

From: Sue Chandler, Cabinet Member for Integrated Children's Services
Matt Dunkley, Corporate Director Children, Young People and Education

To: Children's, Young People and Education Cabinet Committee
14 September 2021

Subject: Provision of Community Support Services for Disabled Children and Young People – outcome of Procurement process

Classification: Report Unrestricted
Appendix 4 is exempt - Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, refers.

Past Pathway of report: 20/00102 – Community Support Services for Disabled Children and Young People

Future Pathway of report: n/a

Electoral Division: ALL

Summary:

The Children, Young People and Education Cabinet Committee received a report at its meeting on 9 March 2021 on the proposal to join the Adult Social Care "Care and Support in the Home" procurement for Community Support Services for Disabled Children and Young People.

This report provides the activity undertaken and includes, in the exempt appendix, details of the successful organisations in the tender and to whom contracts are proposed to be awarded to for lot four of the overall contract, led by Adult Social Care.

Recommendation(s):

The Cabinet Committee is asked to discuss and note the report.

1. Introduction

1.1 This report details the progress and outcome of the competitive procurement process undertaken by Commissioners for Community Support Services for Disabled Children and Young People. Following discussion at the Children, Young People and Education (CYPE) Cabinet Committee on 9 March 2021, the Decision was taken on 19 March 2021 to expand the Adults Care and Support in the Home contract to include provision for Children and Young People. These services were previously spot purchased and the establishment of the contract allows transparency of cost and service delivery that hasn't been visible historically.

- 1.2 A competitive procurement process was undertaken, and evaluations have taken place. The full contract Award Report will be finalised by Adult Social Care Commissioners who are still completing evaluations for their providers of the additional lots of this procurement and therefore there will be final steps undertaken which goes past the drafting timescales of this report. Should there be any changes to the outcome relating to Children's provision contained in the exempt appendix, these would be evidenced in the formal Award Report and shared verbally at the CYPE Cabinet Committee on 14 September 2021 (depending on whether the item is taken as exempt.) Confirmation of no changes made could be shared in the open section of the meeting.
- 1.3 The outcome of the procurement for the Adult Social Care elements of the procurement and the resulting impact on the Disabled Children's and Young People Service 18-25 year old service is not the subject of this report and will be presented to the Adult Social Care Committee on 29 September 2021. This will cover the vast majority of the activity of the contract which is, in total, expected to be £165m. This report covers lot Four only for £1.3m per annum.

2. Procurement Process

- 2.1 This report summarises the procurement process and evaluation in establishing a Framework for Community Support Services for Children and Young People under the Care and Support in the Home contract led by Adult Social Care. The table of successful providers for Children and Young People services is included in the exempt appendix.
- 2.2 Market and stakeholder engagement was undertaken to gather views on shaping the new contracts and how services could best be managed in the future. Engagement included a series of market events in March 2021 where the Council outlined its intentions for the new services, the project timeline and the procurement process to be followed.
- 2.3 All organisations that expressed an interest in this opportunity were invited to submit an initial response to the Invitation to Tender (ITT). Subject to passing the Selection Criteria, they were invited to participate in the negotiation stage and re-submit their final tender. At each stage of the process, stringent evaluation criteria was set, and tenderers were excluded if the criteria was not met, removing them from further participation at each stage. Full details of the evaluation criteria can be found in Appendix One.

Commissioning Intentions

- 2.4 In taking forward this exercise for Children's Services our intention is to bring about a more effective and efficient method for the deployment of care and support in the home services for children and families, whilst facilitating an improved overview of the market and the activities undertaken within the market across all age ranges and locations.
- 2.5 The difference in approach between current arrangements for Adult Social Care and Children's Services can be confusing for providers and service users alike, with an expectation that the Council has a degree of uniformity of management

and service delivery across the age ranges. This procurement exercise affords the opportunity to negate some the gaps and differences that cause the greatest confusion, and to present a uniform set of expectations across the Council's commissioning.

- 2.6 This will aid in clarifying roles and, responsibilities, improving communication both to and from providers to the Council, transparent and easily understood decision making, better understanding of performance requirements, improved options for purchasing from social workers.
- 2.7 For Children's services the move from current arrangements to new centralised and formalised arrangements will necessitate a degree of cultural change and process development in order to support the delivery to best effect. In order to support these changes and allow a managed transition that does not impact on families and those requiring support, it is proposed that existing contracts with providers will remain in place and be phased out over their natural lifetime. All new business will be directed through the new contract from inception (anticipated November 2021) and this will run alongside existing provision, unless there is a change for need necessitating a change of provider.

