


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">29 APRIL 2019</p>	
<p style="text-align: center;">MULTIDISCIPLINARY FAMILY ASSESSMENT SERVICE - CONTRACT VARIATION</p>	
<p>Report of the Cabinet Member for Children and Education – Councillor Larry Culhane</p>	
<p>Open Report with Exempt Appendix Appendix B to this report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation Children’s Services, including the Family Support and Child Protection Team, have been consulted in drafting this report.</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Steve Miley, Director of Children’s Services</p>	
<p>Report Author: Craig Holden, Commissioning and Transformation Lead, PSR</p>	<p>Contact Details: Tel: 07795 127385 E-mail: craig.holden@lbhf.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1. This report seeks an adjustment to funding for Hammersmith & Fulham’s Family Assessment Service (FAS). The service provides a multi-disciplinary assessment of the needs, risks, parenting capacity and potential for change in complex families, to inform decisions by the local authority and the family courts.
- 1.2. The FAS service is provided via a block contract with Tavistock and Portman NHS Foundation Trust (T&P) from 1st January 2016 to 31st December 2020. This is at an annual contract cost of £549,992 and a total contract cost of £2,749,960 if the full contract period of five years is utilised. Hammersmith & Fulham Council and

Westminster City Council (WCC) currently pay 50% each of that annual value, at £274,996 p.a.

- 1.3. The FAS originated under the former shared services arrangements as a three-party contract between LBHF, WCC and T&P. Based on population needs within the newly sovereign LBHF context, demand has proven to be higher in LBHF than the originally anticipated 50/50 contract cost split.
- 1.4. This report seeks Cabinet approval for a variation of the contract to allow LBHF to assume responsibility for funding 65% of the remaining two years of the provision. In the interests of continuing partnership working it is requested that this variation be backdated to 1st January, 2019. If approved, this variation will adjust LBHF's current annual contribution from £274,996 to £357,495 per annum for a total increase of £164,998 over the final two years of the contract.
- 1.5. The vital role of the FAS service in safeguarding LBHF's most vulnerable residents means that any service instability or interruption could impact on the Council meeting its statutory obligations. The block contract provided by T&P has proven to represent value for money compared with past complete reliance on spot purchasing.
- 1.6. Over the coming months officers will initiate service redesign work looking at the future demand for FAS services within LBHF social care and consider the longer-term recommissioning of the contract.
- 1.7. Further information is set out in the exempt Appendix B.

2. RECOMMENDATIONS

- 2.1. To approve a variation of the Family Assessment Service (FAS) contract dated 1st January 2016 to increase LBHF's annual contribution from £274,996 to £357,495 for the period from 1st January 2019 until 31st December 2020.

3. REASONS FOR DECISION

- 3.1. The variation is necessary based on long-standing higher-than-expected activity levels in LBHF. It will ensure continuity of the role the FAS plays in promoting family-centred solutions, preventing escalation of crises, and avoiding the need for more costly services.
- 3.2. Family assessments focus on the needs, risk, parenting capacity and potential for change in complex families. Assessments play a key role in informing Care Proceedings and decisions by family courts on placements for children and young people. The purpose of the FAS is to improve positive outcomes for children and young people by:
 - Providing conflict management expertise
 - Empowering parents to communicate effectively
 - Building positive relationships within the family

- Promoting positive parenting skills.

3.3 Policy and practice developments in recent years have led to increased pressures on the timeliness and quality of family assessments:

- Family courts frequently require independent, multi-disciplinary assessments, which address psychological and/or psychiatric issues within families;
- The Revised Public Law Outline requires all Care Proceedings to be conducted within a 26-week timeframe, resulting in constrained timescales for the availability and completion of such assessments.

3.4 The service provided by T&P is considered to provide residents in LBHF with the most skilled, comprehensive level of service available to this vulnerable, often “hard to engage” group.

3.5 Since the contract commenced in quarter 1 2016/17, actual referrals to the service has been 70% for LBHF versus 30% for WCC (with 15 referrals from WCC and 58 from LBHF in 2018/19).

