

Provision of Support Service for Disabled Children Service (Integrated Homecare for Disabled Children and Young People)

CONTRACT APPROVAL

Key Decision No.

**CABINET PROCUREMENT
AND INSOURCING
COMMITTEE MEETING DATE
(2022/23)**

13 June 2022

CLASSIFICATION:

Open with Exempt Appendix

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

ALL

CABINET MEMBER

Councillor Caroline Woodley

KEY DECISION

Yes

REASON

Affects two or more wards
Spending/or saving

MEDIUM RISK

GROUP DIRECTOR

Jacquie Burke Group Director of Children and Education

1. CABINET MEMBER'S INTRODUCTION

- 1.1. This report seeks approval for the award of a 4 year Framework agreement.
- 1.2. As per the Council's Contract Standing Order 2.5.3, the value of this contract is up to approximately £6.2m and requires that the Award of a Medium risk contract of this value be approved by Cabinet Procurement and Insourcing Committee.
- 1.3. The framework will ensure the delivery of support for the most vulnerable young people in Hackney.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1. This report proposes the contract award of support services for children and young people with a disability via a Framework Agreement. This report summarises the options appraisal for the proposed services and preferred procurement strategy.
- 2.2. The Council has a legal obligation under the Children Act 1989 and 2004, section 25 of the Children & Young Persons Act 2008 and the Breaks for Carers of Disabled Children Regulations 2011 state that all children with disabilities living in Hackney have the right to services and support in order to live ordinary lives; they and their families have a right to build a future full of opportunities including play.
- 2.3. The Framework Agreement seeks to commission providers to support young people's leisure and personal care needs through 4 separate Lots. We recognise that some families rely on the Council to establish and manage support for their children and the Framework Agreement will allow Hackney to purchase these services on their behalf. The Council will promote these providers to eligible clients, thus ensuring that there is good awareness of the range of choice in the borough.
- 2.4. The proposed procurement arrangement will support Hackney to meet its duty to support children and young people with a disability in line with the requests for support through the Disabled Children's Service and facilitate the implementation of a robust quality assurance framework to monitor the performance of providers who are operating in this service. The framework will ensure the delivery of support for the most vulnerable young people in Hackney. The services will support the children and young people with steps towards independence, increasing their quality of life and maintaining engagement in their local communities.

3. RECOMMENDATION(S)

Cabinet Procurement and Insourcing Committee is recommended:

To approve the award of the Provision of Support Services for Disabled Children Service contract to the 33 Suppliers listed in Exempt

Appendix 1. The Framework Agreement will run for a period of three (3) years, with an option to extend for a period, or periods of a maximum of a further twelve months, with an estimated total value of £6,198,400.

4. RELATED DECISIONS

- 4.1. The Business Case was approved at the Hackney Procurement Board meeting on 11th January 2022, authorising the commencement of the procurement process for the provision of the Support Services for Disabled Children Services.

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1.1 The existing Framework Agreement for Integrated Homecare for Disabled Children and Young People commenced on 1st April and expired on 31st March 2019. A business case to extend the service for a period of 26 months was sought and approved to enable the redesign of the Disabled Children Service (DCS) provision. The Framework Agreement will now expire on 30th June 2022.
- 5.1.2 The purpose of the Disabled Children's Service redesign is to streamline the provisions offered to children and families. The procurement strategy to commission a new Framework Agreement for the Provision for Leisure Activities, Domiciliary Care & Overnight Services, which will align with the current Dynamic Purchasing System (DPS) for Short Breaks and expire simultaneously.
- 5.1.3 The support will be for children and young people with a disability under the age of 18.
- 5.1.4 It was initially agreed for Disabled Children's Service and Adults Services to commission Homecare Services collaboratively to achieve economies of scale, reduce duplication and manage resources effectively. However, having reviewed the DCS provision more critically and assessing the magnitude and complexity of the Adults Service provision in comparison to DCS, it was decided that DCS should commission its provision separately in order to ensure the needs of children are met. Within the model one lot was allocated to the Disabled Children's services and further subdivided into two (2) further lots to capture leisure activities and domiciliary care. There was no scope to include the overnight provision and it was decided that a separate procurement was required to capture this service.
- 5.1.5 Implementing the DCS procurement strategy allows the unit to focus on specific support for children whilst engaging providers that are more suited to delivering services that meet the ever changing and complex needs of children and young people.

