

## CABINET

13 November 2018

<b>Title:</b> Contracts for Provision of Bespoke Packages for Children’s Care Services	
<b>Report of the Cabinet Member for Social Care and Health Integration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Director:</b> April Bald, Operational Director Children’s Care and Support	
<b>Accountable Strategic Leadership Director:</b> Elaine Allegretti, Director of People and Resilience	
<b>Summary:</b>  This report requests authorisation to procure a four-year Framework Agreement from April 2019 for the provision of Bespoke Packages of Care Service for Children in Need, Children in Care and Children subject to a Child Protection Plan.	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Agree to commence the procurement of a four-year framework contract for the provision of a Bespoke Packages of Care Service for Children in Need, Children in Care and Children subject to a Child Protection Plan in accordance with the Council’s Contract Rules and in accordance with the strategy set out in the report; and  (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the framework agreements and all other necessary or ancillary agreements with the successful bidders.	
<b>Reason(s)</b> <ul style="list-style-type: none"><li>• To enable the Council to fulfil its statutory duties as prescribed in accordance with the Council’s Contract Rules for ‘light touch regime’ contracts.</li><li>• To support the Council’s vision to “protect the most vulnerable, keeping adults and children healthy and safe”.</li><li>• To provide an appropriate, best-value service that delivers excellent outcomes for children and young people.</li></ul>	

## **1. Introduction and Background**

- 1.1 The Access to Resource Team (ART) was originally established as a special intervention service focused on preventing the breakdown of fragile placements of children in care. The role of ART has since been expanded and refined to cover a number of areas. The Team has so far spent time working with a small group of providers on the development and co-ordination of bespoke targeted and time – limited intervention packages, enabling existing placements to be maintained and avoiding the potentially costly move of children/young people into more expensive settings, such as residential care.
- 1.2 During 2016/17 - A total of 125 children (71 cases) received a service spread across three criteria as follows:
- Edge of Care – 94
  - Rehabilitation home – 16
  - Outreach to foster placement – 15
- 1.3 The Edge of Care service has seen success of 92.6% keeping children at home with 7 children being accommodated.
- 1.4 The Rehabilitation home support package has seen 93.7% success to date of writing this report (1 Special Guardianship Order broke down and the young person was accommodated into a 16+ provision).
- 1.5 Engagement in ART services across all 3 criteria has been 97.6% as 3 cases did not engage.
- 1.6 In 2018/19 a total of 167 children (86 cases) received a service spread across the 3 criteria as follows:
- Edge of Care – 133
  - Rehabilitation home – 24
  - Outreach to placement support – 10
- 1.7 The Edge of Care service has seen success of 91% keeping children at home with 12 children accommodated.
- 1.8 The Rehabilitation home support packages have seen 100% success to date of writing this report.
- 1.9 Engagement in the ART services across all 3 criteria has been 91.5% as 10 cases did not engage. This increase is in line with the increase in cases from the previous year. It is also indicative of the increased complexity of issues within families that the ART Team has been seen emerging in the past 12 months.
- 1.10 When reviewing the financial impact of 14 early cases, evidence showed that had the intervention not taken place, almost £200,000 more would have been spent by the Council on these children/families. In fact, data spanning September 2012 to April 2014 showed that approximately £1,200,000 additional expenditure would have been incurred by the Council if this early intervention service had not been

delivered. In the 12-month period 2016/2017 data showed that an additional expenditure of approximately £2,038,000 would have been incurred.

### Current Context

- 1.11 A full tender of this service took place in 2015, but only three providers were eventually awarded contracts. This evidenced that the service is of a specialist nature requiring a combination of specialist knowledge coupled with significant operational experience. Two of the original companies no longer provide this service and the remaining provider no longer provides services in this area. As a result, a waiver has been put in place in order to engage with two providers for the interim period, while the new procurement process is being carried out. Contracts have been entered into with Kelwel Care Ltd, a company run and managed by previous employees of Potten Kare Services, who was one of the previous providers on the framework, and LifeLinx Ltd. These interim contracts will run from 1<sup>st</sup> November 2018 until 31<sup>st</sup> March 2019.
- 1.12 This original framework contract is due to expire on the 31<sup>st</sup> March 2019 with an option to extend for a further twelve (12) months but due to the exceptional circumstances we are seeking approval to establish another four (4) year Framework Contract and commence a procurement exercise to ensure a new framework of providers is in place to commence delivery on 1<sup>st</sup> April 2019.

