

Report to:	STRATEGIC COMMISSIONING BOARD
Date:	24 April 2019
Reporting Officer:	Richard Hancock - Director of Children's Services
Subject:	PROPOSAL TO AWARD A SECOND CONTRACT FOR INTERIM SOCIAL WORK SERVICES WITH SKYLAKES A SPECIALIST CHILDREN'S SOCIAL CARE AGENCY FOR UP TO A FURTHER SIX MONTHS
Report Summary:	Authorisation is required from the Strategic Commissioning Board because firstly it sets out a different delivery model outside the usual Policy and Financial framework and secondly to agree an exception to Procurement Standing Order F1.4 to direct award a contract to Skylakes for the requirement because competition is absent for technical reasons
Recommendations:	<p>That the Strategic Commissioning Board note the content of this report and approve the following recommendations:</p> <ol style="list-style-type: none"> 1. To agree the approach set out in the report to deliver support to Children's Services. 2. To approve the awarding of a second contract to Skylakes (through the Crown Commercial Services framework agreement: RM3711: Multi-disciplinary Temporary Healthcare Personnel) providing for provision of discreet Social Work capacity to manage 150 cases at any one time, for up to a further six months with a break clause at three months to enable a corporate review to be undertaken. Corporate reviews needs to be undertaken at the end of the First Contract (3 months) and if a second contract entered into – every 2 months thereafter whilst that contract exists by the Statutory Officers (Head of Paid Service, S151, Monitoring Officer & Children's) in conjunction with the Executive Members for Finance and Childrens and with support from STAR to determine whether the approach is achieving necessary outcomes and secondly whether there is a need for it to continue and if so in what form and what procurement process needs to be undertaken 3. To recommend to Cabinet and the CCG that an estimated expenditure of £0.473 million be allocated to this proposal as explained in section 7.
Corporate Plan:	This project will provide support into teams who although centrally based predominantly provide services on a locality footprint, so it is anticipated that the improvement in service delivery will be seen across localities.
Policy Implications:	There is no planned or permanent change to policy and financial framework. This is an interim arrangement designed to provide targeted support into a specific area of service under pressure.
Financial Implications: (Authorised by the statutory Section 151 Officer)	The total value of the extension for up to 26 weeks is estimated at £472,817 (£18,185 per week) to deliver as a managed service. This sum includes an estimate for business related car mileage claims, at the standard Council rate.

The cost of the contract will be financed via the 2019/20 Children's Social Care Directorate revenue budget. Members are reminded that the Council approved £9.3 million additional revenue investment, funded from reserves to the Directorate budget for 2019/20 on 26 February 2019. However, the estimated cost of this contract extension was not included as a commitment against this investment.

The Directorate will ensure 4 Social Worker posts (agency) included within the 2019/20 budgeted establishment will remain vacant for the duration of this proposed extension to support the related financing.

In addition the contract provider will be expected to deliver key performance measures within the terms of the extension. Some of these measures will deliver cost savings to again support the related financing (all others will deliver capacity benefits). These include the conversion of Independent Agency Foster Carers (IFA) to Special Guardianship (SGO) status and the step down of children currently residing in independent sector residential care to independent agency foster care or semi-independent residential care.

It is anticipated that up to 18 Independent Sector fostering placements could be converted during the life time of the contract together with circa 20 in house foster carers.

The estimated savings are summarised in **table 1** (section 7). The savings are shown for the period of the proposed contract extension together with the remaining period of the 2019/20 financial year.

The contract extension is expected to be self-financing if the performance measures are delivered. In addition the savings that may be realised will also finance the cost of the existing contract.

Members should note however that the savings that are expected to be realised will not contribute towards the financing of any existing or additional demand pressures that may materialise in the current financial year as they are contributing towards the cost of the current contract and proposed extension. The majority of future savings will come through the reduction in the volume of looked after children. It is expected that progress will be made in this area during the year and that the additional savings are possible to enable the delivery of a balanced budget.

Legal Implications:
(Authorised by the Borough Solicitor)

A previous decision was made to enter into a contract with Skylakes to provide urgent support to Children's Services for 14 weeks to assist in the recovery programme required to improve the service to Ofsted's satisfaction.

It is very important that if a further agreement with Skylakes is deemed necessary to ensure continuing urgent external support and business continuity that the Council immediately begins a procurement exercise running alongside, if it considers that this support will be required in the longer term.

Continuing to rely on urgency as a reason to reprocure the services of Skylakes carries inherent procurement risks and the longer the urgent need persists, the less likely it can be argued it is urgent under the Council's Procurement Rules and so warrants a

direct award as opposed to carrying out a procurement exercise under either a framework or an open market testing exercise. The Council will also need to take extreme care to ensure that other potential providers are not disadvantaged through the procurement of Skylakes services. To this end specialist procurement advice on the specification and other contract documentation should continue to be provided and followed through the Council's strategic partner STAR Procurement.