- 5.1.6 Commissioning services specifically for the Disabled Children's Services would be beneficial for the following reasons:
- Providers would meet the specified criteria that will support children with disabilities.
 - Eliminate ambiguity from the providers on the type of support required.
 - Allow flexibility with care plans and packages of support
 - Increase the number of providers directly available for children's services.
- 5.1.7 As part of our efforts to streamline DCS, the management of Overnight Short Breaks which was previously held by the Placement Management Unit (PMU) will now be managed by DCS as this service will form part of an ongoing package delivered to children and families.
- 5.1.8 The requests for overnight support have continued to increase year on year and due to the lack of Short Break overnight providers, children are currently waiting for support to commence.
- 5.1.9 As stated above, the new service will be complementary to the existing Short Break provision and will only be accessed by the children and young people who have the greatest need and a service will only be allocated following an assessment by a social worker and agreement by the Disabled Children's Resource Panel.
- 5.1.10 Children with a disability experience challenges in achieving their potential. Therefore, the aim of this new service is to improve the outcomes of these children by giving them access to services to enhance equality of opportunity and increase their involvement and inclusion in society and mainstream services. The provision will enable communities to benefit from the contribution that disabled children and their families can make by harnessing their talent and fostering tolerance, diversity and difference.
- 5.1.11 The services will give disabled children and young people an opportunity to meet new people and enjoy different experiences whilst also providing families with a break from their caring responsibilities.
- 5.1.12 The Children and Families Act 2014 and associated statutory guidance places a responsibility on the Authority to commission care and support based on taking full account of:
- The views, wishes and feelings of the child and his or her parent(s), or the young person.
 - The importance of the child and his or her parent(s) or the young person participating as fully as possible in decisions.
 - The importance of the child and his or her parent(s) or the young person being provided with the information and support necessary to enable participation in those decisions.
 - The need to support the child and his or her parent, or the young person, in order to facilitate the development of the child or young person and to help him or her achieve the best possible educational and other outcomes.

5.1.13 At present there are 360 children and young people accessing the service through a combination of commissioned services and direct payments.

5.1.14 The support services are currently being provided by 5 organisations within the current framework and 20 organisations on a spot purchase basis for all aspects of the service.

5.1.15 The new Framework Agreement will enable Hackney to increase the number of providers delivering support to children and young people who have been allocated DCS service thereby increasing choice.

5.2 **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

5.2.1 **Option 1 – DO NOTHING.** This would fail to meet our statutory obligation and would impact negatively on the well-being of the children and young people with a disability and their families. This would lead to a breakdown of families and an increase in the number of children being taken into care.

Option 2 – IN-HOUSE: Please see “Insourcing” below

Option 3 – CONTRACTED SERVICE ONLY. This option would involve contracting with only a limited number of service providers for the three year period following a tender process. This option is not recommended as it would mean a restricted range of services for disabled children and young people and limited ability for the Council to tailor services or target particular needs and gaps.

Option 4 – DIRECT PAYMENTS. An alternative option would be to convert the support to Direct Payments. The number of children and young people using Direct Payment for DCS support is approximately 23% of all DCS services delivered in Hackney. If all service users were to take Direct Payments, then there would be no need for a direct contractual link between DCS providers and the council. Therefore, a contract would not be required and no further arrangement would need to be in place.

To progress this model would require a very high level of resource in order to communicate and support both service users and providers. Consideration would need to be given to quality monitoring without imposing any contractual relationship between Council and the provider. The development of the IT infrastructure would also be required, and this may have further cost implications.

