

## CABINET

21 October 2014

<b>Title:</b> Procurement of a Bespoke Children's Early Intervention Support Packages Service	
<b>Report of the Cabinet Member for Children's Social Care</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
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<b>Accountable Divisional Director:</b> Ann Graham – Complex Needs and Social Care	
<b>Accountable Director:</b> Helen Jenner – Corporate Director of Children's Services	
<b>Summary:</b> <p>The Council's Access to Resources Team (ART) was established in late 2010. ART was originally established as a special intervention service focussed on preventing the breakdown of fragile placements of children in care. The Team spent time working with a range 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. The role of ART has since been expanded and refined to cover a number of areas including families where children are on the edge of being taken into care and preparing children and their families for reunification and exit from the care system.</p> <p>This early intervention service which is co-ordinated by ART has, and is continuing to contain costs for the Council. When reviewing the financial impact of just 14 early cases, evidence shows 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 shows that approximately £1,200,000 additional expenditure would have been incurred by the Council if this early intervention service had not been delivered. It should be noted that many children entering the care system remain for a number of years, so any cost implications go beyond just the life of the intervention.</p> <p>The original funding for this service was through an Invest to Save bid and the business case and subsequent savings findings were scrutinised, and accepted, by the Modernisation and Improvement Board.</p> <p>Contracts are currently in place with three providers (CF Contact and Support Services Ltd, Potton Kare Service Ltd and The Vine Respite Services Ltd) but are due to expire at the end of April 2015.</p> <p>This report seeks authority to commence a competitive tender exercise to appoint</p>	

providers to deliver Bespoke Early Intervention Support Packages Service for Children In Need, Children In Care and Children Subject to a Child Protection Plan. Contracts are expected to commence on 1 May 2015 and will be for a period of three years, with an option to extend for a further two years.

### **Recommendation(s)**

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with procurement of a three year contract, with an extension option of two years, for Bespoke Early Intervention Support Packages Service for Children In Need, Children in Care and Children Subject to a Child Protection Plan in accordance with the strategy set out in the report; and
- (ii) Indicate whether Cabinet wishes to be further informed or consulted on the progress of the procurement and /or the award of the contract, or is content for the Corporate Director for Children's Services, in consultation with the Cabinet Member for Children's Social Care, the Chief Finance Officer and the Head of Legal Services, to conduct the procurement and award the contract to the successful bidder in accordance with the strategy.

### **Reason(s)**

The procurement of a Bespoke Early Intervention Support Packages Service for Children In Need, Children In Care and Children Subject to a Child Protection Plan will support the Council's Priority of "enabling social responsibility" by protecting the most vulnerable keeping children healthy and safe.

## **1. Introduction and Background**

- 1.1 ART was originally established as a special intervention service focussed 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 Contracts are currently in place with three providers (CF Contact and Support Services Ltd, Potton Kare Service Ltd and The Vine Respite Services Ltd), these contracts are due to expire at the end of April 2015.
- 1.3 When reviewing the financial impact of just 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 shows that approximately £1,200,000 additional expenditure would have been incurred by the Council if this early intervention service had not been delivered.

## **2. Proposed Procurement Strategy**

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

This service will provide bespoke early intervention support packages for children “in need”, “in care” and 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.

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.

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

Estimated to be a maximum of £450,000 per annum. (Estimated to be £2,250,000 for the life of the contract)

It should also be noted that the option that is being considered commits the Council to no expenditure with any provider, it simply allows for contracted expenditure up to a value should it be required.

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

Three Years with an option to extend for a further two years (five years in total).

### **2.4 Is the contract subject to the (EU) Public Contracts Regulations 2006? If Yes, and contract is for services, are they Part A or Part B Services.**

Yes the contract will be subject to the (EU) Public Contracts Regulations 2006. The service is a Part B Service.

