

Policy & Sustainability Committee

10am, Thursday, 11 June 2020

Award of Residential Care, Special Schools and Supported Accommodation Framework Agreement

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 It is recommended that the Policy & Sustainability Committee approves the award of a Framework Agreement for Residential Care, Special Schools and Supported Accommodation to 22 Service Providers over four Lots: Aberlour Child Care Trust, Acorn Care and Education Limited, Action for Children, Applied Care and Development Limited, Capability Scotland, Care Visions Limited, Clearview Care Limited, CrossReach, Cyrenians, Dunedin School, East Park School, Greenleaf House, Harmeny Education Trust Limited, Moore House Care and Education / Moore House School Ltd, Ochil Tower School, Primecare Health LTD, Scottish Autism, Seamab, Snowdon School Ltd, Spark of Genius, The Donaldson Trust and The Royal Blind School.
- 1.2 The Framework Agreement will commence in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months.
- 1.3 The total value of the Framework Agreement is estimated at £9,900,000 per annum but that figure is dependent on child placements required.

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Policy & Sustainability Committee

Award of Residential Care, Special Schools and Supported Accommodation Framework Agreement

2. Executive Summary

- 2.1 This report seeks approval to award a four lot Framework Agreement for Residential Care, Special Schools and Supported Accommodation to 22 Service Providers to commence in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months.
- 2.2 The 22 recommended Service Providers are as follows: Aberlour Child Care Trust, Acorn Care and Education Ltd, Action for Children, Applied Care and Development, Capability Scotland, Care Visions, Clearview Care Limited, CrossReach, Cyrenians, Dunedin School, East Park, Greenleaf House, Harmeny Education Trust Limited, Moore House Care and Education / Moore House School Ltd, Ochil Tower School, Primecare Health LTD, Scottish Autism, Seamab, Snowdon School Ltd, Spark of Genius, The Donaldson Trust, The Royal Blind School

3. Background

- 3.1 The City of Edinburgh Council (Council) purchases approximately 25 placements in independent residential and special schools per year. This is managed through different arrangements such as the 0517 Scotland Excel National Residential and Short Breaks Framework Agreement and local agreements or individual contracts.
- 3.2 By establishing a Framework Agreement for the City of Edinburgh Council, the Council will be able to increase consistency in placements and achieve best value as well as control over costs.

4. Main report

- 4.1 A Prior Information Notice (PIN) was issued on 29 May 2019, inviting interested Service Providers to attend an Open Event to gather views on possible structures, content and approach to the procurement as well as communicate the Council's thoughts to interested Service Providers.

- 4.2 The Open Event took place at 10am on 20 June 2019. 29 persons attended on behalf of approximately 20 Service Providers. Subsequently, 16 Service Providers submitted a feedback form expressing interest and suggestions.
- 4.3 The Framework Agreement was modelled to consist four Lots: Lot 1 focussing on Provision of Residential Care, Lot 2 on Provision of Day Support & Education, Lot 3 on Supported Accommodation and Lot 4 on Provision of Residential Care & Education integrated service. Service Providers applying for Lot 4, must also apply for either or both Lot 1 and Lot 2 as a child or young person's needs may alter over the course of the placement and the integrated package might not be required.
- 4.4 The Council undertook a Competitive Procedure with Negotiation in accordance with the Public Contracts (Scotland) 2015 Regulations.
- 4.5 The Competitive Procedure with Negotiations consisted of the following stages:
 - 4.5.1 Stage One, European Single Procurement Document (Scotland) Pre-Qualification Stage, commenced on 26 September 2019 with a closing date of 28 October 2019. 23 Service Providers completed the ESPD and following evaluation by the Evaluation Panel all Service Providers were shortlisted to proceed to Stage Two.
 - 4.5.2 Stage Two, First Tender Stage, commenced in November 2019 with a closing date of 17 January 2020. All 23 Service Providers were invited to submit a Tenderer's Submission and Pricing Schedule and 22 responded.
 - 4.5.3 Stage Three, Negotiation Period, commenced in February 2020 for a period of three weeks. All 22 Service Providers attended individual negotiation meetings to discuss a Framework Agreement wide position on agreed content, inclusions and exclusions in relation to aspects of the services.
 - 4.5.4 Stage Four, Final Tender Stage had a closing date of 20 March 2020. Service Providers were requested to submit a final Pricing Schedule and if Service Providers had concerns in relation to the format of the case study in the Tenderer's Submission in Stage Two they had the opportunity to submit an updated case study.
- 4.6 A cost: quality ratio of 50:50 was applied. The Agreement has some strict minimum standards in relation to provision of service such as adherence to a Care Commission rating of "Good" which minimises the elements that are assessed over and above minimum standards within quality award criteria.
- 4.7 Following evaluation, all 22 Service Providers will be awarded a place on the Framework Agreement:
 - 4.7.1 Lot 1 (Provision of Residential Care) will feature 16 Service Providers
 - 4.7.2 Lot 2 (Provision of Day Support & Education) will feature 12 Service Providers
 - 4.7.3 Lot 3 (Supported Accommodation) will feature 3 Service Providers
 - 4.7.4 Lot 4 (Provision of Residential Care & Education integrated service) will feature 14 Service Providers

- 4.8 It is anticipated that the Framework Agreement will commence in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months.
- 4.9 A summary of tendering and the tender evaluation process is attached at Appendix 1 along with providers recommended for award.
- 4.10 16 Providers currently pay the Scottish living wage to their employees. The six providers who do not currently pay the living wage to all employees have committed towards increasing pay over the duration of the Agreement. It is acknowledged that we need all the providers to maintain services so must work with them to enable pay increases to staff over the term which as sustainable to all parties.