3.6 The unit cost of each assessment conducted by T&P is £9,166. This is comparable to the unit cost of the other known specialist provider in this market, Coral, who charge £8,500. Coral are used on occasion by the Family Service Child Protection Team when T&P are unable to complete an assessment within the legally mandated timeframe (for example because of a lack of available clinicians). Going forward commissioners will look at the potential to develop Coral as part of a provider framework that could offer increased flexibility and value for money.

3.7 The T&P block contract has proven to represent value for money compared with past practice. Prior to the current service, multi-disciplinary assessments were spot purchased by the council from a range of providers. The total assessment spent in 2014/15 with spot purchases was £513,719, compared with £405,251 in 2017/18 under the block contract.

3.8 In August 2018, WCC wrote to LBHF requesting that the contract be varied to reflect the difference in activity levels between the two boroughs. WCCs original request, based on usage levels, was that the variation be backdated to 1st April, 2018. This date was deemed by LBHF officers to be unacceptable and rejected. Officers in LBHF have been consistent that such a variation should:

- Be based on independent verification by LBHF of service quality, need, and value for money, a process that has now been concluded;
- Be contingent on the basis that appropriate governance approval is first received.

4 FUTURE SERVICE REDESIGN

4.1. Over the coming months officers will initiate service redesign work looking at the demand for FAS services within LBHF social care and consider the longer-term

recommissioning of the contract. Options discussed with Children's Services include:

- A framework arrangement where need is re-specified and multiple providers are tendered to give more flexibility over the type of assessments commissioned.
- Consideration of team composition in the Family Support Child Protection service with a view to having certain assessments carried out in-house.
- Finally, the FAS must be viewed within the context of the wider Children's Services provision, whereby the development of cohesive, evidence-based programming can allow children who are in danger of becoming 'at-risk' to be diverted to other, less intensive, lower cost alternatives.

4.2. The anticipated effect of these cumulative improvements is:

- Reduced unit costs per assessment to the council;
- Reduction or elimination of spot purchasing of assessments taking place outside of the contract;
- A more consistent assessment approach among a smaller and more cohesive group of providers

4.3. In the short term, measures are already underway to develop, in the current contract year, closer collaboration between T&P and LBHF including:

- Creation of a referral panel within the relevant social work teams to tighten and foster collaborative decision making on which referrals are most suitable and appropriate;
- Closer links between T&Ps Service Manager and LBHFs FSCP Team, including bi-weekly referral meetings and mid-way review meetings as the assessment progresses;
- Shared communication regarding situations where a referral requires multiple assessments;
- Cognitive function screening to confirm that the service is appropriate to the client's needs and capabilities;
- A revamped brochure from T&P to clarify services available in order to guide and refine referrals.

5 PROPOSAL AND ISSUES

5.1 The Cabinet approval for this contract, given on 5th November 2015, delegated authority to the Cabinet Member for Children and Education to increase or decrease the service activity levels by up to 25% of the original specification if required, with a corresponding adjustment in the Contract Price up to a value of £1m, in line with 12.6.1 of the Council's Contract Standing Orders. The requested increase of £82,499 per annum (£164,998 for the final two years of the contract) falls within that delegated authority.

5.2 However, it is deemed that the decision to grant this variation requires Cabinet approval for the following reasons:

- The 2015 decision to delegate authority was made during a different financial context and to a different budget envelope;
- Decisions involving the commitment of funds over £100k require Cabinet approval;
- Further detail is available in the finance comments in Section 8.

5.3 The cost implication of this contract variation is detailed in Table 1 below.

SERVICE	Dec 18 – Dec 19	Dec 18 – Dec 19 (Revised)	Dec 19 – Dec 20	Dec 19 – Dec 20 (Revised)	Original Contract Total (Jan 16 – Dec 20)	Revised Contract Total (Jan 16 – Dec 20)	Total difference: remaining 2 Years
Total Contract Cost	£549,992	£549,992	£549,992	£549,992	£2,749,960	£2,749,960	£0
LBHF Contribution	£274,996	£357,495	£274,996	£357,495	£1,374,980	£1,539,978	+ £164,998
WCC Contribution	£274,996	£192,497	£274,996	£192,497	£1,374,980	£1,209,982	- £164,998