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

The procurement process will be conducted in compliance with any European Union rules and principles and the Council's Contract Rules. The tender will be advertised on the Council's website and on the Contract's Finder website. (Contracts Finder is a free service for businesses, government buyers and the public. The service comes from the government under its commitment to transparency and allows suppliers to find contract opportunities.

There is no requirement for this tender to be advertised in the OJEU as it is a Part B service and is, therefore, not subject to the full rigours of the EU Procurement Regulations. Interested parties will be invited to tender on the basis of a compliant tender process. At all stages of the process tenderers will be given clear details on price/quality and criteria weightings.

The weightings are expected to be as follows:

Overall quality/price weighting: Quality 80% / Price 20%. The procurement process to be followed will be similar to a Restricted Procedure.

### Stage One of the procurement exercise

Pre – Qualification Questionnaires to be evaluated. Providers must attain a score of 60 or above to be considered to be put forward to the tender stage. A maximum of 10 providers will be put forward to the tender stage.

### Stage Two of the procurement exercise (20% price / 45% quality)

Cost and method statements to be evaluated against the criteria below:

- price 20%
- Quality 45% will cover areas such as: service delivery, management and staffing and communication and partnership working. Tenderers will be made aware of all criteria and sub criteria in advance.

A maximum of 8 providers will be put forward to the presentation and interview stage.

### Stage Three of the procurement exercise (35% quality)

Presentation and interview session

- 35% on a presentation and interview session. Tenderers will be made aware of all criteria and sub criteria in advance.

If there are any revisions to the weightings during the tender exercise all relevant providers will be informed as soon as possible.

Contracts (call off contracts with no guarantee of any case referrals/work) will be awarded to the top scoring 6 providers at the end of Stage Three.

Each piece of work/case will be different, as every child/family will have its own individual and complex needs; this means that work/cases cannot be allocated based on lowest cost or in rotation which is why a framework contract was considered not to be a suitable option for this procurement exercise (mini competitions for work/cases would also not be viable as support sometimes needs to be in place within hours). A Dynamic Purchasing System was also

discussed with the Corporate Procurement Team as a possible option but was ruled out as cases/work would have to be advertised on OJEU before work could be allocated to providers. This would again not be viable with support sometimes needing to be in place within hours. Instead work/cases will be reviewed by the ART Manager and then allocated to a suitable (contracted) provider based on a number of variables, including but not limited to: staff specialism/skills, staff availability (locality of staff and weekend working), the ability to respond quickly (some cases require intervention within a few hours), successful work on previous cases and cost. Providers will be made aware of this throughout the tender process.

### **Expected Tender Outline**

Cabinet approval	21 October 2014
Advertise and send out Expression of Interest packs	Late October 2014
Receive Expression of Interest packs back	Late November 2014
Send out tender packs	Mid December 2014
Receive tender packs back	Mid January 2015
Presentation and interview sessions	Early/Mid February 2015
Approval and award of contracts	Mid/Late February 2015
Start of service delivery service	Beginning May 2015

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

Service to be delivered by external providers. Documentation to be adopted will be the Council's standard terms and conditions.

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

#### **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.

#### **Savings**

The possible financial impact over a five year period is difficult to predict. However it is likely that reduced spending will be significant and could be in the region of £500,000 less per annum than it otherwise would have been.

When reviewing the financial impact of just 14 early cases, evidence shows that had the intervention not taken place, almost £200,000 more would have been spent by the Council on these children/families, and data spanning the period September 2012 to April 2014 shows that approximately £1,200,000 additional expenditure would have been incurred by the Council if an early intervention service had not been delivered.

The £1.2m discussed above concerned a cohort of 291 children and young people. Effectively, evaluation of the individual cases – through the use of a case tracking

system – is able to evidence that the investment of this approach delivers a reduced spend of, on average, £4,123 per child, per annum through either preventing entry to the care system, reducing time spent in the care system or reducing the likelihood that a move to a more expensive placement will be required.

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

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 long-term impact of this approach.