5. Next Steps

- 5.1 Upon approval by the Policy & Sustainability Committee, contracts will be awarded to the named service providers
- 5.2 This Framework Agreement will be managed by the Commissioning Officer within Communities and Families, who will monitor Outcomes for the Child or Young Person supported by the Service and further Key Performance Indicators and Community Benefits.
- 5.3 The Contracts and Grants Management team (CAGM) will engage with the Commissioning Officer, to ensure that effective contract management is delivered throughout the lifecycle of the Framework Agreement.

6. Financial impact

- 6.1 The total value of the Framework Agreement is estimated at £9,900,000 per annum, however actual spend will vary dependent on the requirement for placements.
- 6.2 As demand for placements for young people fluctuates, delegated authority will be used up to a maximum of £250,000 to allow for any variations in the estimated annual value. Waivers will be reported to the Council in the six-monthly Contract Award and Procurement Programme report which provides visibility of contracts awarded by officers under delegated authority
- 6.3 Figures from different service providers vary considerably depending in their offering and current financial situation.
- 6.4 When benchmarked against the Scotland Excel offering, for the same services, these services are less expensive.
- 6.5 Comparison with SXL rates for Residential Care indicate that the costs for legacy placements are £331k lower than SXL equivalent. Cost reductions for new placements are yet to be determined as these will depend on which provider young people new to the service are placed with.
- 6.6 The total budget for the services provided in the framework agreement is £9.9m for 2020-21. The estimated cost of existing placements for those providers included in the framework agreement is £9.0m. The balance of the budget is currently committed with other providers who are not covered by the new Framework Agreement but have

placements in place currently. The plan is to utilise the new framework for future placements. The new Framework Agreement will help to ensure that costs are managed within the available budget.

7. Stakeholder/Community Impact

- 7.1 Consultation and engagement have been undertaken in the form of an Open Event in June 2019. Service Providers were able to ask questions and provide suggestions through a feedback form.
- 7.2 All Service Providers on the Framework Agreement answered the questions on Community Benefits, Sustainability and Fair Works Practices satisfactorily.

8. Background reading/external references

- 8.1 None

9. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Process

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Residential Care, Special Schools and Supported Accommodation Lot 1 - Provision of Residential Care	
Contract Period	Starting in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months (3 + 1)
Estimated Contract Value (including extensions)	TBC – dependent on placement volumes
Procurement Route Chosen	Competitive Procedure with Negotiations
Tenders Returned	16
Name of Recommended Supplier(s)	Aberlour Child Care Trust Acorn Care and Education Ltd Action for Children Applied Care and Development Capability Scotland Care Visions Clearview Care Ltd CrossReach East Park Greenleaf House Moore House Care and Education / Moore House School Ltd Primecare Health Ltd Seamab Snowdon School Ltd Spark of Genius The Royal Blind School
Price / Quality Split	50:50
Questions	Lot 1 Case Study 35% Lot 1 Capability & Capacity 25% Lot 1 Training 15% Contract Management 10% Community Benefits 5% Sustainability 5% Fair Works Practices 5%

Residential Care, Special Schools and Supported Accommodation
Lot 2 - Provision of Day Support & Education

Contract Period	Starting in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months (3 + 1)
Estimated Contract Value (including extensions)	TBC – dependent on placement volumes
Procurement Route Chosen	Competitive Procedure with Negotiations
Tenders Returned	12
Name of Recommended Supplier(s)	Acorn Care and Education Ltd Capability Scotland CrossReach Dunedin School Harmeny Education Trust Ltd Moore House Care and Education / Moore House School Ltd Ochil Tower School Scottish Autism Seamab Spark of Genius The Donaldson Trust The Royal Blind School
Price / Quality Split	50:50
Questions	Lot 2 Case Study 35% Lot 2 Capability & Capacity 25% Lot 2 Training 15% Contract Management 10% Community Benefits 5% Sustainability 5% Fair Works Practices 5%

Residential Care, Special Schools and Supported Accommodation
Lot 3 - Supported Accommodation

Contract Period	Starting in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months (3 + 1)
Estimated Contract Value (including extensions)	TBC – dependent on placement volumes
Procurement Route Chosen	Competitive Procedure with Negotiations
Tenders Returned	3
Name of Recommended Supplier(s)	Capability Scotland Cyrenians Primecare Health Ltd
Price / Quality Split	50:50
Questions	Lot 3 Case Study 35% Lot 3 Capability & Capacity 25% Lot 3 Training 15% Contract Management 10% Community Benefits 5% Sustainability 5% Fair Works Practices 5%

Residential Care, Special Schools and Supported Accommodation
Lot 4 - Provision of Residential Care & Education integrated service

Contract Period	Starting in June 2020 for an initial period of three years, with the option to extend for a further period of up to twelve months (3 + 1)
Estimated Contract Value (including extensions)	TBC – dependent on placement volumes
Procurement Route Chosen	Competitive Procedure with Negotiations
Tenders Returned	14
Name of Recommended Supplier(s)	Aberlour Child Care Trust Acorn Care and Education Ltd Applied Care and Development Capability Scotland CrossReach East Park Greenleaf House Harmeny Education Trust Ltd Moore House Care and Education / Moore House School Ltd Ochil Tower School Scottish Autism Seamab Spark of Genius The Royal Blind School
Price / Quality Split	50:50
Questions	Lot 4 Case Study 35% Lot 4 Capability & Capacity 25% Lot 4 Training 15% Contract Management 10% Community Benefits 5% Sustainability 5% Fair Works Practices 5%