Clearly approval is required not just for additional authority to enter into a further contract, but also to actively seek to procure this type of service to support Children's Services at this critical time.

F4 of the Procurement Rules say that a direct award of a contract i.e. without any competition can only be made if:

1. No suitable tender is received capable of meeting our requirements. or
2. Our requirements can only be met by a single bidder because: (i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance, or (ii) competition is absent for technical reasons (iii) we have to protect exclusive rights such as intellectual property rights and no reasonable alternative or substitute exists. or
- 3 There is extreme urgency due to events which we could not foresee and are not our fault. This usually means Act of God situations such as fire or flood.

The Director of Childrens has advised that there is no other provider who can deliver this managed service.

A corporate review will need to be undertaken at key miles stones in this contract (1) at end of first contract and (2) every 2 months into second as there can be no further waivers and to determine if this approach is deemed necessary, delivering and if required for longer or different services/support required a procurement process is commenced expediently.

Risk Management:

It is not anticipated that this project will in itself present any specific risks, although the risks associated with the current position which this proposal is designed to in part address are detailed elsewhere in this report.

The contract will be proactively managed through fortnightly performance meeting with the provider and monthly briefings to SLT. This together with the option of a three month break clause will support the management of any risk associated with the contract not delivering on the required outcomes for children, the associated financial savings or capacity building.

Access to Information:

The background papers relating to this report can be inspected by contacting the Director of Childrens by:

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1. INTRODUCTION

- 1.1 As members and colleagues will be aware the performance of our front line social work teams has been of concern since the Ofsted inspection in 2016 highlighted the matter and it was as a result of particular pressures and associated performance that an award of a contract was agreed to Skylakes for the provision of additional defined Social Work capacity.
- 1.2 This report will reiterate the basis for this original decision, update on progress over the first seven weeks of the current fourteen week contract and propose the basis for an extension.

2. BACKGROUND

- 2.1 Considerable work has taken place over the last eighteen months or so in order to address front line Social work capacity and performance and there are clear signs of improvement in performance as detailed in our Self-Assessment:

- *“Quality audits show an improving and more consistent standard of casework with a reducing percentage of inadequate judgements. Performance indicators show we are getting the basics right more of the time. Our partners are making fewer inappropriate referrals, an increasing number of cases are receiving early help and fewer are subsequently then escalating to children’s social care. We are managing risk and need with more confidence so that the volume of total referrals is reducing, whilst there has been a more recent rise in Child in Need cases, following a sustained reduction, alongside a reducing number of children subject to a Child Protection plan. The Council has sustained its investment to ensure that there has been additional casework and improvement capacity. We have developed with our staff and articulated “The Heart of Practice” as the Tameside way of doing things, with Signs of Safety at the core of our new practice framework. This has been rolled out across front line, middle and senior managers during September/October and is currently being embedded across the whole workforce and wider partnership December - April which will support us to deliver the quality and standards that we expect”. Self-Assessment*

- 2.2 Despite this generally improving picture significant pressures remain:

- *“At this stage in our improvement, our primary challenges lie in workforce issues and ensuring we have the right staff to drive delivery for us. In particular, we face both the long term challenges over Social Worker and first line manager recruitment and retention, and a more recent acute shortage of supply of locum Social Workers across the region” Self-Assessment*

- 2.3. Permanent staff turnover has been reducing, but reliance on agency staffing remains high (although reducing), but first line management across our Hub/Duty/Safeguarding is now at 90% permanent staffing”.

- 2.4 The significance of our staffing issues was last reported on 9 January 2019 and again on 6 February:

- *“It is extremely positive that in this key area of “children in need of help and protection” our thresholds and decision making are seen to be sound and that referrals are then progressed appropriately. It is also encouraging that positive progress can be seen since Ofsted last inspected this area in January of 2018. There are, as is clear from the report, a number of positives in our performance where significant progress has been made, but also a number of areas requiring further improvement, which had largely already been identified through our own quality assurance processes and regarding which improvement activity is already in*

place. The biggest single risk to the effectiveness, consistency and speed of our improvement though, as recognised by our own self-assessment and clearly reflected, both in the Ofsted judgement and the feedback of our DfE colleagues, is our ongoing difficulties in the recruitment and stability of our Social Work workforce”

