

**For General Release**

<b>REPORT TO:</b>	<b>CABINET 10 June 2019</b>
<b>SUBJECT:</b>	<b>Award of Approved Provider Panel for Children Social Care Assessments</b>
<b>LEAD OFFICER:</b>	<b>Robert Henderson, Executive Director of Children, Families and Education</b> <b>Nick Pendry, Director of Early Help and Children's Social Care</b>
<b>CABINET MEMBER:</b>	<b>Councillor Flemming, Cabinet Member for Children, Young People and Learning</b> <b>Councillor Hall, Cabinet Member for Finance and Resources</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</b> <p>The Council has a statutory duty to provide assessments when required under the Children Act 1989 in order to meet the needs of individual children and to help determine what services to provide and action to take. The procurement of an Approved Provider Panel of experts to conduct Children's Social Care Assessments will assist the Council in meeting this statutory duty.</p> <p>The establishment of an Approved Provider Panel of experts also supports the Council's ambition to protect its most vulnerable residents and enhance the life chances of children in need. It supports the achievement of the following corporate priorities:</p> <ul style="list-style-type: none"><li>• To support individuals and families with complex needs;</li><li>• To deliver better education and the opportunity for everyone to reach their full potential;</li><li>• To secure a good start in life, improve health outcomes and increase healthy life expectancy.</li></ul>	
<b>FINANCIAL IMPACT</b> <p>At the time of writing the Procurement Strategy (December 2018) for the Approved Provider Panel, the estimated total contract value was estimated to be £2,512,000 per annum with a maximum contract spend of £10,049,000 over the maximum 4 years (2 +2 year contract term), based on current spend and forecast demand.</p> <p>The 2018/19 year end actual spend is £3,057,000, which represents an overspend of £2,050,000 against a budget of £1,007,000. This overspend and increased demand is predominately due to residential and reverse assessments.</p> <p>To meet the growth in demand for assessments, additional growth of £1,194,000 was agreed at Executive level as part of a wider package of growth for Children, Families &amp; Education department.</p>	

## **FORWARD PLAN KEY DECISION REFERENCE NO: 1319CAB**

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

### **1. RECOMMENDATIONS**

- 1.1 The Cabinet is recommended by the Contracts and Commissioning Board to approve the award of an Approved Provider Panel for the delivery of Children's Social Care Assessments, in accordance with Regulation 27(c) of the Council's Contracts and Tenders Regulations and the appointment of 13 providers across the 10 Lots as detailed in the Part B report on this agenda, for a term of two years with an option to extend for a further two years for a maximum contract value of £10,049,000.
- 1.2 The Cabinet is asked to note that the names of the successful providers in Part B of this report will be released once the appointments to the Approved Provider Panel decision has been agreed.

### **2. EXECUTIVE SUMMARY**

- 2.1 The Council has undertaken a tendering exercise with the aim of establishing an Approved Provider Panel ('Panel') to deliver more efficient commissioning arrangements for Children's Social Care assessments, which will also be open to other Local Authorities to access.
- 2.2 The current Supervised Contact and Assessment framework will expire on the 31st October 2019. The current framework was extended for 6 months + 3 months + 3 months from 1<sup>st</sup> November 2018 [CCB1417/18-19]. It is recommended that the new Approved Provider Panel contracts commence on the 1<sup>st</sup> August 2019, 9 months into the 12 month extension period.
- 2.3 The procurement strategy for the Children's Social Care Assessments Approved Provider Panel was approved by Cabinet on the 10<sup>th</sup> December 2018 (Minute Reference 114/18), and has been adhered to throughout the procurement.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

<b>CCB Approval Date</b>	<b>CCB ref. number</b>
<b>17/05/2019</b>	<b>CCB1486/19-20</b>