Table 1 – Cost of Proposed Contract Variation

5.4 Further information is set out in the exempt Appendix B.

6 OPTIONS AND ANALYSIS OF OPTIONS

6.1 **Terminate the existing contract immediately and re-procure the service.** This is not recommended at this point because as a specialist service with a very low number of suitable providers, a good deal of market analysis and development is necessary to establish viable alternatives, which will take time. Secondly, the key role of the service in safeguarding LBHF most vulnerable residents means that any interruption in service could risk harm to residents, impact on the Council’s statutory obligations, and create reputational damage to the Council. Finally, the void created by lack of a block contract would require a return to complete reliance on spot purchasing, which has proven more expensive in the past.

6.2 **Do nothing.** This is not a recommended option because service activity levels over the last three years prove the importance of the service to LBHF. While acknowledging opportunities to improve and streamline the provision going forward, the current activity levels should at this point be fully met.

6.3 **Vary the contract effective from the date of the Cabinet decision.** This would maintain service stability while allowing sufficient time necessary for service refinements and redesign going forward.

- 6.4 **Vary the contract and backdate LBHF's contribution to 1st Jan, 2019. This is the recommended option** as it would maintain service stability while allowing sufficient time necessary for service refinements and redesign going forward. Negotiations between LBHF and WCC on varying this contract have been in progress since mid-2018, with requests made by WCC to vary the contract to the beginning of the 2018/19 financial year. During that time, LBHF officers' position has been that a proper understanding of LBHF's usage was required before submitting the matter for Cabinet approval. To allow time for this, a non-binding date of January 1st, 2019 for the variation to commence was put forward. Backdating payments to this date would honour that negotiation stance.

7 CONSULTATION

- 7.1 Relevant social work managers have been actively involved in the consideration of the contract variation. They are in agreement with the recommendations set out in this report.

8 EQUALITY IMPLICATIONS

- 8.1 It is not anticipated that the proposed adjustment to the funding of the FAS will have any negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010. It is believed that the continuation of this valuable service will have a high positive impact. The provision of a multi-disciplinary assessment service which is able to tailor assessments and gain specialist insights promotes equality of opportunity, particularly for the protected characteristics of age, disability, pregnancy/maternity, race, religion and sex.
- 8.2 *Implications verified/completed by Peter Smith, , Head of Policy and Strategy, tel. 020 8753 2206.*

9 LEGAL IMPLICATIONS

- 9.1 Type of contract and threshold:
Under the Public Contracts Regulations 2015 ("PCR 2015"), the contract between the council and Tavistock and Portman NHS trust (the "Contract") is a "schedule 3 services" contract. The current threshold for schedule 3 services contracts under the PCR 2015 is £615,278 (the "Threshold").
- 9.2 Applicability of Public Contracts Regulations 2015 ("PCR 2015")
The Contract has a lifetime value of £2,749,960 and therefore the PCR 2015 are applicable in full. Modifications to such contracts during their term are dealt with under regulation 72 of the PCR 2015. For a modification to be permissible it must fall under one of six safe harbours.
- 9.3 Regulation 72(1)(e) of the PCR 2015
In this case, the modification falls under regulation 72(1)(e) of the PCR 2015, in that the modification, irrespective of its value, is not substantial within the meaning of regulation 72(8) of the PCR 2015. The modification is therefore permissible.

- 9.4 Further information is set out in the exempt Appendix B.
- 9.5 *Legal comments completed by Hector Denfield, associate at Sharpe Pritchard LLP, on secondment to the council (hdenfield@sharpepritchard.co.uk).*

10 FINANCIAL IMPLICATIONS

- 10.1 The current budget for this contract is £277.7k in 2018/19 and is unchanged for 2019/20.
- 10.2 In addition to the contract value payment increase proposed of £82.5k per annum from January 2019, the total unbudgeted spot purchase support costing circa £140k was charged to the Family Support Child Protection Team in 2017/18. The spot purchase forecast variance to budget reported in the Corporate Revenue Monitor for 2018/19 is £145k. The forecast variance will increase by a further £21k in 2018/19 based on the proposed contract variation resulting in a 2018/19 forecast overspend of £166k.
- 10.3 This contract variation and an assumption that the spot purchase costs remain consistent mean a forecast 2019/20 overspend of c.£227k and 2020/21 overspend of c.£207k would be projected.
- 10.4 A review is being undertaken of the nature and causes of the overspend by the Service. Options to address the overspend will be put forward to the Council's Strategic Leadership Team.
- 10.5 The service will need to carefully monitor its usage of the T&P contract and monitor costs. The service should be satisfied that where appropriate the assessments are covered under the block contract. If spot purchases are necessary, the service should demonstrate cost effective spot purchasing.
- 10.6 Due to the value of the contract increase a Cabinet decision is required to agree this change to expenditure incurred by LBHF.