It is acknowledged that Direct Payments are an effective way to ensure a person-centred outcome focused approach as per the requirements of the Care Act 2014. However, there are risks to taking a full personalisation approach as it may simply not be appropriate for all children and young people. Therefore, whilst the longer-term vision of the Council is to support

wider personalisation it is recommended that contractual coverage is put in place during this transition to ensure a high-quality value for money service. Therefore, this is currently not a viable option.

5.2.2 Insourcing:

The demand for Disabled Children's services is happening during a period of significant and ongoing financial challenges for the Council. Therefore, the option to deliver the services in-house is not recommended at this time given the significant level of resource that would be required.

Currently 368 children and young people are receiving support via the Disabled Children's Service (DCS) for social activities, domiciliary care, overnight support and Direct Payments.

The breakdown of support is as follows:

Social Activities -	59.73%
Domiciliary Care -	13.57%
Overnights -	3.69%
Direct Payment -	23.01%

The majority of the support is delivered as social activities and domiciliary care, the number of leisure activity hours that will be delivered annually is approx 92,000 hours and domiciliary care will be 51,000 hours per year (assuming that each child uses all the hours that have been allocated to them for the year). This is an average of of 220 hours per child per year for leisure activities and 524 hours per child per year for domiciliary care (the number of children receiving domiciliary care is lower than leisure activities and number of hours per child for domiciliary care are higher because this service is allocated to children who have a significant level of need).

Please note that these figures are estimates as there is limited data available since the data attack in October 2020.

This support is currently being delivered by 5 organisations who are part of the current framework contract and 22 organisations who are part of a spot purchase agreement.

To bring this service in-house would require a significant level of resource and a high capital investment. It would be akin to setting up an in-house domiciliary care agency that would require:

- A separate Ofsted registration;
- Employers liability insurance;
- On going training;
- Enhanced DBS checks;
- A registered manager and team leaders;
- An ongoing recruitment process.

Added to which the recruitment of care workers would be an ongoing problem. At present, there is a 27% staff turnover in the social care sector which is

more than twice the average for other professions. This is due to unpredictable rotas, unsociable hours, a significant amount of downtime in the middle of the day, and the need to travel long distances between clients. The problem of recruitment is compounded by Brexit as a significant number of carers were from Europe who are no longer available for recruitment.

By using a variety of local providers we can achieve value for money as this will allow Hackney Council to use organisations from a larger pool of providers to deliver the services to an increasing number of children and young people; and should a provider under perform or not meet the goals set out in the specification it is simple to switch to another provider.

Insourcing the service would require a long term strategy with a goal to recruit from the local population but would take a number of years to set up and would require a working group to look at the long term viability of this service; a possibility would be to look at the Hackney SEND transport model (a combination of branded Hackney minibuses and private taxi firms) to be replicated in the field of social activity and domiciliary care support; i.e support workers employed by Hackney Council and specialist providers (such as adventure playgrounds) to run in tandem.

This is not an option that can be used at present due to the length of time that would be required to set this service up. It will be explored as an option for the new contract in 2025.

6. PROJECT PROGRESS

6.1. Developments since the Business Case approval.

The contract will have an option to extend for a period, or periods, of a maximum of a further twelve months. This is to coincide with the end of the Short Breaks Contract.

6.2. Whole Life Costing/Budgets:

The budget allocated to this service per year is as follows:

Home Care - Spot Contracts - £1,308,500

Respite - Residential - £241,100

The whole life cost of the service over the 4 year maximum life of the contract, until 2025 will be £6,198,400.

This service will obtain support from specialist providers and domiciliary care agencies and there will be no maintenance, equipment or operating costs.

6.3. SAVINGS

No savings have been identified through this procurement. However, with access to a wider range of providers this will increase the options to achieve best value for money. However, the framework will reduce the need to set

providers up under a spot purchase agreement and will ensure that all providers are part of the framework terms and conditions.