### 3. DETAIL

- 3.1 The commissioning of high quality Social Care Assessments through providers on the 'Panel' will assist the Council in meeting its statutory duty under the Children Act 1989; in order to meet the needs of individual children and to help determine what services to provide and action to take. The proposed 'Panel' will assist the Council in achieving this by improving the quality and timeliness of assessments conducted on behalf of the Local Authority. The 'Panel' will also be open to other Local Authorities to access and they will need to sign up to an access agreement.
- 3.2 The 'Panel' of experts to deliver the provision of social care assessments will support the Council, by providing a wider pool of high quality experts who are qualified and experienced in delivering a broad range of assessments where the capacity or capability to conduct the assessment in-house does not exist. Over the term of the contract it is envisaged that demand for externally commissioned assessment services will reduce as more of the assessments are conducted in-house by a Friends and Family Service to deliver Special Guardianship Orders (SGO), viability, connected person and together and apart assessments. Furthermore as the Children's Social Care Improvement programme becomes embedded in practice, in particular: improvements around early permanence; earlier intervention through Early Help and pre-proceedings will all help reduce demand for assessments over time.

### Procurement Approach

- 3.3 The procurement of a new 'Panel', utilises the flexibilities of the Public Contract Regulations (PCR) Light Touch Regime which allows the Council to create a more flexible, responsive and better quality pool of assessors to carry out the required Children's Social Care assessments. The 'Panel' will operate similar to a traditional framework solution and can be accessed by other Local Authorities, however the Council reserves the right to open the 'Panel' to new entrants from the market at any point where the experts within any given LOT can no longer meet the demand for assessments or specialist experience is missing from the 'Panel'. This will negate the current issue that the existing framework has, in that not enough qualified assessors can meet the breadth of need and the growing demand for the service. New suppliers will need to meet the original quality and price evaluation criteria used to create the original 'Panel'. The contract manager will be responsible for seeking feedback from social workers and business support to ensure the quality and suitability of the assessors on the 'Panel' on a quarterly basis.
- 3.4 The assessments to be carried out by the 'Panel' have been divided into ten LOTS based on the different types of assessments as stated below:

Table 1 – List of LOTS/Types of Assessments

LOT 1	Psychological assessment including sub-lots for adult; child & adolescents and cognitive assessments
LOT 2	Psychiatric assessment including a sub-lot for forensic psychiatric

	assessments
LOT 3	Parenting Assessment Manual Software (PAMS) assessment
LOT 4	Parenting assessment
LOT 5	Residential parenting assessment
LOT 6	Reverse residential assessment (RRA)
LOT 7	Viability assessment
LOT 8	Fostering assessment including sub-lots for connected person assessment and for Special Guardianship Order (SGO)
LOT 9	Together & Apart assessment
LOT 10	Risk assessment including sub-lots for domestic abuse and sexual abuse

3.5 Tenderers who are recommended for appointment to the relevant Lots on the 'Panel', is on the basis of their ability to satisfy the Council that they could meet the qualitative requirements of the Service Specification.

3.6 Appointment onto the 'Panel' was based on the following quality criteria:

- Compliance with the Council's minimum requirements which included the Council's mandatory requirements, discretionary requirements and LOT specific minimum quality standards.
- Achieving a minimum quality score in the method statement questions (see table 2 overleaf)

Table 2 – Method Statement Questions

#	Question	Max score	Min score	Weighting %
1	<b>Experience of delivery</b>	5	3	10%
2	<b>Technical capability and experience of workforce</b>	5	3	5%
3	<b>Approach to recruitment, training and supervision</b>	5	2	5%
4	<b>Working with families with multiple risk factors</b>	5	3	5%
5	<b>Safeguarding</b>	5	3	5%
6a	<b>Quality Assurance &amp; Contract Management</b>	5	3	10%
6b	<b>Evaluation of sample report</b>	5	3	20%
7	<b>Confidentiality/ GDPR</b>	5	3	5%
8	<b>Social Value</b>	5	2	5%
9	<b>Premier Supplier Programme</b>	5	N/A	0%
<b>Total</b>		<b>70%</b>		

3.7 The tenderer's price score was calculated using the following equation:

$$\text{Tenderer's Total Price Score/Lowest Scoring Price} \times 30\%$$

3.8 For those meeting the above quality threshold, their weighted quality score was added to the weighted tender price score, to provide a ranked list of all admitted providers in each LOT. The top 5 providers in each LOT, will be placed in tier 1, which represents the best quality and competitive price. Tier 1 providers will be approached first for each mini competition. The remaining providers will be added to tier 2. Not all LOTS will have multiple tiers, depending on the number of providers who were successfully admitted on the 'Panel' in that LOT.

