

Finance and Resources Committee

10am, Thursday, 4 March 2021

Award of Contracts to the Edinburgh Fostering and Continuing Care Framework

Executive
Wards
Council Commitments

1. Recommendations

- 1.1 This report seeks the approval of the Finance and Resources Committee to appoint a maximum of 16 providers to the Edinburgh Fostering and Continuing Care Framework, as set out in the appendices to this report.
- 1.2 The Framework duration will be for 24 months with the possibility to extend for a further 24 months.
- 1.3 The maximum annual Framework value is estimated to be £8,900,000 (subject to yearly incremental rises of between 1-3%) with an estimated maximum value of £36,409,000.

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Award of Contracts to the Edinburgh Fostering and Continuing Care Framework

2. Executive Summary

- 2.1 The City of Edinburgh Council currently purchases approximately 200 fostering placements from independent providers. Current annual expenditure on independent foster placements is estimated at £8.5m. The estimated impact of the new framework is an increase of £0.4m resulting in an annual cost of £8.9m. This can be contained within the budget available for independent foster care.
- 2.2 These placements are purchased in accordance with the requirements of the Looked After Children (Scotland) Regulations 2009 and the Children and Young People (Scotland) Act 2014.
- 2.3 As such it is recommended that the Finance and Resource Committee approves the award of 16 providers to the Edinburgh Fostering and Continuing Care Framework.

3. Background

- 3.1 The City of Edinburgh Council is committed to getting it right for every child whether they live at home or in an alternative placement. Our priorities include helping children to live in safe and supportive families, improving achievement, and closing any gaps in attainment.
- 3.2 The primary strategic objective for looked after & accommodated children (LAAC) continues to be, to deliver early intervention approaches so that fewer children and young people (C&YP) need to be accommodated and looked after away from home in the longer term.
- 3.3 For those children where this is not possible, the Council is committed to the provision of the highest quality foster care which meets the needs of the individual children.
- 3.4 The balance of care has resulted in a favourable improvement in the proportion of overall foster placements purchased from the private sector. In 2013 the proportion of overall foster placements purchased from the independent sector was 45% which was significantly higher than the national position of 25%. Investment in the in-house fostering service has seen this figure improve considerably and the percentage has

reduced to 31% which is in line with current national position. The overall number of placements purchased from independent providers has reduced each year since 2013. At March 2013 there were 271 placements and this has reduced to 171 as at December 2020. In the current financial year there has been a reduction of 11 placements to date delivering estimated annual savings of £0.47m. Family Based Care ongoing recruitment of foster and kinship carers is proving successful; however, it is not sufficient to meet demand. Independent providers of foster care are more cost-effective than providers of residential care and we need to secure availability and compliance to prevent escalation in this regard.

- 3.5 Historically, 78% of this expenditure is captured via the 1015 Scotland Excel National Fostering Framework, with the remaining being regulated by local agreements, individual contracts or waivers.
- 3.6 By establishing a City of Edinburgh Council's Framework for Fostering and Continuing Care Services, the Council will be able to achieve the following;
- 3.6.1 To capture bespoke requirements which Children's Services had identified as missing within the National Framework, covered by specific lotting criteria;
- Lot 1 Mainstream
 - Lot 2 Specialist
 - Lot 3 Short Breaks
 - Lot 4 Continuing Care
 - Lot 5 Permanent Placements
- 3.6.2 A specification which meets Edinburgh's requirement.
- 3.6.3 To build closer relationships with the Independent Fostering Care Providers.
- 3.6.4 This may help with the balance of care with less children and young people in Residential accommodation. Potential savings relating to a move from residential placement to independent foster provision are estimated at £0.1m per annum for each successful move.
- 3.6.5 To reduce Children's Services resource needing to be allocated to negotiations.
- 3.6.6 To have transparency of costs, tighter controls on yearly uplifts, and clear planning for the next 4 years of the Framework.

4. Main report

- 4.1 A Prior Information Notice (PIN) was issued on 19th August 2019 to engage the wider market in a set co-production event. This event took place on 4th September 2019 at Edinburgh City Chambers to have an open and transparent discussion with both established providers and any potential providers. There were 16 established foster care organisations who noted interest in the original PIN.
- 4.2 The co-production event was interactive and encouraged interested parties to discuss and generate ideas for improving services for C&YP.

