

REPORT TO:	Cabinet 8 July 2019
SUBJECT:	Children's Social Care: Supervised Contact Award
LEAD OFFICER:	Rob Henderson, Executive Director Children, Families and Education Nick Pendry, Director of Children Family, Family Intervention and Children's Social Care
CABINET MEMBER:	Councillor Alisa Flemming Cabinet Member for Children, Young People & Learning and Councillor Simon Hall Cabinet Member for Finance and Resources
WARDS:	All
<p>CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON</p> <p>This tender meets the council's statutory duty to provide contact between families for looked after children. It contributes to the administration's ambition to enable children and families to be healthy and resilient and maximise their life chances.</p> <p>The open tender is designed to secure high quality supervised contact services which are accessible to all families in the borough. This will enable the council to meet the following corporate priorities;</p> <ul style="list-style-type: none"> • To secure a good start in life, improve health outcomes and increase healthy life expectancy. • To support individuals and families with complex needs; 	
<p>FINANCIAL IMPACT</p> <p>Costs associated with this tender award are essential for service delivery and to fulfil the Council's statutory responsibilities. Expenditure is funded from the Council's Revenue Budget.</p> <p>The tender is divided into 2 lots.</p> <p>Lot 1: Supervised Contact: North Croydon: 5,000 hours, plus up to 4,000 additional hours, if required.</p> <p>Lot 2: Supervised Contact: South and Central Croydon: 5,000 hours, plus up to 4,000 additional hours, if required.</p>	
<p>FORWARD PLAN KEY DECISION REFERENCE NO.: 2019CYPL</p> <p>As the total contract value is over £1 million, 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.</p>	

The Leader of the Council has delegated to the Cabinet Member for Children's, Young People and Learning the power to make the decisions set out in the recommendations below.

1. RECOMMENDATIONS

1.1 The Cabinet Member for Children's, Young People and Learning in consultation with the Cabinet Member for Finance and Resources are recommended by the Contracts and Commissioning Board to:

1.1.1 Approve the award of contracts for the delivery of the 2 Lots;

- **Lot 1: Supervised Contact: North Croydon;**
- **Lot 2: Supervised Contact: South and Central Croydon;**

To the provider and for the contract values as detailed in the Part B report on this agenda, for a contract term of three years, with an option to extend for a further one year.

1.1.2 To note that the names of the successful provider will be released once the decision has been implemented.

2. EXECUTIVE SUMMARY

2.1 Supervised contact is a statutory service that has been delivered primarily through a framework contract for supervised contact and assessment since November 2014.

2.2 The current framework contract for supervised contact was extended to October 31 2019 to allow for an open tender for supervised contact to be carried out.

2.3 The procurement strategy for the Children's Social Care Supervised Contact was set out in the "How we Buy" report was approved by CCB (reference CCB1469/18-19) on April 3 2019 and has been adhered to throughout the procurement.

2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number
19/06/2019	CCB1492/19-20

3. BACKGROUND

- 3.1 In 2014, a contract award for the provision of supervised contact and assessments under a Framework Agreement was approved for a term of 2 years with an option to extend for a further 2 years at an estimated total value of £3.2m. The framework commenced on 1 November 2014 and therefore, with all extension options having been invoked, the contract will end on 31 October 2019.
- 3.2 We reviewed and revised our procurement approach for the procurement strategy by splitting the required volume of service into two lots, aligned to two localities; North Croydon, and, Central and South Croydon.
- 3.3 Volume in 2018-19 was approximately 18,000 hours of supervised contact. The minimum volumes are lower than actual demand, however, there is provision to secure up to 4,000 hours of additional provision for each lot based on prices submitted in each tender.