Table 1: Procurement Timetable

Activity	Completion Date
Procurement strategy submitted to Pre-Procurement Board	24 September 2018
Procurement strategy submitted considered at Pre-Procurement Board	1 October 2018
Procurement strategy report submitted to Procurement Board	8 October 2018
Procurement strategy report considered at Procurement Board	15 October 2018
Procurement report submitted to Cabinet	25 October 2018
Report considered at Cabinet	13 November 2018
Procurement/tender exercise	November 2018 – 15 January 2019
Alcatel (10-day standstill period)	22 January 2019 – 1 February 2019
Contract award	2 February 2019
Contract Start Date	1 <sup>st</sup> April 2019

## **2. Proposed Procurement Strategy**

### **2.1 Outline specification of the works, goods or services being procured.**

2.1.1 The new framework will allow the council to deliver bespoke early intervention support of Care Service for Children in Need, Children in Care and Children subject to a Child Protection Plan. The intervention will be targeted and will cover:

- a) Edge of care: intervention is targeted at families who are in crisis and on the brink of having their child placed into care. Bespoke packages will be specifically focused on ameliorating familial issues, dispelling the need of children and/or young people into the care system.
- b) Rehabilitation: intervention is targeted at families who have children and/or young people that are already in the care system. Bespoke packages will be specifically focused on preparing the children/young people and their families for reunification, and thus exit from the care system.
- c) Fragile Placement/Outreach Packages: intervention is targeted at children and/or young people who are already in the care system with a placement that is on the verge of breakdown. Bespoke packages will be specifically focused on preventing placement breakdown.

2.1.2 Support packages could be put in place for hours, days, weeks or months. The type of support required will vary from case to case. Support packages will be tailored specifically to meet the needs of the child/young person and/or their families and will be delivered by a range of specialist external providers, under the co-ordination of the Access to Resources Team.

2.1.3 To establish the new Framework; the Council will invite responses from suitably qualified and experienced private and voluntary providers interested in joining a Framework Agreement to deliver bespoke early intervention support of Care Services.

2.1.4 There are a number of accepted advantages to agreeing a contractual framework over spot-purchasing:

- Quality assurance monitoring can take place across the service both with regard to statistical returns, as well as regular meetings with providers;
- Good practice and training opportunities can be shared amongst providers through forums and bulletins;
- Good quality services lead to more consistent, needs-focused intervention

2.1.5 The contractual method recommended to Cabinet, that is a Framework Agreement, would have additional advantages as it would not oblige the local authority to purchase any volume from any provider.

### **2.2 Estimated Contract Value, including the value of any uplift or extension period.**

2.2.1 The new Framework Contract will have no minimum value, nor will any commitment to expenditure by the Council be stipulated within the contract itself. Expenditure will only be incurred when referrals are made. The current expenditure for LB Barking

and Dagenham is circa. £390,000.00 per annum. The total value of the Framework Contract would, therefore, be circa. £1,560,000.00

## **2.3 Duration of the contract, including any options for extension**

2.3.1 The framework contract will be for 4 years with a three-month no-fault termination clause to allow the Council to exit the framework for any reason.

## **2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.4.1 Yes - The contracts with each provider fall under the 'light touch regime

## **2.5 Recommended procurement procedure and reasons for the recommendation**

2.5.1 There is clear evidence that the service required is of a specialist nature. The nature of the requirements – seeking a combination of specialist knowledge in an area where this is scarce, coupled with significant operational experience, has resulted in a very limited pool of providers.

2.5.2 We are seeking approval to establish another four (4) year Framework Contract and commence a procurement exercise to ensure a new framework of providers is in place to commence delivery on 1st April 2019. This will be a single stage tender using the Open Process. The tendering of this service will be advertised on the Council's website and on Contract Finder Contracts as well as in the Official Journal of the European Union.

## **2.6 The contract delivery methodology and documentation to be adopted**

2.6.1 The Service will be provided by external providers.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

### **2.7.1 Outcomes**

- a) Reduced levels of placement disruption for those children already in care.
- b) A reduction in the number of children going into care.
- c) An increase in children, who are in care being reunified with their families/carers.

### **2.7.2 Savings**

Cost savings for the period 2016/2017 was £1.9 million minimum.

For the period 1 March 2017, up to 31 January 2018 was £1.4 million minimum. (final cost savings should be available by end of August 2018).

The notional return on investment is £3 for every £1 spent.

2.7.3 It should at all times be noted that absolute forecasting is difficult with this cohort, due to the proving of the counterfactual being impossible in every case i.e. it is not possible to prove absolutely what the outcome would have been were an intervention not to be made. For this reason, forecast financial impact has been confined to the short-term returns, and do not include the potential savings over the life of the child or young person were they to remain out of the care system for the remainder of their childhood. This would, clearly, only serve to increase potential savings forecast and serves as an indication of the potential.