- 4.3 As an outcome of the PIN, the co-production discussions focused on the following;
- 4.3.1 To capture ideas of best practice to improve Information Sharing, create efficiencies, Transport, Transition and Exit Planning, Training and Development, Absence from placement, Changes to Education, Notification of Child Protection issues;
 - 4.3.2 To develop a specification which encouraged providers to work in a strengths-based, solution focussed and restorative manner; To enable the voices of children and their families to inform the support provided and contribute to solutions; demonstrate efficiencies, innovation and added value; contribute to a wider learning culture within the partnership to improve outcomes; provide sustainable best-value approaches.
- 4.4 Feedback was provided in the form of a “You said, we did” whereby the Council confirmed where we would apply the comments and suggestions made at the co-production event (where appropriate). This was also published on the Public Contracts Scotland portal for all providers who noted interest to view.
- 4.5 As part of the process and due to COVID-19, Commercial and Procurement Services also requested feedback on the timing of the publication of the tender (to ensure that providers had capacity) and the draft specification. Most providers suggested that we hold the tender until May or June 2020 and 3 providers communicated improvements or changes which they would like to see in the specifications. The Council adjusted the timeline and the specification where it was possible to do so.
- 4.6 The Council undertook a Competitive Procedure with Negotiation in accordance with the Public Contracts (Scotland) 2015 Regulations with the Light Touch Regime applied.
- 4.7 The Competitive Procedure with Negotiations consisted of the following stages:
- 4.7.1 Stage One, First Tender Stage, commenced on 18th June 2020 with a closing date of 31st July 2020. Tender submissions from 16 providers over the 5 lots were evaluated on quality and price.
 - 4.7.2 Stage Two, Negotiation based on price only, commenced on 4th September 2020 for a period of one week. All 16 Service Providers attended individual negotiation meetings to discuss their pricing schedule and breakdown of costs.
 - 4.7.3 Stage Three, Final Tender Stage, all Service Providers were invited to re-submit a final Pricing Schedule by 30th September 2020. Final tenders included a mix of reduced rates and volume discounts.
- 4.8 A cost: quality ratio of 30:70 was applied as quality was considered to be of higher importance.
- 4.9 Following evaluation, all 16 Service Providers are recommended to be awarded a place on the Framework Agreement:
- 4.9.1 Lot 1 Mainstream will feature 12 Service Providers.

- 4.9.2 Lot 2 Specialist will feature 16 Service Providers.
 - 4.9.3 Lot 3a Short Breaks (Mainstream) will feature 12 Service Providers.
 - 4.9.4 Lot 3b Short Breaks (Specialist) will feature 9 Service Providers.
 - 4.9.5 Lot 4 Continuing Care will feature 14 Service Providers.
 - 4.9.6 Lot 5a Permanent Placements (Mainstream) will feature 13 Service Providers.
 - 4.9.7 Lot 5b Permanent Placements (Specialist) will feature 14 Service Providers.
- 4.10 It is anticipated that the Framework Agreement will commence in April 2021 for an initial period of two years, with the option for the Council to extend for a further period of up to two twelve months.
- 4.11 A summary of tendering and the tender evaluation process is attached at Appendix 1 and providers recommended for award is attached at Appendix 2.

5. Next Steps

- 5.1 Upon approval by the Finance and Resources Committee, call -off contracts will be awarded to the named service providers. Any new requirements will be allocated to providers based on ranking, capacity of the providers and foremost, the Child or Young Person's individual requirements.
- 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 An Edinburgh Framework will have capacity to include all the providers of foster care which the Council currently uses, and the need for individual contracts and waivers will be negated through consistent use of the current Terms and Conditions. Major providers will be able to continue to offer best value and volume discounts.
- 6.2 Under the Scotland Excel Framework (which was extended due to COVID-19 and ends on 30th June 2020) there have been three price variances since the framework began – varying from 2% to 14% from 3 providers only. There has been little consideration to inflation throughout the 4-year term. The Council has received the benefit of the limited inflationary uplifts applied over this 4-year period.

- 6.3 Historically, legacy foster care placements have remained at the original agreed contract rate at time of placement. Service Providers have stated during negotiations that this is not sustainable and could be deemed as being unfair and detrimental to the foster carers as this causes a variance within their pool of carers. In the interests of transparency and equal terms and conditions for foster carers, it has been agreed to move all legacy placements to the new framework.
- 6.4 Inflationary rates on CPIH measure have increased by 8.2% in the previous four years.
- 6.5 The estimated impact of the new framework is £0.4m. Additional costs will be funded from inflationary provision which is provided within the revenue budget for third party providers and from expected savings due to a reduction in the number of independent placements being purchased, as detailed at 3.4 This is in line with the Balance of Care aims to reduce independent placements with a reduction in overall numbers of 20% having been achieved over the last 3 years.
- 6.6 Incremental inflation will be applied at an average of 1.5% from 2022/23 onwards.
- 6.7 Ranking will change on a year to year basis due to the specific changes in pricing per annum.
- 6.8 All providers have passed financial assessments, which minimises risk to the Council.