3.9 If a LOT is refreshed and open to new providers at any time during the full contract term, the ranking of providers may be subject to change. If a refresh was to occur the following process would be followed:

- The Provider Panel will be opened to new entrants for a period of time and will be advertised as an opportunity through the London Tenders Portal.
- New entrants will be scored in accordance with the same scoring methodology and will be ranked against the scores achieved by the existing 'Panel' when the framework was established.
- During the time that the Panel is open to new entrants, existing providers do not need to re-tender and will automatically remain on the Approved Provider Panel. However if providers would like to offer a lower more competitive tender price they can do so while the panel is open to new entrants. This new tender price will be used when re-ranking all success tenderers.
- The current Approved Providers and the new entrants will then be ranked and the top 5 providers in each LOT will form Tier 1, and subsequent providers Tier 2.

### **Call off Procedure**

3.10 The call off process will involve the business support team contacting all the approved providers in the relevant LOT depending on which type of assessment has been requested in the letter of instruction. Business Support will ask all experts in the specific LOT to respond within 48 hours with their updated CV and availability to conduct the assessment in the specified timeframes. Agencies are able to submit as many eligible CV's as they wish. The CVs for the top tier of providers will then be sent to the relevant social worker, who will use their professional judgement to match the specifics of the individual case to the provider with the best level of specialism in the top tier. If no match can be made, the social worker will have the discretion to consider the next tier of providers.

### **Contract management**

3.11 The 'Panel' will be considered one of the Council's Tier 1 contracts and will be assigned a contract manager within the Commissioning and Procurement division. The contract manager will monitor spend generally and will work with business support and Children's Social Care to ensure the 'Panel' operates effectively and feedback on the assessments conducted by the 'Panel' is sought

and offered to experts. There are mechanisms within the performance standard's schedule, such as quality notices, if feedback is poor. The terms and conditions of the 'Panel' agreement is based on the Council's standard Terms and Conditions but have been developed to include service level expectations regarding the quality and timeliness of the assessment reports with penalties for poor quality or late submissions. This agreement will be finalised by the Council's external legal advisors, Browne Jacobson.

## Social value

- 3.12 The procurement approach for this service recognises the importance of social value and in particular rewarded bidders who offered to support the in-house workforce to upskill in the delivery of assessments while the Council is developing in-house capacity and capability to conduct their own assessments. The procurement actively looked to support SMEs and the voluntary and community sector by organising the assessment service into categories or LOTS and by removing the need for the bidding organisations to have an indicative maximum transaction size in line with the estimated value of the contract. All providers were required to commit to paying any person employed or engaged in the performance of the services a rate at least equivalent to London Living Wage (LLW).

## Evaluation

- 3.13 The tender exercise was undertaken in line with a single-stage 'Open' procurement process, under the PCR Light Touch Regime. The Tender opened on the 28<sup>th</sup> January 2019 with the deadline for submission on the 27<sup>th</sup> February 2019. Tenders were received from a total of 22 providers across all 10 LOTS, noting that the majority of tenderers bid for more than 1 LOT.
- 3.14 Tenderers were required to submit responses to the standard suite of SSQ questions. A number of additional questions were set out relating to the qualifications and registration required to conduct each type of assessment. 9 method statement questions were posed for each LOT and were scored by an evaluation panel of three officers. For the residential assessment LOT, site visits were carried out for tenderers who passed the minimum quality threshold for the method statement questions.
- 3.15 Table 3, summarises the number of bids received across the 10 LOTS, and the number of tenderers who failed to meet the evaluation criteria set out in the Instructions for Tendering:

LOT	Assessment Type	No. of bids received	No. of bids failing to pass the minimum criteria	No. of bids failing quality threshold	No. of bids appointed to panel
1a	Psychological - adult	11	3	3	5
1b	Psychological - child	9	2	3	4
1c	Psychological - cognitive	9	2	4	3
2a	Psychiatric	3	1	0	2

