

# Finance and Resources Committee

**10am, Tuesday, 27 March 2018**

## **Award of Contract for Lot 1 Managed Support Services; Children and Young People with Additional Support Needs and; Lot 2 Family Support Volunteer Service**

<b>Item number</b>	7.1
<b>Report number</b>	
<b>Executive</b>	
<b>Wards</b>	
<b>Council Commitments</b>	

### **Executive Summary**

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This report seeks the approval of the Finance and Resources Committee to award a contract for the provision of Lot 1 Managed support services; Children and Young People with Additional Support Needs and Lot 2 Family Support Volunteer Service.

The contract duration will be for 36 months, with an option to extend for up to a further two periods of 12 months each. The contract start date will be 1<sup>st</sup> May 2018.

The total estimated value of the contract to the Council, including extensions, is £7,674,080.

# Report

## **Award of Contract for Lot 1 Managed Support Services; Children and Young People with Additional Support Needs and; Lot 2 Family Support Volunteer Service**

### **1. Recommendations**

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- 1.1 The Finance and Resources Committee approves the award of contracts to:
- 1.2 The ASL Consortium (Barnardo's Scotland, Children 1<sup>st</sup> and Canongate Youth) for the provision of Lot 1 Managed Support Services; Children and Young People with Additional Support Needs from 1 May 2018 for a period of 36 months, with options to extend for a maximum of two 12-month periods at an estimated value of £6,934,580.
- 1.3 Safe Families for Children Scotland for the provision of Lot 2 Family Support Volunteer Service from 1 May 2018 for a period of 36 months, with options to extend for a maximum of two 12-month periods at an estimated value of £744,000.

### **2. Background**

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- 2.1 The Council is committed to providing high quality support for children with additional support needs in Edinburgh. Additional support needs fall broadly into four categories: English as an additional language, a disability need or a health need, and social and emotional factors.
- 2.2 The Council's internal additional support for learning (ASL) service is made up of teachers, support staff and allied health professionals with specialist knowledge in supporting the needs of learners with additional support needs. The service works collaboratively with a wide range of partner services and education establishments across Edinburgh, supporting the needs of learners from age 0-18. This also includes third sector organisations.
- 2.3 The need for these services is anticipated to grow by 12% between 2017 and 2022 due to population growth. Recognising this rapid growth, as well as the increase in Nursery hours for 3 and 4-year olds from 600 to 1,140 hours per year by 2020, has presented the Council with the opportunity to review how it delivers ASL services and shift the emphasis to early intervention and preventative work.
- 2.4 Evidence shows that investing in effective early intervention strengthens schools and parental capacity and helps to develop effective partnership leading to improving outcomes for children and young people. It can also prevent the need for

longer term and more intrusive and costly intervention, such as residential school placements.

- 2.5 Combined with the need to comply with recent procurement rules which require the transparent advertising of contract opportunities the decision was taken to review current provision and tender the requirement to meet the needs of a growing population. The aim of the all encompassed services (Lot 1 and Lot 2) is to reduce the number of children requiring to be looked after, reduce the number of children who are not in education, employment or training and improve school attendance with providers who work in partnership in a restorative and proactive manner to improve outcomes.

### 3. Main report

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- 3.1 From January 2017, the Communities and Families team engaged with young people, parents and carers, Headteachers and providers through questionnaires and focus groups. These consultations gathered feedback on current services and suggestions on how the Council could improve the service. This feedback helped formulate content and discussion points for a public co-production event and the brief for the new service.
- 3.2 A Prior Information Notice (PIN) was published via Public Contracts Scotland on 22 February 2017. The PIN, which provides transparency by making interested parties aware of the future contract opportunity, provided briefing information and advertised the co-production event which was held on the 23 March 2017. The event was attended by representatives from 19 third sector organisations and a range of Council officers from Communities and Families.
- 3.3 The event offered the opportunity through an open space approach, for providers and other interested parties to input into the stop/start/keep discussion regarding the service and what they believed would be in the best interests of service users. This process collates information in relation to the service; what do we stop doing, what do we start doing and what do we keep doing? In addition, the Council emphasised at the event that it required partners who would work together to deliver the main priorities of the service.
- 3.4 On the 7 April 2017, the outcomes of the co-production event were shared with the providers who attended to ensure full comprehensive feedback was completed. The full spectrum of information was gathered (current specifications, engagement feedback, co-production outcomes and council officer knowledge) to develop the new specifications for both Lot 1 and Lot 2 services.
- 3.5 The message that collaborative and partnership working between providers was to be encouraged was clearly acknowledged as the Council received a combined proposal from providers for a Public Social Partnership (PSP) to be formed. This proposal was considered by council officers. As a PSP is more appropriately used

to trial or pilot a service rather than deliver existing services, and the process can be more time and resource intensive, it was considered inappropriate in this instance. Any process to select partner providers would still require to be openly and transparently advertised.