7. SUSTAINABILITY ISSUES

7.1. Procuring Green

The environmental impact of delivering this service will be very low. The majority of travel will be via walking, cycling or public transport. Car use will be very limited except in circumstances where specialist equipment is required to support the child (i.e. motorised wheelchair.) Where private vehicles are used this will be by the children's parents to attend schemes at a central venue; but this will be for the children with significant needs (such as cerebral palsy, spastic quadriplegia, complex health needs, etc) for which walking or public transport is not an easily available option and this will affect a small cohort of the children.

7.2. Procuring for a Better Society

The economic impact will be in line with Hackney's Community Strategy. The majority of the services will be delivered in Hackney and we encouraged bids from SME who employ their staff from the local area. There were successful bids from 8 local providers and the majority of the other bidders are from the region surrounding Hackney. All successful organisations will be encouraged to employ and promote their staff locally.

Under the social value element of the responses, the majority of providers have stated that they will provide apprenticeship opportunities, paid work placements and internships within Hackney.

This will support residents into sustainable employment and promote employment opportunity and will help residents to become better qualified and raise educational aspirations.

7.3. Procuring Fair Delivery

This is a specialist service for children and young people under 18 who have been diagnosed with a disability.

The service is designed to have a positive impact on children and young people with a disability.

The aim is to improve their outcomes, in turn allowing them to benefit from equality of opportunity and increasing their involvement and inclusion in society and mainstream services. This will reduce social inequality and allow communities to benefit from the contribution that disabled children and their

families can make harnessing their talent and fostering tolerance, diversity and difference.

Social Key Performance Indicators (KPI's) will not be required as the children who will be supported via this service will be very vulnerable and will have been assessed by the FAST unit before being allocated to a social worker within the Disabled Children Service.

It should be highlighted that the care home/social care industry is prone to elements of modern slavery as it is commonly a low skilled and low paid market. Hackney is committed to paying the London Living Wage (LLW) and providers will have to pay their employees the LLW if they wish to secure a position on the Framework Agreement. Once the Framework Agreement is up and running routine inspections will be carried to ensure staff are being paid the LLW and working in good conditions.

7.4. **Equality Impact Assessment and Equality Issues:**

This service directly supports children and young people with a disability and families to receive support and services. However, more work needs to be done for those with complex and high needs, such as Autistic Spectrum Disorder (ASD), and this will be addressed in the specification.

Additionally, culturally sensitive provision and age appropriate provision will support the Short Breaks Service to reach out to hard to reach groups including the Charedi community and teenagers.

Ethnicity and age will be monitored with service providers, alongside types of disability to ensure that we are meeting our obligations to local families.

8. **ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)**

Option 1 – DO NOTHING. This would fail to meet our statutory obligation and would impact negatively on the well-being of the children and young people with a disability and their families. This would lead to a breakdown of families and an increase in the number of children being taken into care.

Option 2 – IN-HOUSE: Please see “Insourcing” below.

Option 3 - CONTRACTED SERVICE ONLY. This option would involve contracting with only a limited number of service providers for the three year period following a tender process. This option is not recommended as it would mean a restricted range of services for disabled children and young people and limited ability for the Council to tailor services or target particular needs and gaps.

Option 4 – DIRECT PAYMENTS. An alternative option would be to convert the support to Direct Payments. The number of children and young people using Direct Payment for DCS support is approximately 23% of all DCS

services delivered in Hackney. If all service users were to take Direct Payments, then there would be no need for a direct contractual link between DCS providers and the council. Therefore, a contract would not be required and no further arrangement would need to be in place.

9. TENDER EVALUATION

9.1. Evaluation:

9.1.1 The tender was made up of 4 Lots:

Lot 1A - Social Group Activities

Lot 1B - Social Outreach Activities (1:1 support)

Lot 2 - Domiciliary care support

Lot 3 - Overnight support

A provider could bid on any combination of Lots and was not restricted to a single Lot. The Tender Evaluation Team consisted of:

- Short Break Coordinator, Disabled Children Services
- Service Manager, Disabled Children Services
- Brokerage Officer, Disabled Children Services

9.1.2 To ensure a wide market search in compliance with Council Standing Orders and Procurement Legislation, a Contract Notice was published in Find a Tender on 21st March 2022.