7. Stakeholder/Community Impact

- 7.1 We have consulted with relevant professionals from Practice Teams, Family Based Care, Legal Services, Procurement and Continuing Care Services, in the process of compiling the Fostering Specification that accompanies the process of going out to tender for the Fostering Framework.
- 7.2 Consultation and engagement were undertaken in the form of an Open Event in September 2019. Service Providers were able to ask questions and provide suggestions through a feedback form.
- 7.3 Throughout the process we have considered Carers and Children and Young People's rights and ensured that these are paramount to the functioning of the Framework.
- 7.4 All Service Providers on the Framework Agreement answered the questions on Community Benefits, Sustainability and Fair work Practice, with the majority of the providers responses being deemed excellent by the evaluation board; which means that they have provided evidence that their organisations go above and beyond compliance with their legal obligations.
- 7.5 All Service Providers pay the Scottish Real Living Wage and above, with six Service Providers being accredited. A few of the Service Providers confirmed that they are committed to the Scottish Business Pledge.

- 7.6 This Framework will support 12 Small to Medium Sized Enterprises (SME's).
- 7.7 An IIA and DPIA have been completed. The IIA has been signed off and sent to Head of Service. The DPIA has been sent to Information Compliance. Reference number is pending.

8. Background reading/external references

- 8.1 The Provider shall promote the principles behind the National Care Standards, which include dignity, privacy, choice, safety, realising potential and equality and diversity.
- 8.2 In delivering the Service, the Provider shall consider the following policies and Guidance where appropriate:
- Guidance on the Looked After Children (Scotland) Regulations 2009 (March 2011 (Web only publication, published 10 March 2011 <http://www.scotland.gov.uk/Publications/2011/03/10110037/0>)
 - Getting it right for Every Child (for information and guidance refer to: <http://www.scotland.gov.uk/Topics/People/Young-People/gettingitright/background>)
 - Looked After Children and Young People: We Must and Can Do better' (2007) (Published by the Scottish Executive, January 2007)
 - National Guidance for Child Protection in Scotland 2010 (Published by the Scottish Government in 2010)
 - The Council will share their internal process 'Achieving Permanence' https://orb.edinburgh.gov.uk/downloads/file/1358/looked_after_children_achieving_permanence-procedure and there will be an expectation for Providers to align with this.

9. Appendices

- 9.1 Appendix 1 Summary of Tendering and Tender Evaluation Process
- 9.2 Appendix 2 Tender Scoring and Ranking

Appendix 1

Contract	CT2722 Edinburgh Fostering and Continuing Care Framework	
Contract Period	48 months	
Estimated Total Contract Value (including extensions)	£36,409,000	
Procurement Route Chosen	Competitive Procedure with Negotiation	
Contracts to be Awarded	16 providers to 5 lots	
Price / Quality Split	Quality 70	Price 30
	Criteria	Weighting (%)
Evaluation Criterion and Weightings – LOT 1, 2, 3, 4 & 5	Q1. Case Study	30%
	Q2. Capability and Capacity	25%
	Q3. Training	15%
Common Question Weightings – ALL LOTS	Contract Management	10%
	Business Continuity	5%
	Community Benefits	5%
	Sustainability	5%
	Fair Works Practice	5%
	Zero Hours Contracts & the Living Wage	Standard Question

Appendix 2

Lot 1 Mainstream				
For all contract years		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Rank
National Fostering Agency (NFA)	67.4	29.0	96.4	1
Fostering People	63.9	30.0	93.9	2
Core Assets Scotland trading as Foster care Associates Scotland Ltd.	65.3	26.2	91.5	3
Carolina House Trust	65.3	24.9	90.2	4
Barnardo's	61.1	27.8	88.9	5
SWISS Foster Care Scotland	59.3	29.4	88.7	6
Fosterplus Scotland	62.7	25.9	88.6	7
TACT Fostering	55.0	28.3	83.3	8
Fostering Relations	57.4	23.9	81.3	9
Care Visions Fostering	47.6	29.2	76.8	10
FosterCare Connect	47.1	28.1	75.2	11
JMT Fostering	37.6	23.3	60.9	12