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

Overall quality/price weighting: Quality 80% / Price 20%.

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

The Council is committed to promoting the welfare of and protecting the most vulnerable children and young people in Barking and Dagenham. The underlying foundation of any intervention lies in a commitment to ensuring that children and young people remain within their families wherever possible. This procurement is targeted at children/young people “in need”, “in care” and subject to a child protection plan. The procurement of this service will assist in the reduction in the number of children going into care, reduced levels of placement disruption for children already in care and an increase in the number of children/young people already in care being reunified with their families/carers.

## **3. Options Appraisal**

3.1 The following options were considered.

### **Option 1 -The Council takes over the running of the service**

There would be a significant increase in costs if this service was to be run “In house”. Extra staff would have to be employed and the service would need to be closely co-ordinated and managed. It is estimated that to run the service in house this would require a minimum of fifteen Family Support Workers (FSW) and two additional Qualified Social Workers (QSW). Based on a salary of £28,000 per FSW and £36,000 per QSW this alone would be staffing costs of approximately £500,000, without on costs. Other specialist staff would also need to be employed including: Domestic Violence specialist, counselling specialists etc. Advertising for staff, training, annual leave, sickness cover, etc would all add to increasing the costs of the service if run “in house”. It should also be noted that the option that is

being considered commits the Council to no expenditure with any provider, it simply allows for contracted expenditure up to a value should it be required. For this reason option 1 is unviable.

### **Option 2 - Let the current service contracts expire and do nothing**

This would lead to a likely increase of children and/or young people being taken in to care and possibly into more expensive settings, such as residential care. There would also be further risk of an increase in placement disruption and a reduced chance of children and/or young people being reunified with their families/carers. Since September 2012 to the end of April 2014 £1,200,000 of additional expenditure would have been incurred by the Council if this early intervention service had not been delivered. If the service contracts expired and the service was not re-commissioned this would impact significantly on the Children's services budget.

### **Option 3 - Access an open framework/collaboration**

At the time of submitting this report, there are no active open frameworks or collaborative contracts that Children's Services is aware of that would be accessible to the Council.

### **Option 4 - Tender the service**

By tendering the service the Council will achieve competitive pricing for the service, and a number of children and/or young people will remain out of the care system. Those children and/or young people already in care will experience reduced levels of placement disruption and an increased chance of being reunified with their families/carers. All of these factors will lead to increased savings for the Council.

3.2 Option 4 is the recommended option.

## **4. Waiver**

Not applicable.

## **5 Equalities and other Customer Impact**

5.1 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.

## **6. Other Considerations and Implications**

6.1 **Risk and Risk Management** - The procurement exercise will assist in assessing the financial stability of any prospective providers. Credit checks will be made and audited accounts will be reviewed. Once financial stability has been established the main risk will be the quality of the service to be delivered. Technical ability will be assessed during the all the tender stages and will cover a range of areas including: experience, management and staffing, equality and diversity and safeguarding.

Once providers have been chosen and approval has been given, written contractual arrangements will contribute to ensuring a quality service. Contracts will be monitored and managed by a dedicated Contract Manager. The Contract Manager will liaise with the Council's Legal Team in order to resolve any contractual issues that arise during the life of the contract. Quarterly monitoring meetings will be conducted with providers having to complete and submit monitoring forms before any monitoring meeting.

Quality surveys will be conducted and service users will be made fully aware of how to make a complaint about the service being delivered.

**6.2 TUPE, other staffing and trade union implications** - There will be no staffing issues in respect of the Council's workforce. However, there could be possible Transfer of Undertakings (Protection of Employment) TUPE implications for staff currently employed in delivering this service by the incumbent providers. Because of this the process that will be followed as part of this procurement exercise is as described below:

- a) the incumbent providers will be requested to provide TUPE information to the Council before the tender exercise commences. The information supplied will be included in the Council's tender pack;
- b) it will be made clear in the advert and the tender application packs that TUPE may apply. Prospective tenderers are then aware of this before they submit a tender;
- c) the Council will make it clear to prospective tenderers that TUPE will be an issue that will need to be dealt with between the incumbent provider and any new provider; and
- d) at all stages of the procurement process providers will be made aware that they should obtain their own independent legal advice around TUPE.