Financial Implications completed by: Tony Burton, Head of Finance Children's and Education, 020 8753 5405, and verified by Emily Hill – Assistant Director Corporate Finance, Tel. 020 8753 3145.

11 IMPLICATIONS FOR LOCAL BUSINESS

- 11.1 Potential providers include a wide range of organisations with a background in children's health and social care, including charities, private companies and not-for-profit organisations. Due to the specialist nature of the services required, there is limited scope for delivery by small and medium-sized enterprises (SMEs).
- 11.2 The market engagement event held prior to the launch of the tender sought to promote the tender opportunity and encourage bids, including from potential local organisations. However, there were no identified local organisations delivering the specified services and commissioners believed that the introduction of this service would not have a negative impact on business in the borough.

Implications verified/completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

12 RISK MANAGEMENT

- 12.1 This report seeks Cabinet approval for variation of the contract to allow LBHF to assume responsibility for funding 65% of the remaining two years of the provision. This is to mitigate service risk in accordance with our Council Risk Register entry, Business Resilience. The Service contributes positively to the delivery of the Council Priority, A Compassionate Council. The service consists of core social work case holders and specialist resource, including Child and Adolescent Psychiatry, Adult Psychiatry, Clinical Psychology and substance misuse and domestic violence practitioners. It focuses on key issues identified at referral. Its goal is to work with the family to produce robust, independent and well-evidenced assessment reports.
- 12.2 *Implications completed by Michael Sloniowski, Shared Services Risk Manager, tel. 020 8753 2587.*

13 PROCUREMENT IMPLICATIONS

- 13.1 The subject of the report is a three-party contract between LBHF, WCC and T&P. The contract commenced on 1st January 2016 and has a five-year duration. Currently LBHF and WCC jointly fund the service in equal shares. The author of the report is requesting retrospective approval for a contract modification which would increase the contract sum paid by LBHF with a corresponding reduction in the contract sum paid by WCC with effect from 1st January 2019. This would reflect the current take up of the service by the two councils.
- 13.2 The proposed contract modification would mean that for the final two years of the contract LBHF and WCC would respectively pay 65% and 35% of the total contract sum. This would increase the amount paid by LBHF over the five-year contract term from £1,374,980 to £1,539,978, resulting in additional expenditure of £164,998 and equating to a 12% increase.
- 13.3 The author of the report has demonstrated that the proposed contract modification would mean LBHF continue to obtain value for money from the contract.
- 13.4 LBHF Contract Standing Order (“CSO”) 20.1 requires that any report seeking approval for a proposed change in value to a services contract of +/- 10% or more must be referred to the Director of Law and the Commercial Director.
- 13.5 CSO 20.3 requires that where the total value of a contract modification is £100,000 or greater the decision to approve it is reserved to Cabinet.
- 13.6 The services forming the subject of the contract fall under the category of Social and other specific services as defined by Schedule 3 of the Public Contracts Regulations 2015 (“the Regulations”). Such services are subject to the provisions of the Regulations when they exceed the financial threshold of £615,278.

Accordingly, the contract falls under the Regulations and is classified as “regulated”.