LOT	Assessment Type	No. of bids received	No. of bids failing to pass the minimum criteria	No. of bids failing quality threshold	No. of bids appointed to panel
2b	Psychiatric - forensic	3	1	0	2
3	PAMS	10	2	3	5
4	Parenting	11	0	5	6
5	Residential	3	0	1	2
6	Reverse	3	0	1	2
7	Viability	7	0	2	5
8a	Connected Persons	6	0	1	5
8b	Special Guardianship	7	0	1	6
9	Together & Apart	5	0	1	4
10a	Risk – domestic abuse	4	0	1	3
10b	Risk – sexual abuse	2	0	1	1

3.16 Pricing for each lot and sub lot was evaluated separately with either a fixed unit price per assessment or hourly professional rate being asked for each LOT or sub lot. No price cap was included in the Instructions for Tendering so to not discourage any providers in the market to bid or to skew all the tender prices around the cap. Instead strong mechanisms to control costs have been included in the contract terms including a standardised approach and cap on travel and subsistence costs as well as financial penalties to deal with poor quality and late filing of reports. Tender prices were calculated as per the methodology in 3.7, and the weighted quality and weighted price scores added together and ranked for each LOT.

3.17 The tender assessment process for appointment to the 'Panel' has resulted in the recommendation that 13 providers are admitted onto the 'Panel' in the following LOTs outlined below. Where more than 5 providers have been successful, then two tiers will be created and providers ranked according to both price and quality.

LOT	Assessment	Tier 1	Tier 2
1a	Psychological (adult)	5 providers	1 provider
1b	Psychological (Child)	4 providers	
1c	Psychological (Cognitive)	3 providers	
2a	Psychiatric	2 providers	
2b	Psychiatric (Forensic)	2 providers	
3	PAMS	5 providers	
4	Parenting	5 providers	1 provider
5	Residential	2 providers	
6	Reverse	2 providers	
7	Viability	5 providers	
8a	Connected Person	5 providers	
8b	SGO	5 providers	
9	Together & Apart	4 providers	
10a	Risk – sexual abuse	3 providers	
10 b	Risk – domestic abuse	1 provider	

## Evaluation Panel

- 3.18 Due to the number of LOTS, 5 evaluation teams were recruited, each consisting of three people. Team A and Team B, consisted of Heads of Service, Service Leads and the Court Case Progression Manager from Care Planning; Team C consisted of Service Leads from Corporate Parenting; Team D consisted of officers from the Data Information and Management Team and Team E consisted of officers from the corporate Commissioning and Procurement team. Teams A, B and C evaluated questions 1 – 6, with each team evaluating set LOTS. Team D evaluated the data protection and information management question from all bidders across all 10 LOTS. Team E evaluated the social value question from all bidders across all 10 LOTS.
- 3.19 Each evaluator evaluated their assigned method statement responses independently and then the scores were brought together at moderation panels. The moderation panel included the relevant teams and was supported by the Senior Commissioning and Procurement Officer and chaired by a Category Manger. A moderated score was agreed for each tender question. The Quality Assessment was subject to a minimum score set out in the Instructions for Tendering with any bid failing to reach the minimum score required for each question, ultimately failing the Quality evaluation stage of the procurement.

### **Safeguarding**

- 3.20 To give assurance to the Council that safeguarding of children and young people is paramount, one of the minimum requirements for all bidders across all LOTS, was the ability to evidence they can meet the minimum standards set out by Croydon's Safeguarding Children Board through completion of Croydon's Safeguarding Children Board Checklist. This checklist was given as an appendix to the specification. In addition, a specific method statement was asked about how safeguarding concerns would be dealt with by organisations, with the requirement for their response to score no less than a 3 (satisfactory). Providing evidence of each organisation's safeguarding policy will form part of the contract monitoring requirements.