- 3.6 For Lot 1; The Managed Support Services, the outcome of the co-production process highlighted the need for a consistent collaborative service. A lotted approach was considered to separate the individual component parts, however it was deduced that a single service approach with providers working collaboratively with each other would offer a more seamless service to children and families. This approach also lends to easier contract management and consistency when Council staff resource are increasingly stretched due to budget pressures.
- 3.7 The council stated within the specification for Lot 1: The Council values a collaborative 'one service' ethos, whereby services work together with a common understanding of a child's or young person's personal and cultural identity, strengths, needs and aspirations and the factors that impact upon achieving equitable positive outcomes."
- 3.8 As an outcome of the co-production process and to ensure a long-term strategy of strengthening early intervention in the context of rising demand, extra funding of £206,000 was identified for the first three years of the contract for 'Information Advice, Consultancy and Awareness Raising'. The aim at the end of the three years was to provide a framework of support including information, guidance and peer support and reduce the need for escalation to costlier intensive support.
- 3.9 For Lot 2, the Family Support Volunteer Service; this is a new service which was developed to support parents and primary care-givers to maintain children in their homes and to prevent the need for children to be Looked After by the local authority whenever safe to do so. The Council aims to support and encourage local communities to develop support networks for local parents and carers who are facing adverse circumstances and who are isolated from supports. A trained volunteer network is key to the design of this service.
- 3.10 The Council took steps to ensure that smaller organisations would not be excluded from the tender process, through early engagement with providers. The tender also allowed for part of the specification to be sub-contracted.
- 3.11 The final open tender was published on the 21 September 2017.
- 3.12 A summary of the tender process is provided at Appendix 1 of this report.
- 3.13 For Lot 1, one consortium tender was received by the deadline of 23<sup>rd</sup> October 2017. Although the notice received 34 notes of interest, there were potentially high Transfer of Undertakings (Protection of Employment) regulations (TUPE) costs associated with original contracts due to the provision being service based.
- 3.14 For Lot 2, two bids were received by the deadline of 23 October 2017.

- 3.15 All tenders were evaluated based on most economically advantageous tender (MEAT), weighted 70:30 for quality and price. Quality being of greater importance due to the nature of the service.
- 3.16 Three tenders were assessed as meeting the qualification criteria and were therefore taken forward for evaluation of technical (quality) content. The quality assessment was undertaken by a varied team including Headteachers, a senior Social Work manager and a commissioning specialist.

Lot	Provider	Quality	Price	Total
Lot 1	The ASL Consortium	50/70	30/30	80/100

Lot	Provider	Quality	Price	Total
Lot 2	Safe Families for Children Scotland	48/70	29/30	78/100
Lot 2	Provider 2	21/70	30/30	51/100

- 3.17 The recommendation for award of contract is based on the applicants' score and the outcome of further due diligence to ensure that robust and fit for purpose service(s) will be in place. The designated Contract Manager in Communities and Families will be responsible for contract and supplier management, and will work closely with all providers to ensure that outcomes are achieved.
- 3.18 An implementation plan has been agreed with providers to ensure smooth transition of any services impacted by TUPE.

#### 4. Measures of success

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- 4.1 The contract price is a fixed annual fee for the service for the duration of the contract, with greater understanding of the full costs being applied to the service.
- 4.2 As an outcome of the new contract, the changes within the service will be encouraging stronger links with children, parents and carers to build more restorative and capacity building relationships.
- 4.3 By awarding these contracts and investing in effective early intervention there will be a continuation of a service which strengthens schools, parents and partnership, improves outcomes and reduces the need for longer term and more intrusive and costly intervention. This will be monitored as part of the contract management.
- 4.4 The specifications will be flexible and adaptable and may be used as a change mechanism throughout the initial 3-year term, in agreement with Council officers.

- 4.5 As part of the procurement process, the provider(s) confirm that they pay staff Scottish Living Wage rates as a minimum.
- 4.6 The long-term contract will provide more stability to the provider and service users, which will allow for long-term planning of funds. This will enable the provider(s) to plan resource accordingly to build help build resilience and early intervention support through the initial three years of the contract as the budget is set to reduce from years 4 and 5 (possible extension period).