## 2.8 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 The price/quality ratio upon which contracts will be awarded will be 50% price, 50% quality. Providers will be ranked per lot based on their tender submission.

2.8.2 A 'call off' will follow based on the services we need, and a mini competition will be conducted where a direct 'call off' would be unsuitable due to price or service user needs.

## 2.9 **How the procurement will address and implement the Council's Social Value policies.**

2.9.1 The Council continues to be committed to promoting the welfare of and protecting the most vulnerable children and young people in Barking and Dagenham. The underlying foundation of this service/intervention lies in its commitment to ensuring that children and young people remain within their families wherever possible or if already in the care system in a stable placement. The Council wants to ensure that all children and young people enjoy their childhood, transition smoothly into and succeed in adult life.

## 3. **Options Appraisal**

3.1 **Option 1: Do nothing** - The Council could purchase these services from their current suppliers without having contractual cover in place. This option would fail to be compliant with EU procurement legislation as well as the Council's own policies. There would also be a high degree of risk associated with this option, exposing the Council to potential price increases and deficit budgetary positions. Without contracts in place we cannot enforce DBS (Disclosure and Barring Service) checks being mandatory, or that service providers have the correct policies and procedures in place.

3.2 **Option 2: Join an existing Framework Agreement** - There are no suitable existing frameworks in place that the LBBD can call-off.

3.3 **Option 3: Cease to provide** - If this service ceases to be provided, then there is a risk that a higher number of children who are on the edge of care would need to be accommodated by the Local Authority

## **4 Equalities and other Customer Impact**

- 4.1 The service will impact on Children in Need, Children in Care and Children subject to a Child Protection Plan. The service will ensure reduced levels of placement disruption for those children already in care, a reduction in the number of children going into care and an increase in children, who are in care being reunified with their families/carers.

## **5. Other Considerations and Implications**

- 5.1 **Safeguarding Children** - Referrals will be made by the Access to Resource Team. The Team manager will work closely with the allocated workers throughout the intervention period to ensure close communications and sharing of relevant information.
- 5.2 **Health Issues** - The wellbeing of children in the borough is a fundamental responsibility of the council which will result in positive health outcomes for the children and young people.

## **6. Consultation**

- 6.1 The Provision of Bespoke Packages of Care Service for Children in Need, Children in Care and Children subject to a Child Protection Plan Procurement Strategy was approved by the Procurement Board on 15 October 2018. Furthermore, consultation has also taken place with key stakeholders and has formed part of the commissioning process.

## **7. Corporate Procurement**

Implications completed by: Francis Parker – Senior Procurement Manager

- 7.1 The proposed procurement strategy is compliant with the Councils contract rules and the PCR2015. It is subject to the light touch regime and will need to be advertised accordingly.
- 7.2 An Open tender process is likely to yield the best value for money for this service.
- 7.3 The proposed procurement timetable is realistic.

## **8. Financial Implications**

Implications completed by: Olufunke Adediran, Group Accountant

- 8.1 This report seeks authorisation for the Council to go out to tender for a 4- year contract for a provider(s) to deliver bespoke targeted and time limited intervention packages to Children in Need, Children in Care and Children subject to a Child Protection Plan.
- 8.2 There is historic evidence to suggest that this type of intervention work achieves tangible cost savings due to their effectiveness which would have a long-term benefit against the Children's placement budgets.

8.3 The annual contract value is expected to be £390,000 with no minimum value and the overall value over the 4 years would be £1.560m. Due to the nature of the contract, costs would only be incurred when cases are referred. There is an existing budget within the Children's care & support placements budget available to fund the contract. The service would need to ensure that cases referred are contained within the funding available.

## **9. Legal Implications**

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

9.1 This report is seeking Cabinet's approval to establish another four (4) year Framework Contract and commence a procurement exercise to ensure a new framework of providers is in place to commence delivery on 1st April 2019.

9.2 It is noted that Paragraph 2.2 suggests that the total value of the Framework Contract is likely to be £1,560,000.00 over the contract period. As this is above the EU threshold of the Light Touch Regime, there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU). The Council must also publish a contract award notice and comply with the relevant provisions of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in conducting the procurement exercise.

9.3 It is noted from paragraph 2.1.2 that the Council will invite responses from suitably qualified and experienced private and voluntary providers interested in joining a Framework Agreement. This must be in compliance with the Council's Contract Rule 28.5 which states that contracts with a value above £50,000 must be competitively tendered.

9.4 Contract Rule 28.8 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contracts following the procurement process with the approval of Corporate Finance.

9.5 The report author and responsible directorate are advised to keep the Law and Governance team fully informed who will be on hand and available to assist and advise.

**Public Background Papers Used in the Preparation of the Report: None**

**List of appendices: None**