## **4. CONSULTATION**

- 4.1 A Pre-procurement market engagement event was held on 24<sup>th</sup> September 2018, with a large number of providers in attendance with positive feedback.
- 4.2 Consultation on the development of the 'Panel', service specification, tender documentation and contract was conducted with Children's Social Care Lawyers, Business Support, Contract Management, internal and external legal, HR, Risk Management, Information Management, Care Planning and Corporate Parenting.

## **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**



- 5.1 The Procurement Strategy presented to Cabinet on 10<sup>th</sup> December 2018 detailed a total contract value of up to £10,049,000 over the four year life time of the contract. This was based on current demand and required estimated growth in Year 1 of approximately £1,500,000. Actual growth received was £1,194,000. The estimated overspend of £311,000 from Year 1 to 4 will need to be managed in year to balance the budget. The underspend in Year 5 is estimated and will meet the costs of the new contract from 1 May 2023 onwards.
- 5.2 Overtime, SGO, viability, Form F and Connected Person Assessments will be conducted by the in house Friends and Family Service. This has been reflected in the budget being moved from third party spend to in-house expenditure from year 3 onwards. The true cost of delivering these assessments in-house and therefore the reduction in expenditure with the Approved Provider Panel will be calculated when the full business case is developed and costed.
- 5.3 As this will be an Approved Provider Panel, much like a framework agreement, the Council does not have to commit to any volumes of work to any provider. This will provide a mechanism to obtain assessment services as and when required, at a pre-agreed price and level of quality, thereby managing costs more effectively than the current off framework expenditure. The longer term strategy for achieving value for money, will be the in-sourcing of social work led assessments.

#### 5.4 The effect of the decision

	Current year	Medium Term Financial Strategy – 4 year forecast			
	2019/20	2020/21	2021/22	2022/2023	2023/24
	£'000	£'000	£'000	£'000	£'000
<b>Revenue Budget available</b>					
Expenditure	1,007	2,201	2,201	2,201	1,007
Income					
<b>Estimated Growth</b>	1,194	0	0	0	0
<b>Effect of decision from report</b>					
Contract Expenditure	2,512	2,512	2,312	2,312	193
In-house costs			200	200	17
<b>Remaining budget</b>	<u>311</u>	<u>311</u>	<u>311</u>	<u>311</u>	<u>(797)</u>

This decision will allow the procurement of a 'Panel' agreement with a number of expert providers to deliver the Council's requirements for Children's Social Care assessments.

If demand increases above the budget detailed in the table above action will need to be taken to manage the spend to ensure an overspend does not incur or if an overspend is to occur action will need to be taken within the whole of the Children, Families and Education Department to ensure costs remain within the total budget allocation.

#### 5.5 Risks

There is a risk that the modelling assumptions are different due to changes in demand. If this occurs action will need to be taken within the department to manage the costs.

There is a small risk of legal challenge from the market regarding the appointments to the 'Panel' or if a refresh were to be conducted. However the Instructions for Tendering document was very clear that the Council would design a bespoke tendering process utilising the flexibilities under the 'Light

Touch Regime'. The process for refreshing the panel was set out in the Instructions for Tendering. The Instructions and Tendering documents were prepared with the Council's external legal advisor, Browne Jacobson, prior to issue. Browne Jacobson have advised the Council throughout this procurement in accordance with the procurement strategy and have prepared all related documentation.

## **5.6 Options**

The service has considered the option of a Dynamic Purchasing system; and in the medium term this is seen as an option the Council would like to consider. This will however require thorough planning, implementation and mobilisation capacity and will need to be considered as a wider model across the Children, Families and Learning Department in the future.

This proposal to develop a new 'Panel' agreement is considered to be the optimum approach in the current circumstances.

## **5.7 Future savings/efficiencies**

There is work in place to recruit more mother and baby foster carers, reducing the demand for private residential placements, hence reducing high costs. Although the individual tender prices have on average seen a slight increase when compared to the 2014 tender prices, there is a much wider range of tender prices as the number of providers in each LOT has not been limited to 3 which was the case in the 2014 procurement. However when compared to off-framework spend, there will be cost avoidance savings made from commissioning from the Panel, as the tender prices will be contractually binding and includes a rigorous approach and cap to travel and subsistence; additional hourly rates for court attendance; late filing fees and how poor performance resulting in court order addendums or new assessments reports are dealt with.

