

London Borough of Hammersmith & Fulham

Report to: Jacqui McShannon - Director of Children's Services

Date: 23/02/2021

Subject: Approval of the Procurement Strategy for the Information, Advice and Support Service and the Mediation and Dispute Resolution Service for SEND and direct awards for 6 months

Report author: Paul Triantis - Strategic Lead Children's Services

SUMMARY

This report seeks approval for the procurement strategy for:

- The SEND Information, Advice and Support Services (SENDIASS) contract
- Mediation and Dispute Resolution services

Additionally, this report seeks approval to directly award for the provision of:

- SEND Information, Advice and Support Service (SENDIASS) to Insights for an interim period of five months
- SEND Mediation and Dispute Resolution Services to Kids London, for an interim period of five months

RECOMMENDATIONS

- 1) To approve the procurement strategy for the SEND Information, Advice and Support Services (SENDIASS) contract. The contract will be let for a period of 3 years with an option to extend for a further 2 years, commencing 1st September 2021. The contract value for 3 years is estimated at £210,000, if extensions are applied, the total value of the contract will be £350,000.
- 2) To approve the procurement of Mediation and Dispute Resolution services for a period of 3 years commencing 1st September 2021, with an option to extend for a further 2 years. The contract value for 3 years for this service is estimated at £45,000, if extensions are applied, the total value of the contract will be £75,000.
- 3) To approve the direct award for the provision of SEND Information, Advice and Support Service (SENDIASS) to Insights for an interim period of five months, commencing on 1st April 2021 and ending on 31st August 2021 for the sum of £26,354. A waiver for the Contracts Standing Order has been granted.
- 4) To approve the direct award for the provision of SEND Mediation and Dispute Resolution Services to Kids London, for an interim period of five months, commencing on 1st April 2021 and ending on 31st August 2021, for the total sum of £6,206.

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Ensuring all children have the best possible start in life and achieve their full potential as an adult - get a job, be healthy and active, make their own decisions and live, live as independently as possible.
Creating a compassionate council	Co-production with key stakeholders including young people, parents, carers, schools and colleges to inform the service specification and evaluation criteria
Doing things with local residents, not to them	Co-production sessions with key stakeholders including young people, parents, carers, schools and colleges used to inform the service specification. Opening up the potential for creative opportunities e.g. employing local residents, inclusive apprentices, offering work experience to help young people into employment, broadening the network and inclusive youth voice.
Being ruthlessly financially efficient	Open tender procurement exercise to ensure value for money across both services through diverse options - i.e. doesn't exclude potential providers
Taking pride in H&F	A service that shares our social values and works in partnership with us
Rising to the challenge of the climate and ecological emergency	This will be considered as part of the evaluation process e.g. digital solutions.

Financial Impact

- 1) The financial value of the SENDIASS contract is £0.07m per annum, £0.21m over a three-year period. In terms of joint funding, H&F make an annual contribution of £0.063m and the H&F Clinical Commissioning Group (CCG) £0.007m per annum.
- 2) The contract value in FY 2018/19 was £0.035m which increased to £0.063m in FY 2019/20. The CCG contribution of £0.007m is new in FY 2020/21, this has

added to the value of the existing contract rather than representing a decrease in the H&F annual contribution.

- 3) Historically the costs of the contract have been charged to the Dedicated Schools Grant (DSG) High Needs Block (HNB). There is no identified budget in the DSG HNB.
- 4) The forecast for the contract is included in the period 6 Corporate Revenue Monitor (CRM) 6 as funded by the HNB and is included in the forecast HNB overspend of £3.5m in FY 2020/21.
- 5) A review of the School and Early Years Finance (England) Regulations 2020 and the HNB operational guidance has identified that expenditure in connection with the provision of parent partnership services and dispute resolutions should be funded from the non-schools education budget of the local authority and not from the Dedicated Schools Grant.
- 6) As the costs of the SENDIASS contract can't legitimately be charged to the DSG, a General Fund pressure of £0.063m will be forecast at CRM 9 for FY 2020/21 with an equivalent reduction in the HNB forecast.
- 7) This also applies to the direct award contract recommendation to Kids London of £0.006m and to Insight for the period April to August 2021 of £0.026m.
- 8) The FY 2020/21 impact is a total general fund unfunded pressure of c.£0.078m and for FY 2021/22 c.£0.095m.
- 9) The approach to resolving this unfunded GF pressure is to be considered by the Education service supported by Finance and will involve a review of other areas of equivalent spend that can likely be applied to the HNB under the grant regulations. This should be reported through the budget monitoring process. The GF pressure may be dependent on the delivery of other MTFS savings.