Lot 2 Specialist for all contract years		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Ranking
Barnardo's	63.9	23.1	87.0	1
Action for Children	67.9	17.3	85.2	2
Aberlour Childcare Trust	65.5	16.7	82.2	3
Carolina House Trust	58.3	23.3	81.6	4
SWIS Foster Care Scotland	59.5	20.8	80.3	5
Fostering People	61.3	18.3	79.6	6
National Fostering Agency (NFA)	59.5	19.4	78.9	7
Care Visions	48.3	30.0	78.3	8
Fostering Relations	56.2	19.2	75.4	9
Dean and Cauvin Young People's Trust	51.3	23.2	74.5	10
Quarriers	52.0	21.2	73.2	11
Fostercare Connect	52.3	19.6	71.9	12
Fosterplus Scotland	53.2	18.6	71.8	13
TACT Fostering	45.7	25.1	70.8	14
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	50.9	17.6	68.5	15
JMT Fostering	28.4	15.2	43.6	16

Lot 3a Short breaks (Mainstream)				
for all contract years		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	Ranking
Fostering People	65.3	30.0	95.3	1
Barnardo's	63.9	27.8	91.7	2
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	65.45	26.15	91.6	3
SWIIS Foster Care Scotland	58.1	29.4	87.5	4
Fosterplus Scotland	58.8	25.9	84.7	5
Carolina House Trust	57.2	24.9	82.1	6
Care Visions	52.7	29.2	81.9	7
TACT Fostering	50.9	28.3	79.2	8
The National Fostering Agency Scotland (NFA)	53.9	23.6	77.5	9
Fostercare Connect	47.3	28.2	75.5	10
Fostering Relations	52.0	20.9	72.9	11
JMT Fostering	48.3	23.3	71.6	12

Lot 3b Short Break (Specialist) for all contract years		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	ranking
Barnardo's	63.9	28.1	92	1
Fostering People	65.3	22.3	87.6	2
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	65.5	21.4	86.9	3
Carolina House Trust	57.2	28.4	85.6	4
Quarriers	53.4	30.0	83.4	5
Fosterplus Scotland	58.8	22.7	81.5	6
The National Fostering Agency Scotland (NFA)	53.9	22.7	75.4	7
Fostering Relations	52.0	21.3	73.3	8
Fostercare Connect	47.3	24.0	71.3	9

Lot 4 Continuing Care full contract term		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	ranking
The National Fostering Agency Scotland (NFA)	64.6	29.1	93.7	1
Foster Relations	62.8	27.8	90.6	2
Barnardo's	63.9	25.3	89.1	3
Carolina House	58.8	29.4	88.2	4
SWIS Foster Care Scotland	64.8	22.6	87.4	5
Action for Children	66.3	16.1	82.4	6
Fosterplus Scotland	52.3	30.0	82.3	7
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	52.2	30.0	82.2	8
Dean and Cauvin Trust	55.0	26.6	81.6	9
Fostercare Connect	57.8	17.0	74.8	10
Care Visions	48.5	25.5	74.0	11
TACT Fostering	45.5	23.8	69.3	12
Quarriers	56.9	12.1	69.0	13
JMT Fostering	39.0	25.2	64.2	14

Lot 5a Permanency (Mainstream)				
for full contract term		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	ranking
The National Fostering Agency Scotland (NFA)	67.4	29.1	96.5	1
Fostercare Connect	66.0	28.2	94.2	2
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	68.3	25.5	93.8	3
SWISS Foster Care Scotland	64.8	28.0	92.8	4
Barnardo's	63.9	27.1	91.0	5
Fostering Relations	69.9	23.5	90.4	6
Fosterplus Scotland	61.8	26.1	87.9	7
TACT Fostering	55.7	26.9	82.6	8
Carolina House Trust	52.0	26.4	78.4	9
Dean and Cauvin Trust	52.5	24.5	77.0	10
Care Visions	44.5	28.1	72.6	11
JMT Fostering	47.3	22.2	69.4	12
St. Andrews	38.0	30.0	68	13

Lot 5b Permanency (Specialist)		Year 1		
for full contract term		Year 1		
Supplier	Quality Tender Score 70/100	Cost score 30/100	100% of Tender to Final Score	ranking
The National Fostering Agency Scotland (NFA)	67.4	20.8	88.2	1
Barnardo's	63.9	23.3	87.2	2
Core Assets Scotland Trading as Foster Care Associates Scotland Ltd.	68.3	18.3	86.5	3
Fostercare Connect	65.98	20.45	86.43	4
Fostering Relations	66.85	19.56	86.41	5
Action for Children	67.90	17.59	85.49	6
SWIIS Foster Care Scotland	64.75	20.56	85.31	7
Quarriers	64.23	20.94	85.17	8
Fosterplus Scotland	61.78	19.35	81.13	9
TACT Fostering	55.65	24.85	80.50	10
Dean and Cauvin Trust	52.5	26.1	78.6	11
Carolina House Trust	52.0	25.6	77.6	12
Care Visions	44.5	30.0	74.5	13
JMT Fostering	47.25	15.07	62.32	14