**6.3 Safeguarding Children** - Any chosen providers will be required to conform to all the Council's local safeguarding procedures. This will be explicitly dealt with in the contract which will be drafted by the Council's Legal Department.

## **7. Consultation**

**7.1** Consultation has taken place through circulation of the draft report. The draft report after having been circulated to the relevant Group Manager, Divisional Director, the Divisional Director for Commissioning and Safeguarding and Democratic Services, was sent to the Council's Legal, Finance and Corporate Procurement Team for comment. The draft report was then put forward and approved at the Corporate Procurement Board Meeting of 29 September 2014. Following approval by the Corporate Procurement Board the Cabinet Report was then sent out for further consultation to the required consultees as listed at the beginning of this report.

## **8. Corporate Procurement**

Implications completed by: Euan Beales, Category Manager – Finance and Resources



- 8.1 The service being proposed for tender satisfies the criteria as a Part B service under the EU Procurement Regulations, and as such does not need to conform with all of the mandatory requirements.

The report recommends a two-step process which consists of a pre-qualification stage and a formal Invitation to Tender stage. The proposal is to put forward a maximum of 10 bidders to the Invitation to Tender stage. I can confirm that this is viewed as the most preferential process due to the main focus being on the quality of delivery at 80% compared to the costing element of 20%.

## **9. Financial Implications**

Implications completed by: Jonathan Bunt, Chief Finance Officer

- 9.1 The Children's services Complex Needs and Social Care division does have budgetary pressures due to significant demand pressures of 'demographic growth' and 'need'. The savings from the 14 cases of £200k identified has been masked by reported pressures overall within the division.
- 9.2 The investment of this approach would deliver savings through prevention into the care system, reducing time spent within the care system, reducing the likelihood of a move to a more expensive placement and long term planning should deliver savings that in turn should be monitored.
- 9.3 The price/quality ratio detailed in 2.5 is more heavily weighted toward quality than would usually be expected in a regular procurement exercise where, in practice, a 60%/40% weighting should be sought, as a minimum, in all instances. Due to the nature of the service being provided, in particular the strong preventative element, the much higher weighting towards quality has been proposed based on the evidence of the early intervention work to date. That evidence indicates that there is a higher reduction in future costs to the Council through more effective, i.e. higher quality, early intervention work. This evidence of future cost avoidance acts to mitigate any financial risk from a lower than normal price weighting.
- 9.4 This Procurement Strategy highlights the need to not only issue a mandate for price/quality ratios for all future procurement exercises, but also makes clear the circumstances under which a deviation from this mandate can be justified and authorised.

## **10. Legal Implications**

Implications completed by: Daniel Toohey, Principal Corporate Solicitor, Legal and Democratic Services

- 10.1 The proposed procurement is to be in the form of separate contracts to potentially 6 separate suppliers. It is anticipated that the value of the proposed contracts will have a total value of £2,250,000 over the lifetime of the contracts. Under the Public Contracts Regulations 2006 (the 'Regulations') these services are classified as Part B Services and therefore are not subject to the full tendering requirements of the Regulations. However in conducting the procurement, the Council still has a legal obligation to 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.

- 10.2 Under the Council's Constitution, (Contract Rule 28.5), contracts above £50,000 should be subject to a competitive tendering process. The process described by the report author above, should comply with these requirements.
- 10.3 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.
- 10.4 In line with Contract Rule 47.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 10.5 The report author and responsible directorate are advised to keep Legal Services informed during the proposed tender exercise; Legal Services are on hand to advise and assist regarding any procurement compliance issues.

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

**List of appendices:** None