Implications completed by: Tony Burton, Head of Finance – Children's Services and Education, 07909 004710, tony.burton@lbhf.gov.uk

Verified by Andrew Lord, Head of strategic planning and monitoring, andrew.lord@lbhf.gov.uk

Legal Implications

- 1) The value of the proposed contract in respect of the Special Educational Needs and Disability Information, Advice and Support Services (SENDIASS) under the Procurement Strategy fall below the threshold for Social and Other Specific Services under the Public Contracts Regulations 2015 (PCR) which is currently £663,540 and therefore the PCR does not apply in full.
- 2) All high value contracts are required to:
 - have a Service Review Team established to oversee the procurement (CSO 17);
 - have a Procurement Strategy reviewed at the Contracts Assurance Board and approved by the relevant decision maker before the procurement process commences (CSO 18); and

- have a Tender Appraisal Panel established following approval of the procurement strategy (CSO 19.3).
- 3) This report fulfils the requirement for a procurement strategy. Further, under CSO 19 a high value contract requires either the use of an existing framework agreement or a contract notice to be published in Find a Tender (FTS) along with an opportunity listing on the Council's e-tendering portal (capitalEsourcing) and publication of a contract notice on Contracts Finder.
 - 4) The appropriate decision maker for procurement strategies for contracts from the value of £189,330 up to £1.5m is the SLT Member in consultation with the relevant Cabinet Member. The decision maker therefore needs to be satisfied that the recommended decision is in the best interests of the Council.
 - 5) Tenders will be evaluated on the basis of the most economically advantageous tenderer to the Council. Evaluation methodology has been agreed by the project team and is set out in the procurement strategy. The split between quality and price is 60:40
 - 6) As this is a services contract, the Council is also under an obligation under the Public Services (Social Value) Act 2012 to consider how the letting of these contracts can benefit the social, economic and environmental well-being of their area. These are factors which will be considered and built into the contract and procurement documents. The Council has recently adopted a Social Value policy which requires that 10% of the total scoring is for social value, which will be subject to assessment by an external assessor, a company called Social Value Portal. The requirements of the assessor and the Council's policy will need to be built into the tender documents.
 - 7) This report also recommends the procurement of a contract in respect of Mediation and Dispute Resolution Services for a period of 3 years with the option to extend for a further 2 years at a total value of £75,000. It is therefore considered a medium value contract under the Council's CSO's. Pursuant to CSO 13.1 the procurement process must be run without any pre-selection (pre-qualification) stage and the contract should be advertised through capital e-sourcing and Contract Finder. In accordance with CSO 15.2 the appropriate decision maker is the SLT Member.
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Background Papers Used in Preparing This Report - None

DETAILED ANALYSIS

1) A waiver was granted on 19/12/2020 for the period 01/04/2021 to 31/08/2021.

Proposals and Analysis of Options

SENDIASS contract

2) Officers have undertaken a thorough options appraisal in collaboration with key stakeholders.

The options considered are set out in the table below

	OPTIONS	PROS	CONS
1.	<p>Open Tender Procurement The service is commissioned by the local authority from a third-party provider. IASS staff are employed by the outsourced provider.</p>	<ul style="list-style-type: none"> • New service specification • New SLA • Database already in existence • Range of providers to select from • Coproduction opportunities in the procurement process • Potential economies of scale • Other providers (i.e. those listed as other options) would have the potential to tender – therefore more to choose from based on their bids. 	<ul style="list-style-type: none"> • Timeframe • Limited range of providers • Low contract value
2.	<p>Commission another borough's service to</p>	<ul style="list-style-type: none"> • Potential economies of scale. • Potential to offer a greater range of 	<ul style="list-style-type: none"> • Demand may differ in the different LAs. • More difficult to break down costs.

	deliver. The service is delivered by another borough. Staff could be employed by that service provider.	service.	<ul style="list-style-type: none"> • May lack experience of the local area
3.	Deliver an in-house service. The service is provided by H&F Council, with staff employed directly by the Council (except for any volunteers).	<ul style="list-style-type: none"> • Local knowledge • Connections with cases and services 	<ul style="list-style-type: none"> • Limited capacity to deliver • Less likely to be seen as impartial • Lack of parental trust
4.	Add the service to an existing provider's portfolio (e.g. Family Support or HF Mencap). This is similar to procurement model. Staff are employed by the service provider.	<ul style="list-style-type: none"> • Timeframe • Likely already have connections with cases and services 	<ul style="list-style-type: none"> • Potential overlap or conflict of interests. • Unknown level of expertise & experience in this field • Already providing services to LBHF – may not offer enough impartiality.

3) **Option 1 is recommended.** There is a well-established pool of providers whilst providing the opportunity to review the market for more innovative delivery models. It is likely that as a result of the pandemic potential providers have developed digital solutions and innovation to deliver these services and would be open to new, sustainable and engaging service delivery models.

