

## CABINET

21 April 2020

<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> None	<b>Key Decision:</b> No
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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> <p>This report is an update on approval to tender for Bespoke Packages of Care Service for Children in Need, Children in Care and Children subject to a Child Protection Plan given by Cabinet on 13 November 2018 (Minute 53).</p> <p>From April 2020, a new target operating model within Children Care and Support comes into effect, which includes a new Specialist Intervention Service (SIS). Under this new model, the Access to Resource Team (ART), established in 2012, will be replaced.</p> <p>The new Family Support team under the SIS will have a similar remit to provide bespoke intervention for children and young people, to prevent the breakdown of fragile placements, stop children from entering care and actively support families that need help to keep children at home.</p> <p>Development and implementation of the new target operating model (TOM) impacted upon the timeline and ability to tender for an external provider which aligned with the TOM and Council procurement requirements.</p> <p>Pending the ability to tender, extension waivers to the original contracts were approved to ensure continuity of service. The final waiver expires on 30 June 2020.</p> <p>In line with governance requirements of the Procurement Board to ensure current Cabinet agreement to tender, an updated agreement from Cabinet is requested to proceed with the tender of bespoke packages for children in need.</p>	
<b>Recommendation(s)</b> <p>The Cabinet is recommended to:</p> <p>(i) Agree the updated arrangements for the procurement of a two-year framework</p>	

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 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.

**Reason(s)**

- To enable the Council to fulfil its statutory duties as prescribed in accordance with the Council's Contract Rules for 'light touch regime' contracts.
- To support the Council's vision to "protect the most vulnerable, keeping adults and children healthy and safe".
- To provide an appropriate, best-value service that delivers excellent outcomes for children and young people.

## **1. Introduction and Background**

- 1.1. A full tender of this service took place in 2015. Following discussions between commissioners and the Care Management team it was agreed that the best way forward was to put in place a Framework Agreement.
- 1.2. A Framework Agreement enabled the council to have an agreement with several providers to ensure that demand is managed appropriately and to avoid situations where a single provider is unable to meet demand.
- 1.3. To establish the new Framework; the Council invited 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.
- 1.4. A number of providers expressed an interest in delivering this type of service. But due to the high intensity of the work involved and the need to deliver good outcomes for the family, some providers struggled to demonstrate their ability to deliver what is required for this client group.
- 1.5. Only three providers were eventually awarded contracts using a framework agreement. But, two of the original companies no longer provide this service. The remaining provider, Kelwel Care Ltd is a company run and managed by previous employees of Potten Kare Services.
- 1.6. Currently, all the current matches from the agreed framework is delivered by Kelwel Care Limited. However, Commissioners are concerned that alternative providers need to be available if Kelwel do not have the resources to take on additional cases and to counter an over-reliance on one single provider.
- 1.7. Cabinet approved the tender of an external family support function by Minute 53, 13 November 2018.

- 1.8. Enactment of the tender was delayed and an extension of the waiver agreed by the Procurement Board in May 2019, to ensure that enough time had been allocated to stimulate the market and increase the number of providers applying to work within a Framework agreement for family support.
- 1.9. A market engagement event was held on 28th June 2019 to stimulate the market and increase the number of bids submitted. In addition, the Framework Agreement was advertised through the Council's procurement portal.
- 1.10. Unfortunately, insufficient number of suppliers came forward to apply to be on the framework. Therefore, an interim contract was then awarded until 31 March 2020 to Kelwel Care Limited.
- 1.11. In Children's Care and Support (CCS) a new Target Operating Model was rolled out in 2019 to deliver service improvement
- 1.12. The revised TOM signified the start of a new Specialist Intervention Service (SIS) from April 2020, which required a Family Support team and service specification.
- 1.13. The Family Support specification will enable the delivery of bespoke care packages, aims to provide care and support for children who are:
  - on child protection plans,
  - on the edge of becoming a looked after child or
  - require support to stabilise the child remaining within the family home, using a range of interventions and preventative.
- 1.14. Pending a new tender specification that aligns the Family Support provision with the new Specialist Intervention Service, a further waiver was requested and approved expiring on 30 June 2020.

## **2. Proposed Procurement Strategy**

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

2.1.1 The previous contract utilised a framework which allowed 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.

2.1.2 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.

2.1.3 The type of support required varies from case to case. Under the framework, support packages could be put in place for hours, days, weeks or months. Support packages are tailored specifically to meet the needs of the child/young person and/or their families and is delivered by a range of specialist external providers, under the co-ordination of the Family Support Team.

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 regarding 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 Having used a framework agreement, the procurement options consider the advantages and benefits of a Dynamic Purchasing System over a contractual framework. These include:

- Suppliers can join at any time and therefore avoids supplier lock out caused by the limited application window of a framework
- No direct award of contracts, allowing for flexibility if provider(s) are found to be unsuitable for the nature of the work
- Pricing is determined at the contract award stage, in support of budgeting
- Unlimited suppliers may join, avoiding limitation of suppliers and as a consequence less competition among suppliers in support of competitive pricing.

