

**TELFORD & WREKIN COUNCIL**

**CABINET – 26 JUNE 2014**

**NON-ACCOMMODATION SERVICES PREFERRED PROVIDER  
FRAMEWORKS**

**REPORT OF ASSISTANT DIRECTOR FAMILY, COHESION &  
COMMISSIONING**

**LEAD CABINET MEMBER – CLLR PAUL WATLING**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

- 1.1 To seek Cabinet approval to tender a preferred provider framework for non-accommodation services (therapy, psychological assessment, parenting assessment, contact, family group conferencing and mediation).

**2. RECOMMENDATIONS**

It is recommended that Cabinet approve the following:

- 2.1 **A tender for a preferred provider framework to secure non-accommodation services for children, young people and families.**
- 2.2 **To tender a preferred provider framework which can be used by other local authorities in the West Midlands.**
- 2.3 **The Assistant Director: Family, Cohesion & Commissioning is granted delegated authority, following consultation with the Cabinet Member to award qualifying providers entry to the Preferred Provider Framework for a period of 3 years with the option of extending the framework for a further 1 year.**
- 2.4 **To delegate the authority to the Assistant Director: Law, Democracy and People Services to execute all documentation required to give effect to the agreements reached in relation to 2.1 above.**

### 3. SUMMARY IMPACT ASSESSMENT

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| <b>COMMUNITY IMPACT</b> | Do these proposals contribute to specific Co-Operative Council priority objective(s)? |  |
|                         | Yes   | <ul style="list-style-type: none"> <li>• Protect and support our vulnerable Children and Adults</li> <li>• Improve the health and wellbeing of our communities and address health inequalities</li> </ul>  |
|                         | Will the proposals impact on specific groups of people?                               |  |
|                         | No  | <p>Non-accommodation Services are put in place to;</p> <ul style="list-style-type: none"> <li>• Support children, young people and families to work on their emotional and behavioural difficulties by providing a safe and nurturing place where trained practitioners help bring about change or enhance well-being.</li> <li>• Have a psychological assessment to determine what support is needed to improve children and young people's outcomes.</li> <li>• Have a psychological assessment which is court ordered.</li> <li>• Provide parenting assessments to evaluate the motivation and ability to change and to parent, evaluate the child's development needs and wider family as an early intervention.</li> <li>• Ensure children and young people can have contact with people they are living apart from.</li> <li>• Support the process by which family members plan and make decisions for a child who is at risk.</li> <li>• Facilitate meetings where family members (parents) agree to discuss areas of difficulty or dispute.</li> </ul> |

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| <b>TARGET COMPLETION/DELIVERY DATE</b>  | The aim is to put the new Preferred Provider Framework in place by October 2014. |  |
| <b>FINANCIAL/VALUE FOR MONEY IMPACT</b> | Yes/No   | <p>Non-accommodation services are currently provided for children, young people and families via a number external providers on a spot basis i.e. as and when required.</p> <p>The cost of the non-accommodation services for 2013-14 was £436k against a budget of £250k. There was a mixture of organisations and sole traders who delivered these services. The Safeguarding &amp; Early Help Cost Improvement Plan includes a target of a reduction of £106k against the use of external providers to deliver parenting assessments – this amount plus another £80k needs to be delivered against non accommodation support services to contain the costs within budget.</p> <p>It is, however, envisaged that this new framework, giving more access to social work and prevention teams to enable this prevention work to be undertaken earlier and so enable families to remain together, will result in an increase in the costs but will be offset by a reduction in the costs of care by preventing children coming into the care. The offsetting of the two areas of spending must be balanced.</p> <p>It is vital that this framework delivers value for money and any use of accredited providers produces the desired outcomes of keeping children out of care. If this change is not realised then the costs of care are unlikely to fall and the service will experience a significant overspend against a budget already subject to a planned cost improvement target.</p> <p>TAS 28/5/14</p> |

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| <p><b>LEGAL ISSUES</b></p> | <p>Yes/No</p> | <p><b><u>Frameworks</u></b></p> <p>The aggregate value of the various Individual Service Agreements (<b><i>“Call-Off contracts”</i></b>) that will be procured under the proposed Preferred Provider Framework Agreement (<b><i>“the Framework”</i></b>) requires these services to be procured in accordance with EU legislation, the Public Contracts Regulations 2006 (as amended) (<b><i>“the Regulations”</i></b>) and the Council’s Finance Regulations and Contract Procedure Rules.</p> <p>The Regulations define a framework agreement as <b><i>“an agreement or other arrangement between one or more contracting authorities and one or more economic operators, which establishes the terms under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework applies”</i></b>. The Regulations permit local authorities to enter into framework agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers to provide particular services, as and when required for a maximum period of four years. This obviates the need to undertake a wide competitive process.</p> <p>In general terms, in letting each Call-Off contract the Council can choose to appoint a service provider off the Framework, directly based on the pricing and/or other information established in the original tender process, or if the price cannot be directly determined or in order to ensure best value it can hold a mini-competition between the suppliers appointed to the Framework in or to make an award.</p> <p><b><u>Social Value</u></b></p> <p>The <b>Public Services (Social Value) Act 2012</b> (<b><i>“the Act”</i></b>) applies to Framework Agreements. Section 1 (3) requires an</p> |