## **5. Financial impact**

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- 5.1 The total budget for these contracts is set at £7,678,580.
- 5.2 The proposals from all providers come within budget.
- 5.3 Within Lot 1, the ASL Consortium are providing added value to the service (additional funding) to support the outcomes of the contract throughout the full term. This has been detailed as a value of £185,849 per annum.
- 5.4 Providers will also seek additional funding to enhance service provision e.g. Holiday Fund, the Hardship Fund, Trusts/Foundations, Capital City Partnership funded contracts. This may include funding from Scottish Government (£20k) and the NHS (£19.5k). Providers have also committed to provide individual grants (£500) to families to pay for essential items e.g. clothes and equipment.
- 5.5 Safe Families for Children Scotland are providing £38,500 of additional value through grant funding and other initiatives.
- 5.6 The costs associated with procuring this contract are estimated to be between £20,001 and £35,000.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 This is a high-risk provision due to the high value and the purpose of the service is to help vulnerable families. The provider(s) will therefore be required to evidence acceptable arrangements in respect of business continuity and will link in with the Council's Senior Resilience Specialist.
- 6.2 This contract opportunity has been subject to much media and political scrutiny, with regards to a small component part of the service within the level 1 intervention Lot 1. Further due diligence has been completed to ensure that families receiving this service will not be disadvantaged by any change in provider.
- 6.3 The ASL Consortium have assured Council officers that their proposed service to replace the ASL helpline will include a Parentline (with established links to Enquire for additional training). The Parentline will provide further added value as it will not only specialise in ASL requirements but will provide a holistic support for parents/carers. With the Additional funding of the £206,000 per annum, being used

to support other restorative initiatives which will build peer group and community based services.

- 6.4 The ASL Consortium have passed all financial risk assessments.
- 6.5 As part of the financial risk assessment for Lot 2, it has been determined that extra measures will be required to support Safe Families for Children Scotland to reduce risk and impact of failure. This will include 13 payments throughout the year to support cashflow and the contract will be monitored closely by finance and the service area designated contract manager. Additional financial guarantees will be sought from Safe Families for Children Scotland.

## **7. Equalities impact**

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- 7.1 An Equalities Impact Assessment was completed on 11 April 2017 with service reference number 2017CF17. All recommendations have been addressed throughout the process.

## **8. Sustainability impact**

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- 8.1 No significant environmental impacts are expected to arise from this contract.
- 8.2 This procurement has adhered to policy on Sustainable Procurement and Implementing Community Benefits guidance.
- 8.3 Community benefits offered by the ASL Consortium includes the Cashback for Communities Fit for work programme and the Council will receive 3 allocated places. Also included is ESF Employability support, a Care leavers package and the Community Jobs Scotland Initiative which is the creation of 6 'Community Job' positions during the contract to support the service. Through supporting local organisations, the provider(s) will host a city-wide learning event and investigate into taking a stand at the Scottish Learning Festival to share learning.
- 8.4 Community benefits offered by Safe Families for Children Scotland includes Student Placements. Safe Families have developed a relationship with Edinburgh University School of Social Work and Political Science and will offer a 6-month training opportunity for students. In addition, they regularly help schools with the yearly Youth Philanthropy Initiative. This enables students who wouldn't otherwise know about family support to research this for a public presentation. The provider also links in with local churches to support families in other ways through a whole range of children's activities, parent and toddler groups, food banks, debt services, counselling and addiction services.
- 8.5 The designated Contract Manager will be responsible for monitoring delivery and reporting of community benefits by individual providers. In addition, the Contract Manager will link in with the Council's Employability team to ensure that the

Community Benefits are targeted for use with specific people who require the opportunity.

## **9. Consultation and engagement**

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9.1 Please refer to main report.

## **10. Background reading/external references**

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10.1 The Edinburgh Integrated Plan for Children and Young Person's Services (2017-20)

10.2 [http://dera.ioe.ac.uk/29631/1/Safe\\_Families\\_IP\\_evaluation\\_report.pdf](http://dera.ioe.ac.uk/29631/1/Safe_Families_IP_evaluation_report.pdf)

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## 11. Appendices

### Appendix 1 – Summary of Tendering and Tender Evaluation Processes

<b>Contract</b>	<b>CT0526</b>	
Contract Period	3 years with the option to extend by a further 24-month period	
Estimated Total Contract Value (including extensions)	Lot 1 – £6,934,580 Lot 2 - £744,000	
Procurement Route Chosen	Open OJEU tender under the Light Touch Regime	
Tenders Returned	3	
Name of Recommended Supplier(s)	Lot 1 - The ASL Consortium (Barnardo's Scotland, Children 1 <sup>st</sup> and Canongate Youth) Lot 2 – Safe Families for Children Scotland	
Price / Quality Split	<b>Quality 70</b>	<b>Price 30</b>
Lot 1	<b>Criteria</b>	<b>Weighting (%)</b>
Evaluation Criterion and Weightings	Effective collaboration and mobilisation of peer-peer, co-production, volunteers, community resources and technology	15%
	Management and Staffing	10%
	Service delivery	40%

	Implementation and Contract Management	10%
	Equalities	5%
	Added Value	10%
	Community Benefits	5%
	Fair Work Practices	5%
Lot 2	<b>Criteria</b>	<b>Weighting (%)</b>
	Volunteer recruitment, vetting, training and support.	40%
Evaluation Criterion and Weightings	Management and Staffing	10%
	Service delivery	20%
	Implementation and Contract Management	10%
	Equalities	5%
	Added Value	5%
	Community Benefits	5%
	Fair Work Practices	5%
Evaluation Team	Council Officers from Communities and Families	