The Mediation and Dispute Resolution Service contract

4) Officers have conducted a robust options appraisal for the Mediation and Dispute Resolution Service set out in the table below.

	OPTION	PROS	CONS
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1.	Open tender Procurement	<ul style="list-style-type: none"> • Opportunity to shape new SLA • Test the market for new providers • Coproduction opportunities in the procurement process • Potential economies of scale 	<ul style="list-style-type: none"> • Timeframe • Limited range of providers in the market • Low contract value
2.	Provide an in-house service by the Council	<ul style="list-style-type: none"> • Would not offer the impartiality required. • Lack of capacity to provide in house 	
3.	Commission from another local authority on a spot or block purchase basis.	<ul style="list-style-type: none"> • Potential to negotiate prices and options – cost and volume discounts 	<ul style="list-style-type: none"> • Most authorities commission another provider to make this provision • Demand tends to be low so may not result in cost and volume discounts

5) **Option 1 is recommended.** There is an established supplier market whilst providing opportunities to shape H&F specific service specifications to ensure we can meet the requirements of our children and young people established through consultation.

Reasons for Decision

- 1) Provision of the SENDIASS service is statutory as set out in the Children & Families Act 2014. The SEND Information, Advice and Support Service (SENDIASS) contract was awarded to Insights on 01/04/2020 and is due to expire on 31/03/2021. As outlined in the strategy, an open procurement for this service will allow the Council to stipulate the requirements for the new service as co-produced with residents and young people, while achieving value for money via a competitive tender process within an established pool of providers.
- 2) Additionally, a direct award to the current provider for the SEND Information, Advice and Support Service (SENDIASS) for a period of 5 months will enable the Council to maintain statutory provision while procurement of the service is ongoing. The original timetable for procuring this service was delayed due to the Covid-19 pandemic and the availability of key stakeholders to commence the procurement process.

Equality Implications

- 1) The report seeks to maintain the levels of delivery included in the current service specification. There are no anticipated direct negative impacts on groups with protected characteristics under the Equalities Act 2010.

Risk Management Implications

- 1) The proposed strategy seeks to establish a highly performing service delivered for users at best cost to the local taxpayer. Continuity of Service with the incumbent provider is also sought to provide a smooth path leading to a re-procurement. The proposals identify the key risks associated with the approach within the appendix strategy document, section 4.

Risk Implications verified by Michael Sloniowski, Risk Manager, ext. 020 8753 2587

Procurement (required for all contract awards)

- 1) The results of the evaluation process have been verified against the e-tendering system on 21 January 2021 by Waheeda Soomro

Consultation

- 1) Due to Covid 19 face to face consultation has not been possible. Consultation has however been undertaken in the form of online workshops and meetings with a range of stakeholders and the use of H&F Common Place, a digital consultation platform to engage wider audiences.

Feb 20 – Aug 20	Market engagement with providers
Aug 20 – Nov 20	Co-production sessions with key stakeholders including young people, parents, carers, schools and colleges
Oct – Nov 20	Online survey consultation aimed at young people, parents, and professionals

List of Appendices

Appendix A - Procurement Strategy – additional information for SENDIASS

Appendix A

Procurement strategy

Contract for Special Educational Needs & Disability Information, Advice and Support Service (SENDIASS)

The following procurement strategy has been produced in collaboration with Andra Ulianov

1. PROCUREMENT SCOPE – WHY THE PROCUREMENT IS NEEDED

As part of the Children and Families Act 2014 it is a legal requirement that all local authorities ensure children and young people with Special Educational Needs and/or Disabilities (SEND) and their parents have access to an impartial Information, Advice and Support (IASS) service. This service is usually referred to as SENDIASS.

The current contract for SENDIASS comes to an end on 31/03/2021. This procurement is therefore required to secure provision beyond this date and ensure the continuation of the service to the local area.

2. MARKET ANALYSIS

Market analysis undertaken indicates that this is a small market with a set of known established providers. During the early part of 2020 several providers in the market were contacted to ascertain the market's appetite to engage and bid during this period of instability due to the Covid-19 pandemic. Providers at that time were open to a virtual bidding process.

The industry is fortunate to have an Information Advice and Support Services Network (IASSN) which is funded by the DFE. This network provides support to SENDIAS Services across England. Reports produced by the network have been used in this process to facilitate benchmarking with regards to funding and spend, and case studies of good practice across the country.

3. PROCUREMENT ROUTE OPTIONS AND CONSIDERATIONS

See above, main body of report.

4. RISK ASSESSMENT AND PROPOSED MITIGATIONS

This is a statutory service therefore it is imperative that we maintain service provision and continuity until the new award.