9.1.3 The open procedure process was followed, tender documentation was issued and evaluated using the council's eProcurement system.

9.1.4 The tender evaluation team evaluated Bidders' ITT responses to identify the most economically advantageous tenders.

- The Evaluation Criteria and Weighting were as follows

CRITERIA	% WEIGHTING
Quality	70%
Person-Centred Planning	15%
Service Delivery	15%
Quality Assurance	15%
Service Objectives and Outcomes	15%
Social Value	10%
Price	30%

- There were 115 expressions of interest in the tender, 68 did not respond and did not leave a reason but 11 organisations gave reasons such as “Not related to our field of business” or “Unable to meet requirements”. 36 suppliers submitted a tender on time, 0 late submissions were received.
- Regardless of their price, to be considered for award of this contract bidders must achieve a qualitative evaluation score of no less than 50%.
- The list of suppliers who submitted a tender can be found at Exempt Appendix 1.
- A breakdown of the cost and quality scores can be found at Exempt Appendix 2.

9.2. **Recommendation:** The proposed organisation set up on the framework will support Hackney to meet its duty to support children and young people with disabilities and facilitate the implementation of a robust quality assurance framework to monitor the performance of providers across a variety of services. Due to the types of services required the tender was made up of 4 lots:

- Lot 1A - Social Group Activities
- Lot 1B - Social Outreach Activities (1:1 support)
- Lot 2 - Domiciliary care support
- Lot 3 - Overnight support

A provider could bid on any combination of Lots and was not restricted to a single Lot.

36 tenders were evaluated, 33 suppliers achieved a score of at least 50% on Quality. Suppliers 22, 26 and 35 scored less than 50% on quality so will be rejected. A list of the successful suppliers can be found at Exempt Appendix 1.

Suppliers 26 and 35 did not submit any costs for any of the Lots. Their scores are:

	Quality	Price	Total
Supplier 26	24%	0%	24%
Supplier 35	30%	0%	30%

It is proposed there will be 33 providers on the framework and under the framework there is no guarantee as to the volume of work to be undertaken or any work at all. The level of funding may decrease subject to needs assessment and reviews and the application of support plan pricing tools determined as appropriate by the local authority and the choice of the children and young people who use the service

The providers were selected based on the needs and objectives as identified in the Business Case and would increase the number of providers available to deliver the services set in the above Lots to the Disabled Children Service

which would mean that the DCS will have a more robust service to support children and young adults with a disability.

It is stated in the framework that all providers will ensure that their staff are paid the London Living Wage.

A list of the providers and the Lots they will support can be found at Exempt Appendix 2.

10. CONTRACT MANAGEMENT ARRANGEMENTS

10.1. Resources and Project Management (Roles and Responsibilities):

The service will be managed by the Short Break Manager supported by the Brokerage Officer and Finance Officer from the Disabled Children Services and overseen by the DCS Senior Management Team.

All support and activities will be coordinated by the Short Break Coordinator and agreed in advance for a specified time period at the Disabled Children's Resource Panel which will review a request following a Child and Family Assessment which is conducted by a social worker from the Disabled Children's Service. The Brokerage Officer and the social worker will discuss the allocation of the support with the family and the type of support available; based on the above Lots, and the family will decide on the organisation that they would like to use. Depending on the level and type of support required, the support can be delivered by multiple providers.

TUPE does not apply to this contract. As all the current providers will be part of the framework there will be no issues in relation to knowledge transfer.

All new providers will meet with the Short Break Manager prior to the start of any service and will be instructed on the delivery of service, monitoring report, invoicing and contract monitoring.

Contract monitoring meetings will be held at least once per quarter for existing providers, but for new providers the contract meetings will be monthly to support the contract in the early stages of delivery and ensure that there is ongoing communication between the council, the parent/carers and the provider. This will include quarterly review meetings, which will review service delivery and performance against required service levels and Key Performance Indicators.

