has been provided for contracts which establish or implement co-operation between contracting authorities.
- 3.14 The partnership agreement has been specifically tailored to ensure that aspects such as monitoring, accountability and collaboration for effective functioning of the EDT, are all addressed. The London Borough of Barking and Dagenham is represented on the four-borough EDT Board.
- 3.15 The performance monitoring of the service has been effectively managed. This has supported a continuous improvement in quality during the initial contract period.

Patient / Service User Impact

- 3.16 The current service is delivered from two location hubs Barking and Dagenham and Havering (hub 1) and LBR and LBWF (hub 2). The potential for one hub to cover the other when multiple and/or prolonged emergencies arise results in a more resilient service and improved outcomes for service users.
- 3.17 The two most recent EDT performance reports are attached as background papers to this report. They demonstrate that the service is dealing with an average of 485 contacts relating to LBBB each month. The monitoring of cases and follow-up is well documented in the report. Children’s Care and Support professionals in LBBB report that the EDT is functioning well and that work with service users is effective.

4. Non-mandatory Implications

Safeguarding

- 4.1 The Children Act 1989 requires Local Authorities to provide services for children in need for the purposes of safeguarding and promoting their welfare. The EDT service is required to adhere to the duties under the Children Act 1989 and all the Council’s local safeguarding procedures. These are explicitly addressed within the service specification that forms a schedule of the contract that has been scrutinised by the Council’s Legal Department.

Customer Impact

- 4.2 There is no change to the current arrangements.

Contractual Issues

- 4.3 Partnership agreements will be issued by LBR in line with the existing arrangements. These will be reviewed by the LBBB Legal Department before new agreements are sealed.

Public Background Papers Used in the Preparation of the Report:

EDT Shared Service: 4 boroughs Children's EDT Service, Health and Well-Being Board Report, October 2014

4-Borough's Emergency Duty Team Performance Report, 1st April 2016 – 31st August 2016

4-Borough's Emergency Duty Team Performance Report, 1st July 2016 – 30th September 2016