Procurement

- 2.8 The full procurement process was divided into four lots to cover the range of services sought from the market. The first three lots are predominantly for Adult Social Care to access and those through the CYPE Directorate's Disabled Children and Young People Service for 18 to 25 year olds. The first three lots are not covered by this report and will be presented to the Adult Social Care Cabinet Committee on 29 September 2021.):
- Lot 1 Residential Care Home Services for people with a Learning Disability, Physical Disability or Mental Health Need (Specialist & Specialist Plus Needs)
 - Lot 2 Residential Care Home Services for people with a Learning Disability, Physical Disability or Mental Health Need (Mid and High Level Needs)
 - Lot 3 Supported Living Services
 - **Lot 4 Care & Support in the Home – Children's Services**
- 2.9 This Contract has been divided into 19 geographical Lots (in line with the cluster areas used for Care & Support in the Home Phase One). The Lots were determined based on Office for National Statistics Middle Super Output Areas (MSOAs). MSOAs group the population based on an area with approximately 5,000 residents in each area. This means that MSOAs differ significantly in geographical size, with urban areas being concentrated and rural areas more widely spread. These are shown in map format at Appendix Two.
- 2.10 The timetable for the Procurement was published as follows:

| Activity | Date |
|--|--------------------------------------|
| Publish advert and ITT | 24 March 2021 |
| Deadline to submit requests for clarification via the Kent Business Portal | 16 April 2021 |
| Closing date and time for Tender Submissions | 4pm on 23 April 2021 |
| Tender Evaluation Period | 26 April - 28 May 2021 |
| Moderation | 30 April – 28 th May 2021 |
| Negotiation Period | 17 May – 28 June 2021 |
| Tender resubmission | 2 June – 9 July 2021 |
| Award Clarification Meetings | various |
| Contract Award* and Standstill | November 2021 |
| Mobilisation** (targeted or by exception as necessary) | N/A |
| Contract Commencement Date | 15 November 2021 |

- 2.11 Market Engagement and Awareness Raising events were held online via Microsoft Teams and Zoom on 17 and 24 March 2021 advising potential providers on the proposed process, timeframes and key drivers behind the whole project.
- 2.12 The Find a Tender (FTS) notice was published on 24 March 2021; an advert was also placed on the Contracts Finder website. The opportunity was advertised on the Kent Business Portal and closed on 23 April 2021.
- 2.13 In total, 22 providers submitted a response for lot 4 for Children’s Services.
- 2.14 Mandatory selection questions and a safeguarding assessment were undertaken next to ensure that all organisations aligned to KCC’s requirements and were able to demonstrate how they applied safeguarding requirements.
- 2.15 A team of six safeguarding experts was assembled to undertake an overview of each providers submissions to assess their proposals and capabilities.
- 2.16 Three organisations failed to either meet the requirements of the mandatory criteria or pass the safeguarding element of the process - these providers were removed from further evaluation
- 2.17 The remaining 18 providers went through to qualitative evaluation
- 2.18 A team of thirty independent evaluators was assembled, drawn from across the organisation to examine and score the submissions in line with Appendix One of this report for the full breadth of the procurement (including the responses for Adult Social Care lots 1-3).
- 2.19 Those organisations that failed to achieve the threshold score to pass on elements of the quality questions were given the chance to resubmit their responses following negotiation meetings for re-evaluation.
- 2.20 Following the Qualitative evaluation section of the process, a further four providers were either removed from the process or withdrew, leaving 14 to move forward to the next stage.

- 2.22 Financial accounts and submissions were reviewed by Finance colleagues for further overview and testing aimed at examining the organisations financial fitness and ability to securely deliver the required services for KCC. Finance colleagues recommended that four of the remaining providers should not be contracted with at this stage following the checks they had made on their viability.
- 2.23 At the end of the rigorous evaluation and assessment stage, there are 10 providers of Children’s Services who have been able to pass all of the evaluation criteria and tests applied to them to ensure robust and secure service delivery.

Geographical Distribution

- 2.24 Appendix Two shows a table illustrating the areas within which the successful tenderers have applied to deliver for Children’s Services. All clusters have coverage, however there are some that may need further support moving forward.
- 2.25 There are no immediate concerns regarding this scenario, especially as there is not an intention to migrate work from exiting providers, however there may well be a need in the future to re-open the contract in order to seek some resilience for some clusters where provision is lower.