Category	Risk Description	Mitigation Activity
Tender	Pace of work required to deliver the objectives in time to finalise the procurement in time for mobilisation.	Appropriate officers will work closely together in the preparation of documents and Legal will review prior to release. A project group will be established to push through actions to ensure risk to service delivery is minimised.

Providers	Stakeholder engagement – risk of not having the right providers/ sufficient number to tender	There is a pool of circa 4 providers in the market for such services.
Resource	If key staff working on the project are unavailable at peak times to complete work, project slippage in timelines is a risk.	A project group will be established to push through actions to ensure risk to timescales is minimised

5. FINANCIAL INFORMATION

The 2020/21 budget for the SENDIASS contract is £70,000. This is apportioned as £63,000 LA contribution, £7,000 H&F CCG contribution.

Based on analysis of IASSN data, the cost of our current contract (£63,000) is broadly comparable to spend by other local authorities. It is not anticipated that this procurement will deliver any cash efficiencies, although it will represent the most economically advantageous option available at the time of tender.

Average spend per head 0-25yrs is reported by IASSN as follows:

Year	Mean – All LAs	Median – All LAs	Range – All LAs	H&F
2020	£1.09	£0.97	£0.21 -£3.13	£1.12

6. COMPETITION PROCESS

The procurement will be undertaken against two criteria – technical (quality), and commercial (price). The criteria for award will consist of 60% quality and 40% price.

Timetable

Milestone	Indicative Date
Commissioning and Transformation Board	12 th November 2020
CLT	19 th January 2021
Contracts Assurance Board	27 th January 2021
CMB	8 th February 2021
Preparation of tender documents	Nov 2020 – Jan 2021
Tender release	2 nd week in February 2021
Tender return	2 nd week in March 2021
Evaluation	March 2021
Award decision	April 2021
Service mobilisation	May-August 2021
Contract start date	1 st September 2021

7. SELECTION AND AWARD CRITERIA

The quality / price ratio recommended is 60% quality and 40% price. The contract will be awarded to the most economically advantageous tenderer.

Procurement Process Stage 1: Compliance

Each tenderer will need to achieve a minimum level of acceptability as defined by H&F's compliance standards relating to matters such as financial and economic standing, insurance, and health and safety.

Procurement Process Stage 2: Quality (60%)

The technical quality stage will consist of a number of questions in key areas of the service requirements.

An outline scoring matrix is included below.

Criteria	Marks
Minimum Standards: Compliance of bid Insurance levels Turnover	Pass/fail
Quality <ul style="list-style-type: none">• Service Delivery (6.2%)• Communication (6.2%)• Working in partnership (6.2%)• Staffing (6.2%)• Safeguarding (6.2%)• Mobilisation (6.2%)• Management Information (6.2%) <p>Social value (16.6%) assessed as following:</p> <ul style="list-style-type: none">• Social Value quantitative (8.3%)• Social Value qualitative (8.3%)	60%
Cost	40%
Total possible marks	100%

Tenderers will be required to stipulate social value contributions they will deliver as part of their proposals in line with council policies

Based on the knowledge of the service we would want to aim to open up the potential for creative opportunities e.g. employing local residents, inclusive apprentices and offering work experience to help young people into employment which would support the local economy.

8. CONTRACT PACKAGE, LENGTH AND SPECIFICATION

The contract will be let for 3 years, with an option to extend for a further 2 years. The contract will comply with national minimum standards for delivering Information, Advice and Support Services, created in accordance with the Children and Families Act (CFA) 2014, and the SEND Code of Practice.

9. CONTRACT MANAGEMENT

Contract management will be the responsibility of the LA's Education Service and Commissioning Team.

The Council will:

- Hold Provider Review Meetings quarterly
- Have oversight of provider activity, compliance and performance
- Act as mediator to support both families, schools and providers
- Undertake quarterly monitoring of performance management information
- Ensure that all issues of concern are escalated, and decisions made in a timely fashion.
- Be available for contract advice and queries

Performance reporting for the contract will measure:

- Age, diagnosis, or SEN type, stage of SEN support, ethnicity, gender and geography and types of settings attended and reasons for referrals.
- Number of referrals to Social Care and recorded by type of social care issue.
- Number of referrals related to health issues and recorded by type of health issue.
- Levels of casework intervention (level 1-4) and outcomes
- Number of requests for the service not accepted or actioned due to oversubscription
- Numbers of calls to daily to the telephone advice line. Percentage of calls picked up or returned on the same day. Percentage of calls picked up or returned within the set call back time
- Number of visits to the website/ app. Pages viewed and templates downloaded
- Service user feedback / satisfaction levels.
- Social Value delivered