Procurement Process

- 3.4 Two provider engagement meetings were held in March 2019. There was a good level of interest, including from providers not previously known to the Council. Providers were asked for their views on possible service models so that we can better anticipate challenges for the market.
- 3.5 We circulated a provider questionnaire through the Council's E-Tendering portal. Responses were used to influence the service specification and tender documents.
- 3.6 The tender is divided into 2 lots as follows;

Lot	Location for Centre-Based Services	Service Levels
Supervised Contact		
Lot 1	North Croydon	<ul style="list-style-type: none">- Minimum guarantee of 5000 hours of supervised contact, of which a minimum of 3,500 hours will be centre based and the remainder community based.- Provision for up to 4,000 additional hours of supervised contact.
Lot 2	Central/South Croydon	<ul style="list-style-type: none">- Minimum guarantee of 5000 hours of supervised contact, of which a minimum of 3,500 hours will be centre based and the remainder community based.- Provision for up to 4,000 additional hours of supervised contact.

- 3.7 An Open Procurement Procedure in accordance with PCR 2015 was advertised on the London Tenders Portal (Council's E-tendering portal), the Council's website, and an advert was published in the OJEU on April 3 2019 and was

For Publication

open to the market for 36 days. We received six tender submissions for Lot 1 and four tender submissions for Lot 2, all on time.

- 3.8 The evaluation scoring was based on a 60:40 quality price ratio. This ratio will ensure that there is a sufficient focus on the quality of the service, in terms of practice, staff qualifications and expertise, and the environment for positive supervised contact to take place.
- 3.9 In the pricing matrix, providers have been asked to provide an hourly rate (per one inclusive contact hour) for the initial fixed hours (a) centre based and (b) community based. They had also provided an hourly rate for hours in excess of the guaranteed minimum.

Evaluation

- 3.10 An evaluation panel was established with members from the Children In Need and Care Planning teams in Children's Social Care. The method statement relating to data protection and confidentiality has been evaluated by the Council's information officers to ensure compliance with the Data Protection and Information Assessment. These scores were moderated with representation from Commissioning and Procurement acting as Chair of the process to ensure that due process was followed.
- 3.11 All Tenderers have been evaluated using a four stage process, as follows:
- 3.12 STAGE 1: Completeness of the tender submission, compliance and eligibility and all (if any) pass/fail questions in the Tender Response Document.
- 3.13 STAGE 2: Method Statements (60%)
- Service Delivery (10%)
 - Buildings and Premises (10%)
 - Workforce (10%)
 - Safeguarding (10%)
 - Quality Assurance (8%)
 - Data Protection and Confidentiality (5%)
 - Social Value (5%)
 - Premium Supplier Programme – Early Payment Rebate (2%)
- 3.14 STAGE3: Price Evaluation (40%)
- 3.15 STAGE 4: Site visits for top 3 scoring bidders.
- 3.16 The top three bidders for each lot were subject to a site visit, in accordance with the Invitation to Tender document. The site visits took place at one of the following;
- The existing Croydon site identified for service delivery.

For Publication

- An equivalent site run by the provider elsewhere.
 - A site that has been secured for the purposes of delivering the service.
 - In the absence of the tenderer offering one of above, at a location agreed with the tenderer.
- 3.17 Those bidders were also required to provide evidence that they are in a position to secure a suitable site to commence service delivery on 1st November 2019. One bidder has a secure site in North Croydon. Two other bidders were able to demonstrate they had potential options on a number of sites in the appropriate geographical areas. A further bidder was unable to demonstrate that they are likely to secure premises in the Lot 1 area within the required timescale.
- 3.18 Following the site visits, method statement scores for two questions, 6.4.2 Buildings and Premises, and 6.4.4 Safeguarding, were moderated at a final moderation meeting which was chaired by an officer from Commissioning and Procurement to ensure due process was followed.