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|  | <p>authority to:</p> <ul style="list-style-type: none"><li>(a) <i>consider how what is proposed to be procured might improve the social economic and environmental well-being of the <b>relevant area</b> and</i></li><li>(b). <i>how, in conducting the process of procurement, it might act with a view to securing that improvement.</i></li></ul> <p><b>(“the relevant area”</b> means the area consisting of the area or areas of the one or more relevant authorities on whose behalf a public services contract is, or contracts based on a framework agreement are, intended to be made.)</p> <p>Section 1 (7) requires that, <i>“The authority must consider whether to undertake any consultation as to the matters that fall to be considered under subsection (3).”</i> The Act is silent on how, or with whom, consultation must be held but a presumption is that this could include the voluntary and community sector, along with other providers and interested groups.</p> <p>The intention is that, as well as the larger Providers of these services, the procurement process will encourage small to medium local Providers to tender for a place on the Framework. Care however, will need to be taken to ensure that the possible introduction of current (or future) technology, such as the current electronic monitoring systems (that monitor care staff attendance time in the service user’s home) does not result in a disproportionate and adverse costs penalty (from the system licence fee and call-rate charges) on these small to medium local Providers as this may negate the intended local benefits under the Act.</p> <p><b><u>Best Value</u></b></p> <p><b>Section 3(1) of the Local Government Act 1999</b> imposes a general duty, <i>“to make arrangements to secure continuous improvement in the way in which its</i></p> |
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|  | <p><i>functions are exercised, having regard to a combination of economy, efficiency and effectiveness".</i></p> <p><i>In addition to demonstrating value for money via continuing market testing and quality control, Call Off contracts will contain provisions which enable continuing value for money to be tested and provisions to allow termination in the event that the service cannot be provided on terms which remain acceptable to the Council.</i></p> <p>Section 3(2) of the Local Government Act 1999 requires that an authority, when deciding how to fulfil its duty under S3 (1), must consult</p> <ul style="list-style-type: none"><li>a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,</li><li>(b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,</li><li>(c) representatives of persons who use or are likely to use services provided by the authority, and</li><li>(d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.</li></ul> <p><b>(3)For the purposes of subsection (2) "representatives" in relation to a group of persons means persons who appear to the authority to be representative of that group</b></p> <p><b><u>Best Value and the Phased Transfer of Current IPA's onto the Framework</u></b></p> <p>Achieving value for money for the Council includes the phased transfer of all current Individual Placement Agreements on to the new Framework, however in view of the impact that the changes may have on current service</p> |
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|                             |        | <p>users it is likely that the duty to consult under section 3(2) arises.</p> <p>In R (On the Application of Nash) v Barnett LBC) [2013] EWHC ( judicial review of outsourcing services) the Judge noted that Section 3 of the Local Government Act 1999 required the local authority to consult on the way in which it exercised its functions and that <u>this included high-level</u> choices about how an authority went about performing its functions. If such consultation does not take place there is a risk that service users and current/potential providers may be able to challenge the final decision, although that risk is likely to be low</p> <p><b><u>Public Sector Equality Duty.</u></b></p> <p>The Council must have due regard to the Public Sector Equality Duty as imposed by s149 (1) of the Equality Act 2010, which states:</p> <p><i>(1) A public authority must, in the exercise of its functions, have due regard to the need to—</i></p> <p><i>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</i></p> <p><i>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</i></p> <p><i>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it...</i></p> <p>Consideration needs to be given to carrying out an Equality Impact Assessment in respect of the proposal to transfer current Individual Placement Agreements onto the new Framework in order to assist the Council in meeting its</p> |
| <b>OTHER IMPACTS, RISKS</b> | Yes/No | Having a preferred provider   |

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| <b>&amp; OPPORTUNITIES</b>      |        | <p>framework will mean there is a diverse range of providers available, increased capacity to meet not only the needs of children, young people and families, but also meet their needs in a timely manner.</p> <p>The ability to run mini tenders will offer the Council the opportunity to secure best value and reduce the risk of spot purchasing at prices which are too high.</p> |
| <b>IMPACT ON SPECIFIC WARDS</b> | Yes/No | Borough wide impact:<br>Non-accommodation service purchasing will be delivered across Telford & Wrekin and the wider West Midlands.   |

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **Contracting Arrangements**

The current spot contracting arrangements are undertaken by several different providers on a number of different terms and conditions. The preferred provider framework will use the Council's new contract Terms and Conditions and incorporate an outcome focused specification. This in turn will mean improved ability to monitor performance of providers.

As the framework will be open to all West Midlands local authorities to join, Telford & Wrekin Council may benefit from the increased number of providers who historically may have worked only in particular local authorities.

### **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

**Community Impact:** The setting up of a Preferred Provider Framework, will enable the Council to expand the number of providers they contract with allowing both larger organisations and sole traders to enter the framework and reduce the need for spot contracts.

#### **Financial Impact:**

Providers will be required to offer competitive prices at the mini-competition stage and therefore the Council will benefit by being able to get best value to meet the needs of the children, young people and families.

The Preferred Provider Frameworks will also support the **Agresso system**: It will bring in requirements around raising service orders and contracts that will be compliment the work to ensure these processes operate efficiently.

**6. PREVIOUS MINUTES**

Commissioning Plan 2013

**7. BACKGROUND PAPERS**

Prior Information Notice

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