- 13.7 A “regulated” contract can only be extended by way of a modification if the proposed extension satisfies one of the so called six “safe harbours” contained in Regulation 72 of the Regulations. Legal Implications to this report demonstrate that the proposed modification satisfies Regulation 72 1 (e) and is therefore lawful.
- 13.8 The legal requirement that modifications to regulated contracts satisfy Regulation 72 is also expressly provided for by CSO 20.3.2.
- 13.9 On the basis Cabinet approves the contract modification it must be executed as a Deed by the Director of Law and stored by Legal as the modification has a value above £100,000 (CSO 19.5.1).
- 13.10 *Procurement Implications completed by Tim Lothian, Procurement Officer, tel. 020 8753 5377.*

14 IT IMPLICATIONS

- 14.1 There are no IT implications resulting from the proposal in this report
- 14.2 *Implications completed by Karen Barry, Strategic Relationship Manager, tel. 0208 753 3481.*

15. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None.

LIST OF APPENDICES

Appendix A
Exempt Appendix B

Referral Activity

- 1.1 As delivery of this service has progressed it has become clear that there is a greater need for it among Hammersmith & Fulham residents than their Westminster counterparts. 53% of Westminster City Council’s activity levels thus far in the contract occurred in Year 1 (2016), with a steady reduction since then. With this in mind, a 65%-35% funding split could be interpreted as somewhat favourable towards Hammersmith and Fulham in terms of the ratio of activity to financial outlay.

Table 2

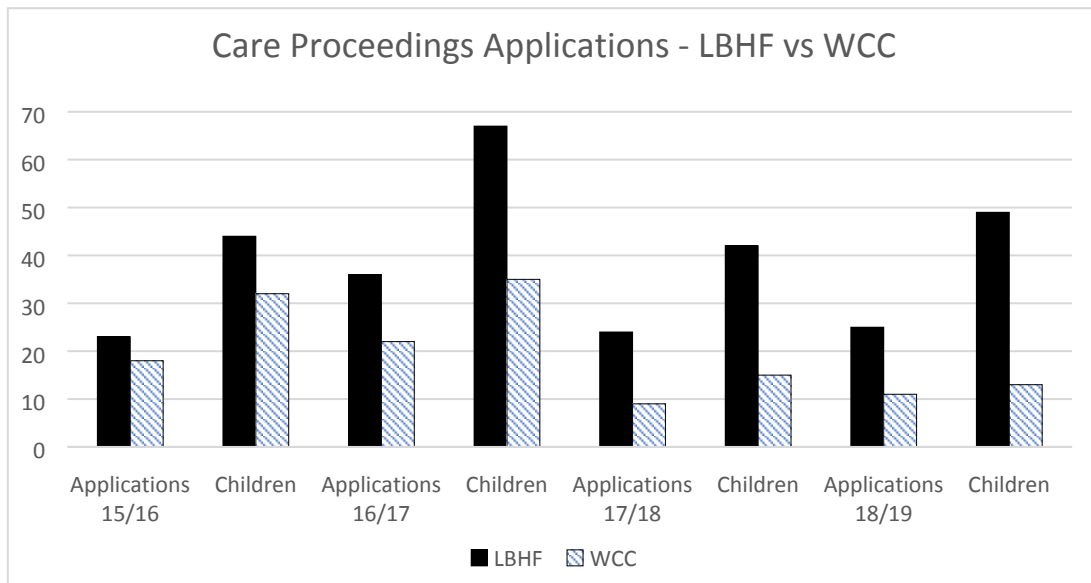
Allocated Referrals						
		WCC	LBHF	Total	Annual (WCC)	Annual (LBHF)
Year 1 (2016)	Q1	9	2	11	34	48
	Q2	7	14	21		
	Q3	11	18	29		
	Q4	7	14	21		
Year 2 (2017)	Q1	5	11	16	18	48
	Q2	1	13	14		
	Q3	3	13	16		
	Q4	9	11	20		
Year 3 (2018)	Q1	8	8	16	15	58
	Q2	5	14	19		
	Q3	0	17	17		
	Q4	2	19	21		
Total		67 (30%)	154 (70%)	221		

Increasing Demand

- 1.2 As a service, LBHF’s Family Service Child Protection Team is providing services to an increasing number of children requiring a statutory service, often with complex needs that necessitate Child Protection or Court intervention. This reflects the current trend nationally, though there is a lack of consensus regarding the underlying causes. Research commissioned by the Department of Education, suggests that the increase in demand could be because of better identification of problems such as child sexual exploitation, or national scandals raising awareness and leading to greater risk aversion among the public, family courts and social workers. Others argue that it is the result of the reduction in early intervention services which has led to greater demand for acute social care. Over the last decade, national figures show that England has generally had rising numbers of care applications seeing the number almost double during this time.
- 1.3 Overall demand on LBHF’s Family Support Child Protection service is, in turn, increasing. As of November 2018 the number of children with open cases stood at 610 compared to 458 open cases at the same point in 2016.