The Approved Provider Panel should be considered as part of a comprehensive children's social care strategy to address the issues identified above. Savings will also be achieved via other cost improvement interventions outside of the scope of the Panel – e.g.

- introduction of a new high cost panel to oversee and manage residential assessments
- improved practice around early permanence
- demand management via Council investment in prevention
- earlier intervention (Early Help and pre-proceedings)
- implementation of the proposed in-house service models for assessments from Summer 2019
- the development of the in-house parent and child fostering service the costs of which at present range from £1,300 – £1,600 a week from independent fostering agencies (IFAs).

It is anticipated that these approaches will have an impact on the predicted spend on residential assessments which make up the largest part of the assessment budget although the fostering service is not expected to be fully operational for 18 months from the time of writing this report.

Approved by: Maiyani Henry-Hercules - Finance Manager on behalf of Kate Bingham – Head of Finance

## **6. LEGAL CONSIDERATIONS**

- 6.1 The Director of Law and Governance comments that the legal considerations are as set out within this report.

Approved by: Sean Murphy, Director of Law and Governance and Deputy Monitoring Officer

## **7. HUMAN RESOURCES IMPACT**

- 7.1 This report concerns the provision of services that will be provided by third party organisations. As such, the Council is not the employer of the staff working within the framework and there are no implications for Croydon employees. However, in the event that there are service provision changes, which may invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 Legislation (amended 2014). Where the activities of the new service are “fundamentally not the same”, TUPE may not apply, as provided for by the 2014 amendments to the Transfer of Undertakings (Protection of Employment) 2006 Legislation.

- 7.2 These service provision changes may impact non-Council staff (i.e. those employed by service providers that deliver services on behalf of the Council) who are directly employed to provide/support the services in scope for the Approved Provider Panel. Where the Council is not the employer the application of TUPE, or otherwise, would be determined between the service providers.

- 7.3 Nevertheless, this would remain a change of service provision for which the Council is the client; on that basis, the role of the Council would usually extend no further than facilitating the process.

- 7.4 Approved by: Nadine Maloney, Head of HR – Children, Families & Education Department, on behalf of the Director of Human Resources

## **8. EQUALITIES IMPACT**

- 8.1 An initial equalities analysis has been undertaken as part of this procurement. The analysis has indicated that further analysis will not be required as the change will not have a different / significant impact on groups that share a protected characteristic (compared to non-protected groups).#

Approved by: Yvonne Okiyo, Equalities Manager

## **9. ENVIRONMENTAL IMPACT**

9.1 There are no environmental sustainability impact of this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 There is no implications in this award report for the reduction or prevention of crime and disorder.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The commissioning of high quality Social Care Assessments through providers on the 'Panel' will assist the Council in meeting its statutory duty under the Children Act 1989; in order to meet the needs of individual children and to help determine what services to provide and action to take. The proposed 'Panel' will assist the Council in achieving this by improving the quality and timeliness of assessments conducted on behalf of the Local Authority

## **12. OPTIONS CONSIDERED AND REJECTED**

### Do nothing

The Council has a statutory duty to provide assessments when required under the Children Act 1989 and therefore this is not an option.

### Procure a new framework agreement

A standard procurement framework does not allow for new providers to be admitted to the framework, or the structure of the framework changed in any way. Therefore it cannot be refreshed to ensure it continues to meet demand and attract the best expertise throughout the life span of the proposed contract. Therefore this option was rejected.

### Procure a Dynamic Purchasing System

The Interim Director of Children's Social Care confirmed during the procurement strategy that the additional resources and costs required to implement and manage a DPS will not be a cost effective solution for the ongoing commissioning of Children's Social Care assessments. Therefore this option was rejected at this time.

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**CONTACT OFFICER:** Sarah Risby, Category Manager, Commissioning and Procurement, Ext 63270.

**BACKGROUND DOCUMENTS:** None