There will also be ongoing monthly monitoring of the delivery of the service which will feed into the quarterly performance monitoring.

10.2. Key Performance Indicators:

Person centred Outcomes KPI Targets	Monitoring
<ul style="list-style-type: none"> ● Improving the health and wellbeing of children and young people with a disability. ● Building up independence. ● Developing social and life skills. ● Supporting disabled children/young people with a disability to do new things, have fun, make new friends and do things without parents/carers. ● Strengthen the family's ability to cope, reducing stress and preventing family breakdown. 	<ul style="list-style-type: none"> ● Annual social work reviews ● Social worker assessment of the children's support (child's voice) <ul style="list-style-type: none"> ○ basic survey ● Quarterly provider contract monitoring meeting.
<p>Service Delivery/Budget Monitoring</p> <ul style="list-style-type: none"> ● Ensuring agreed allocation delivered in a timely manner ● Delivering support as per the agreed allocation and within agreed costs ● Services delivered at the agreed rates. 	<ul style="list-style-type: none"> ● Monthly monitoring report. ● Quarterly contract monitoring meeting.

11. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 11.1. This report proposes the contract award of support services for children and young people with a disability via a Framework Agreement. The Framework Agreement seeks to commission providers to support young people's leisure and personal care needs through four separate Lots. This report seeks approval for the award of a four year Framework Agreement. The allocated budget over the four years within the Disabled Children Services commissioning budget is £6.2m, and expenditure through the framework will be reviewed through regular budget monitoring meetings.
- 11.2. No savings have been identified through this procurement exercise. However, with access to a wider range of providers this will increase the

options to achieve value for money. The framework will reduce the need to commission providers under a spot purchase agreement and will ensure that all providers are part of the framework terms and conditions.

12. VAT Implications on Land & Property Transactions

Not applicable.

13. COMMENTS OF THE DIRECTOR, LEGAL, DEMOCRATIC & ELECTORAL SERVICES

- 13.1. Paragraph 2.7.7 of Contract Standing Orders states that, in respect of procurements with a risk assessment of “Medium Risk”, Cabinet Procurement and Insourcing Committee will determine the award of contracts above the value of £2m. The estimated maximum value of the contract in this Report is above £2m so therefore Cabinet Procurement and Insourcing Committee can agree the recommendation in this Report.
- 13.2. Details of the procurement process undertaken by officers are set out in this Report.

14. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 14.1 The proposed framework is valued at an estimated £6.2M which is above the relevant UK public procurement threshold (Social and Other Specific Services “light touch” regime). The Council’s Contract Standing Order 2.5.3 requires that the Award of a Medium risk contract of this value be approved by Cabinet Procurement and Insourcing Committee.
- 14.2 An Open competitive tender process has been carried out in compliance with Contract Standing Orders and the recommendation is to award to all providers meeting the required quality and value for money threshold assessed against the published criteria.
- 14.3 Call-off contracts will be awarded based on service user choice when presented with the details of all suitable provision to meet the individual needs of the child or young person. This is consistent with the Council’s duties under relevant legislation as described in the report.

APPENDICES

Exempt Appendix 1 - List of Suppliers
Exempt Appendix 2 - Breakdown of Quality & Price Score

EXEMPT

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CONFIDENTIAL

Exempt Appendices are confidential.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None.

Report Author	Tony Connole 0208 356 6686 Short Break Manager tony.connole@hackney.gov.uk
Comments for and on behalf of the Group Director of Finance and Corporate Resources	Mars Hoxha 0208 356 1532 Group Accountant mars.hoxha@hackney.gov.uk
Comments for and on behalf of the Director of Legal, Democratic & Electoral Services	Patrick Rodger 020 8356 6187 Senior Lawyer patrick.rodger@hackney.gov.uk
Comments of Procurement Category Lead	Dawn Cafferty 0208 356 8697 Procurement Category Lead dawn.cafferty@hackney.gov.uk