1.4 In Hammersmith & Fulham the FSCP Team is responsible for holding the majority of care proceedings. Figure 1 below illustrates the ongoing marked difference that exists in terms of case volume between LBHF and WCC. This is the case both for the number of applications received and the number of children that these applications relate to (for example in cases where multiple siblings are involved).

Figure 1



Increasingly Complex Need

1.5 It is also evident nationally that there is an increase in the complexity of cases, and Hammersmith & Fulham provides support to a large cohort of adolescents who are involved in Child Sexual Exploitation, Serious Youth Violence, Missing Education and on the Edge of Care. Notably, there has been a rise in court applications for the 14+ age cohort from 7% in 2016/17 to 15% in 2017/18, with a sizable number of cases issued involving young people deemed to be 'beyond parental control', engaged in 'County Lines' (drug running), concerns around Child Sexual Exploitation and criminality/gang affiliations. This coincides with growing public interest and increased media coverage of the County Lines/CSE phenomenon affecting many young people.

1.6 When social services are very concerned about the welfare of a child, the social worker may wish to consider taking the case to Court so they can make Court Orders to protect the child. PLO stands for 'Public Law Outline', a set of rules which tells social workers how to deal with these sorts of cases. There is a marked difference between LBHF and WCC in terms of the volume of cases requiring action. LBHF's FSCP has also experienced a steady number of children who require a child protection plan. Figure 2 compares PLO Cases and Court Proceedings for LBHF and WCC in 2018.

Table 3

	PLO Cases	Court Proceedings
LBHF	27	24
WCC	5	9

- 1.7 Due to the increasing complexity of presenting cases in LBHF, it is sometimes deemed clinically necessary to divide a referral into separate assessments, usually because it is not feasible to assess all family members together (for example if family members are not on speaking terms). This occurred six times for LBHF referrals in 2018, meaning that those six referrals were converted into 13 separate assessments. There has also been an increasing demand for assessments requiring a more comprehensive multidisciplinary input. Over the past three contract years this has risen from 2 in 2016, 5 in 2017, to 21 requested in 2018 with 11 multidisciplinary assessments undertaken in Quarter 4 of 2018 alone.

Block Contract and Spot Purchasing

- 1.8 A block contract with a single provider was agreed upon for this service because it was felt that this ensured that Hammersmith & Fulham Council's Local Offer included dedicated access to a Multidisciplinary Family Assessment Service for the delivery of assessments in the most efficient and effective manner.
- 1.9 Prior to the current service, multi-disciplinary assessments were spot purchased by the council from a range of providers, including health, private and charitable organisations. This spot purchasing approach proved excessively expensive. (See below)

Table 4

	LBHF
Assessment service spend, 14/15	£126,000
Spot purchase spend, 14/15	£387,719
Total assessment spend, 14/15	£513,719

The current service has been successful in reducing this overall spend (see below), however all parties acknowledge that there is room for improvement.

Table 5

	LBHF
Assessment service spend, 17/18	£265,497
Spot purchase spend, 17/18	£139,754
Total assessment spend, 17/18	£405,251

- 1.10 Spot purchasing generally occurs for two reasons:

- To provide a service that Tavistock & Portman are unable to provide. For example, when a parent and baby residential assessment is required due to significant risk of harm if they were assessed in a community setting; or there are particular concerns such as high risk sexualised behaviours that require a specialist assessment and/or assessment unit.
- If Tavistock & Portman are unable to meet a particular need within the 26-week time frame for the completion of all Care Proceedings, which is a requirement of all Local Authorities. In the event that T&P would be unable to conclude an assessment within this timeframe, the Family Service Child Protection team are directed by the courts to find alternative assessment providers who can.

Addressing these needs while making the service more flexible, comprehensive and better value for money will be key priorities for future service redesign.