Results from the Evaluation Process

- 3.19 Tenderers were required to secure a minimum average score of 3 on the method statement criteria for quality, and a minimum score of 3 for method statements 6.4.1 Service Delivery and 6.4.4 Safeguarding.
- 3.20 In Lot 1: Bidders B and E did not meet the quality threshold and these bids 'failed' the tender process at this stage. Bidder A subsequently failed the quality threshold following moderation of the site visit to Bidder A.
- 3.21 In Lot 2: Bidders A and B did not meet the quality threshold and these bids 'failed' the tender process at this stage.
- 3.22 Each provider's quality and price scores are shown in the tables below.

LOT 1 – Croydon North

Bidder	Total Qualitative %	Total price %	Total weighted %
A	30.8 %		
B	32.8 %		
C	39.4 %	35.37%	74.77%
D	45.4 %	31.55%	76.95%
E	28.2 %		
F	34.8 %	31.37%	66.17%

LOT 2 – Croydon Central and South

Bidder	Total Qualitative %	Total price %	Total weighted %
A	21.2%		
B	32.8%		
C	45.4%	37.27%	82.67%
D	34.8%	37.23%	72.03%

Accommodation Requirements

- 3.23 A council building which is suitable for the delivery of Lot 2 supervised contact services has been identified in the Central/South Croydon area. All tenderers were notified via the Council's E-Tendering portal that they should contact the Council's asset Management Team as part of their premises search. If requested by the successful Lot 2 bidder, this building can be made available, which mitigates the risk of the bidder being unable to secure a suitable building.
- 3.24 Successful bidders will be required to submit fortnightly mobilisation plans which detail progress in the following areas in relation to proposed premises;
- Availability and suitability of premises.
 - Data protection and information.
 - Safeguarding.
 - Workforce and recruitment.
 - Service delivery.
- 3.25 As part of the tender response, the preferred bidder submitted a mobilisation plan to commence services on November 1 2019. If the preferred bidder is unable to evidence that they can deliver the mobilisation plan in accordance with the tender response a risk assessment will be carried out. The council will seek reassurances that the service will commence in line with the tender response on November 1 2019. If the preferred bidder is unable to provide these reassurances, the council reserves the right to terminate the contract with the preferred bidder.

Service Model

- 3.26 The 2 lots will be accessed flexibly by the service. Families will not be allocated to a site based on a fixed "locality," but on a case by case basis taking into account accessibility and travel time. Sites will be accessible and suitable for all families in line with the specification.
- 3.27 Children's Social Care business support will monitor monthly the usage of each centre to ensure that both lots are being accessed throughout the year. This will allow for the mitigation of the risk of one contractual allocation being used

For Publication

at a significantly faster rate than the other – and/or one lot remaining unused at the end of the year.

- 3.28 Guaranteed volume of hours will provide greater stability for the providers and Children's Social Care. Providers will be paid monthly for one twelfth of the guaranteed number of hours. Any additional hours will be paid quarterly. Hours provided will be supported and monitored by the Contract Management Team in Children's Social Care.

4. CONSULTATION

- 4.1 Feedback from service users was provided by Children's Social Care and incorporated into the tender specification. This is reflected in the decision to secure separate lots for North and South/Central Croydon.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The procurement approach is designed to secure the required number of supervised contact hours to meet the Council's statutory duties, whilst achieving good value for money for these services. The contract for each lot includes a minimum guarantee of 5,000 hours of supervised contact and up to a further 4,000 hours can be provided, if required. All tenderers submitted prices for the minimum guarantee of 5,000 hours and the additional hours for centre-based and community-based contact.
- 5.2 The financial outturn in 2018-19 was £657,233, plus a further £62,979 for transport costs, against an agreed budget of £350,000. The budget overspend of £370,212 reflects increased demand for statutory supervised contact service.