2.1.6 The advantages of a Framework Agreement are listed below:

- Immediate delivery. A 'simple' requirement via the DPS can be quoted in 10 days which would not meet service need for urgent referrals
- Pricing fixed at the point of tender, in support of budget management
- Post-tender award, there is a one-step process to allocate the service requirement to an identified supplier. The DPS is a two-stage process, where step one allows supplies can be rejected with feedback. Step two would require team managers to meet and review bids made by potential providers, which could delay packages from being put into place.
- A Framework Agreement is more suitable for bespoke packages because heavily bespoke and/or highly complex requirements are unlikely to be suitable using the DPS.
- A Framework Agreement is the more appropriate option when the local authority needs to develop a strategic relationship with suppliers over a long period, such as bespoke packages for children identified as at risk of entering care or on child protection plans.
- A practical effect of a framework agreement is the freedom to award contracts

without the need to re-advertise and re-apply the selection and award criteria. This will lead to all parties saving the substantial time and cost of repeat bidding.

- Quality assurance monitoring can take place across the service both with regards to statistical returns, as well as regular meetings with providers.
- A pre-agreed pricing structure that commits the providers to maintain their prices across the term of the contract.
- Guaranteed pricing structure to enable LBB in our financial planning and forecasting for budget setting and monitoring purposes.

2.1.7 The contractual method recommended to the Procurement Board is a Framework Agreement, because it has additional advantages, would not oblige the local authority to purchase any volume from any provider and there is immediate delivery where needed.

## 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. £780,000.00 for a two-year period to enable evaluation of service need and spend in relation to the new specialist intervention service configuration.

2.2.2 The framework contracts will have no minimum value as services will only be sought when required. The final value of the contracts will depend on the number of referrals made to the providers, if any. However, it is estimated that the value of this contract will be no more than £500k per annum.

2.2.3 It is envisaged that the tender process be completed by June 2020 as tender documents have already been drawn up and engagement with key stakeholders has taken place.

## 2.3 **Procurement Timetable**

2.3.1 Kelwel will continue to provide bespoke packages of care services for in Children in need, in care or subject to a Child Protection Plan. The intervention is targeted and covers:

- Edge of care: intervention
- Rehabilitation
- Fragile Placement/Outreach Packages

2.4 The full tender of this service is planned to start immediately following the Cabinet approval and contracts entered into in late June / early July 2020.

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

2.5.1 The framework contract will be for 2 years with a three-month no-fault termination clause to allow the Council to exit the framework for any reason.

## 2.6 **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?**

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

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

2.7.1 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.

2.7.2 Approval has been previously given to establish another four (4) year Framework Contract. The updated request is to establish a two (2) year and commence a procurement exercise to ensure a new framework of providers is in place to commence delivery on 1st July 2020. This report is seeking approval to commence the tender exercise to enable a framework of providers to be established by 1 July 2020.

2.7.3 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.

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

2.9 The Service will be provided by external providers.

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

### **Outcomes**

2.10.1 Reduced levels of placement disruption for those children already in care.

2.10.2 A reduction in the number of children going into care.

2.10.3 An increase in children, who are in care being reunified with their families/carers.

### **Savings**

2.10.4 Since ART began in 2012, when a case closes and has been successful, the ART Team continue to track the family for a year on the finance spreadsheet, so future potential costs had the service not supported the family, are measured.

2.10.5 Cost savings for the period 2018/2019 were circa £1.656 million.

2.10.6 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.

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

2.11.1 The price/quality ratio upon which contracts will be awarded will be 35% price, 65% quality. Providers will be ranked per lot based on their tender submission.

2.11.2 The Council will select suppliers to provide services via a "direct call-off". If a direct "call off" is not feasible then a mini competition will be held with the providers within the specific category to ensure that the most suitable provider is selected, the selection will be based on price, quality, and the needs of service users.

2.11.3 For each individual Package purchased, the Council shall issue to the selected Provider an Individual Service User Agreement letter This Agreement together with the previously executed Contract shall form the Call-Off Contract

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

2.12.1 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 may choose to 'do nothing'. This is not the recommended option because this would result in the Council not having any formal contracts in place for this service. Furthermore, not having contracts in place impacts on the council's ability to effectively monitor the quality of the service.

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.
- 4.2 The background and life experiences of children and young people in need and on child protection plans, will shape the nature and level of care package provided.

## **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 Cabinet in November 2018. This is an update to enact the previously agreement to tender. Furthermore, consultation has also taken place with key stakeholders and has formed part of the commissioning process.
- 6.2 The proposals in this report were considered and endorsed by the Procurement Board on 16 March 2020.

## **7 Corporate Procurement**

Implications completed by: Euan Beales Head of Procurement

- 7.1 The Councils Contract Rules require all spend over £50,000 to be formally tendered. The route to market set out in the paper is to set up a two-year framework which is compliant with the Council's requirements and will be compliant under light touch thresholds.
- 7.2 The weighting is 35% price and 65% quality which, in my view, should give the end product of a pool of good quality providers, but the cost element may not be beneficial once awards have been granted.
- 7.3 Based on the detail contained within the paper I cannot see any reason not to approve the recommendations as set out.



## **8 Financial Implications**

Implications completed by: Murad Khan, Group Accountant

- 8.1 This report seeks authorisation for the Council to go out to tender for a 2- 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 2 years would be £780,000. 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 two (2) year Framework Contract and commence a procurement exercise to ensure a new framework of providers is in place to commence delivery on 1st July 2020
- 9.2 It is noted that Paragraph 2.2 suggests that the total value of the Framework Contract is likely to be £780,000.00 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 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