Performance Management

- 2.26 The list of Key Performance Indicators (KPIs) relating to the full contract are included in Appendix Three. Where no targets are identified, this information is less relevant to the provision for Community Support Services for Disabled Children and Young People.
- 2.27 Contract Management meetings will be set quarterly with providers to review the performance and the contract progress overall. Commissioners will work with providers over the course of the contract to ensure a more even spread of provision across the County and will be an important part of contract management discussions.

3. Financial Implications

- 3.1 Each year, approximately £1.3m of Children’s Community Support Services is commissioned, the actual spend is normally less as actual services provided can vary depending on circumstances. This is fully funded through the KCC revenue base budget and reported within the within key service line Children in Need (disability) – Care and Support in the budget book.
- 3.2 The contract for new provision (Care and Support in the Home) is due to expire on 31 March 2024, with potential for extension for a further 36 months. Over the life of the contact, the total financial implication of this decision is therefore circa £3.9m followed by a potential further circa £3.9m should extensions be put in place. This is subject to budget setting decisions and fluctuations in need.

- 3.3 The contract has been designed to reduce the dependence of spot purchases.
- 3.4 Based on the analysis of services purchased within the current arrangements, this action is expected to help stabilise and improve predictability of future price increases for placements purchased within the Framework. Future financial pressures in relation this framework. will therefore be limited to the annual price uplift, as set out in the contract rather than wider market and demand forces that are currently taking place with spot purchasing. Price pressures will be reflected in the Medium-Term Financial Plan and could range between £30,000 - £50,000 per year depending on future inflation and demand.
- 3.5 The financial risks to this tender are limited to the changes in demand and therefore link to the criteria of needs the social workers operate within. Anecdotally, costs for Children's provision have been significantly higher than costs for Adult Social Care and comparing the tender costs for lot four to similar services for Adult Social Care, there appears to be some harmonisation between the two, with the upper and lower limits.

4 Legal implications

- 4.1 Activities and services undertaken are covered under the Children and Families Act 2014, and the new provision will be fully compliant with Statutory Duties included within this legislation.
- 4.2 This procurement makes the previous activity of spot purchasing compliant with the Public Contract Regulations (2015) and Spending the Council's Money.

5 Equalities implications

- 5.1 An Equality Impact Assessment scoping has been undertaken as part of the Care and Support in the Home contract provision last year. Preliminary scoping has confirmed that this is adequate for Children's activity.

6 Other corporate implications

- 6.1 The overall contract is managed by Adult Social Care Commissioners. Children's Commissioners will manage Lot Four activity.
- 6.2 Purchasing activity will initially be managed from within the Disabled Children and Young People and Special Educational Needs Division, mirroring the processes and procedures deployed within the Adult Social Care contract provision. This will facilitate the cultural and process changes required over coming months.

7 Governance

- 7.1 The accountability for the overall contract sits with Richard Smith, Corporate Director for Adult Social Care and Health. For the Children's Service elements of the Contract, on-going statutory responsibility for the Children and Young People, along with budget responsibility sits with Matt Dunkley, Corporate Director for Children, Young People and Education. The management of the

service would sit within the SEN and Disabled Children and Young People Division.

8 Conclusions

8.1 The proposed approach brings together a number of benefits:

- Facilitates much improved overview of the market and the activities undertaken
- Clarifies responsibilities under a uniform contract
- Facilitates improved buying arrangements for social workers
- Allows clarity of communication between KCC and providers
- Facilitates transparent and easily understood decision making
- Provides opportunities to harmonise costs of provision that is largely similar
- Still allows variation in price for geographical location or complexity of need
- Negates the cost/time required for separate procurement exercise for Children's activity

8.2 Risks related to this change will be managed through taking a phased migration to the new provision, with existing arrangements remaining in place until their expiry or change of need

8.3 The providers that have successfully passed through the rigorous checks and evaluation processes within this tender exercise should be awarded and this form the initial 'framework' for the provision of care and support in the home for children and their families as from contract inception in November.

9 Recommendation(s)

9.1 The Cabinet Committee is asked to discuss and note the report.

10. Background Documents

20/00102 – Community Support Services for Disabled Children and Young People
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2484>

11. Contact details

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