Projected Expenditure 2019-20 to 2021-22

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/2222	2022/23
Revenue Budget available	357,000	357,000	357,000	357,000
Expenditure	420,000 (Apr-Oct)			
Effect of decision from report				
Expenditure	296,250 (Nov-Mar)	711,000	711,000	711,000
Overspend budget	<u>359,250</u>	<u>354,000</u>	<u>354,000</u>	<u>354,000</u>

- 5.3 **Risks:** Demand for supervised contact has increased significantly in recent years due to a combination of population growth and an increase in children with child protection plans and children subject to care proceedings.
- There were 4592 open referrals to children's social care at 31st March 2019, an increase of 13% since March 2017.
 - In 2018-19, there was a 23% increase in the number of children with Child Protection Plans from 568 to 701.
- Service demand is unlikely to reduce significantly and spend will continue to exceed the available budget.
- 5.4 We anticipate demand remaining close to current levels over the next three years but as the statutory service is demand-led there remains a risk that additional hours of supervised contact will be required at additional cost to the council.
- 5.5 In recognition of social care budget pressures, growth has been applied to children's social care in the region of £12m and the potential overspend will be contained within the overall Children's Social Care budget.
- 5.6 **Future savings/efficiencies:** Through effective management of the contract, we expect to see the following efficiencies;
- A reduction in the number of "no-shows," which are still chargeable to the Council
 - Fewer cancellations by the Council within the appropriate amount of notice. Notice periods will be built into the contract to allow as much flexibility as possible without financial penalty.
 - Appropriate control and decision-making regarding provision of transport – transport. Transport should only be allocated at the request of, or with approval by, Children's Social Care.
 - Multi-lot and additional hour discounts have been included in the tender price matrix.

Approved by: Maiyana Henry-Hercules, Finance Manager, on behalf of Kate Bingham: Head of Finance, Finance Investment and Risk

6. LEGAL CONSIDERATIONS

- 6.1 The Director of Law and Governance comments that the legal considerations relevant to the recommendation are contained in the body of this report.

Approved by: Sean Murphy, Director of Law and Governance

7. HUMAN RESOURCES IMPACT

- 7.1 Following the change of provider it is anticipated that there will be TUPE implications for some supervised contact staff at St Mary's Family Centre.

For Publication

TUPE information was provided by St Mary's Family Centre in the tender documentation.

- 7.2 Other providers that are currently on the framework for supervised contact in Croydon have indicated that there are no TUPE implications for their staff.
- 7.3 The mobilisation period allows for sufficient time for the providers to address all TUPE implications arising from this report. As this becomes 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.

Approved by: Nadine Maloney, Head of HR; Children, Education and Families.

8. EQUALITIES IMPACT

- 8.1 An Equality Analysis was undertaken to ascertain the potential impact the proposed change would have on protected groups. The service will have a positive impact on protected groups as it will enable children of all ages to develop and sustain positive relationships with parents and other family members. Accessible premises will enable family members to access contact and fully engage with their children.
- 8.2 The specification is seeking providers to provide good quality and accessible supervised contact services. They will also be required to provide accessible premises
- 8.3 Services will be monitored to measure performance and test feedback from service users. Site visits will be carried out to ensure that tenderers have good quality accessible premises for the delivery of the service. If required, community based supervised contact will be carried out to ensure that supervised contact is accessible to all families.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 There are no direct environmental impacts.

10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 There are no crime and disorder reduction implications associated with the proposed recommendations and subsequent services.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The tenders have been awarded to the tenderers which secured the highest score following the 4-Stage evaluation process.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Do nothing

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

12.2 Procure a New Framework Agreement

A framework agreement does not give providers the opportunity to bid for an agreed volume of work. There is less incentive for providers to offer the economies of scale for the council. As income through the framework is not guaranteed, it is less likely that providers will make long-term investment in premises, staff, or service provision. Therefore this option was rejected.

12.3 In-Source the Service

To in-source the service the council would need to establish a number of new service delivery teams based in localities. A long transition period would be required to establish this service within Children's Social Care and new services are required from November 1 2019. Therefore this option was rejected.

CONTACT OFFICER: Paul Williamson, Category Manager

APPENDICES TO THIS REPORT: None

BACKGROUND PAPERS: None