- “Staff recruitment and retention of frontline workers and service unit managers continues to be a significant challenge for the local authority. Senior leaders recognise that workforce instability brings with it a number of vulnerabilities, including inconsistency in the quality of practice. The local authority is actively engaged in a number of relevant initiatives to support social work recruitment and staff development, but at this early stage there has been limited impact”. Ofsted November 2018
- “The single biggest risk to the Tameside improvement journey (and various action plans) remains the inability of the LA to recruit and retain a stable cohort of good social workers. Despite a range of both traditional and innovative approaches to recruitment at practitioner and team leader levels, the authority is managing to do little more than hold its position on SW numbers” - DfE Improvement Advisors report December 2018
- “To date and despite a range of initiatives we have been unable to make any significant inroads into the recruitment of a stable workforce, but it is both positive and helpful going forward that we now have a predominately permanent children’s leadership team and an improved position with regard to first line management, which we anticipate will be further bolstered by current recruitment activity. This area remains a priority and a focus of work both within children’s services and alongside corporate colleagues”. Board Report 9th January/ 6th February 2018

2.5 This instability in our workforce is not consistent across all areas of practice and although it is more acute within our Locality Teams, who take work from the hub and duty (the subject of Ofsted’s November monitoring visit) and implement the necessary interventions across the Child in Need, Child Protection and Looked After continuum), it is also evident in our duty and Looked After Services.

2.6 Good quality and effective Social work interventions are relationship based and the skills necessary to work with the level of complexity which brings families to the attention of a statutory services Child in Need/Child Protection/Looked After, requires both a high degree of professional skills and practice experience. This level of reliance on ASYEs (Social Workers in their first year of practice) and interim workers along with the level of turnover impacts negatively on the effective functioning of the service in a number of ways -

- *Whilst ASYEs bring with them significant benefits to a team and service, an over reliance has less positive impacts:*

2.7 The restricted caseloads required for ASYEs along with the lower level of complexity they are allowed to manage and the increased levels of supervision and support required, both reduces the overall capacity of the workforce and places additional demands on first line managers.

2.8 The restricted caseloads required for ASYEs along with the lower level of complexity that they are allowed to manage requires other team members to pick up a disproportionate number of more complex work rather than a more balanced and therefore manageable caseload.

- Turnover in the workforce will reduce the overall capacity and efficiency of a given number of posts:

- 2.9 Whereas a permanent and established workforce may reasonably be able to manage X number of cases per full time equivalent position filled. A workforce so heavily reliant on interim positions along with such a high turnover of staff reduces this significantly, as cases are reallocated to manage turnover requiring each new case holder to both familiarise themselves with the case and establish new relationships with children, families/carers and often a range of other individuals.
- Consistency of social worker is a key indicator of an effective and stable service and seen as a key to the provision of quality and effective interventions and our performance in this area is of some concern.
 - The competing demands within a social work team in excess of its capacity to cope, will inevitably lead to a prioritisation of work, both at a team and individual level and impact negatively on quality and/or timeliness.
- 2.10 This is the effect that we are seeing in areas of our service, where the impact of the staffing issues as described works through to individual cases where the quality of our interventions remains to inconsistent.
- 2.11 As an interim measure therefore, agreement was given to engage a specialist agency who could within a short timescale provide a self-contained social work team along with its own management, family and business support capacity to lift circa 200 Child in Need cases out of our locality services.
- 2.12 This would, it was anticipated, provide both a moral boost to a workforce who have been under significant pressure for an extended period, with the anticipation that this will also impact positively on the turnover rates and release both social work and management capacity to focus on the quality of the practice.
- 2.13 Below is a brief summary of the original proposal:
- The programme follows intensive intervention with the child/ren and families over a 14 week period. There will be 3 to 4 reviews in this timeframe with a decision made either during (depending on risk and need) or at the end of the programme for de-escalation or escalation. Skylakes will deploy a Team of, 2 Team Managers, 10 Social Workers, 2 Family Support Workers with an accompanying business support function for each cohort of 200 children at any one time. Practitioner caseloads will be capped at 20 children.
 - The programme will have a roll in phased start with the Team Manager starting in week 0 and remainder of the team commencing on week 1. Total duration is 14 weeks
 - This project will be completely remote. The Team Managers will be present in the office for a minimum of 1 day a week to update your allocated project sponsor and to facilitate all transfers under CP, at LPM or Proceedings or LAC.
 - All case transfers to Skylakes will be managed in house by Skylakes and will not require council input, time or resources.
 - The desired outcome would be to manage a CIN service of intensive intervention, with a 14 week turnaround on the majority of cases, allowing 3 to 4 CIN meetings in this time.
 - Specific handover points will be ICPC, LPM in any PLO or planned proceedings cases, LAC placement agreement meetings at 72 hours and proceeding 1st ICO

3. UPDATE

- 3.1 The contract went live on 11 February 2019.
- 3.2 Team one commenced on 11 February 2019 and Team two on 18 February 2019.
- 3.3. 200 cases were allocated.
- 3.4. At the seven week review –
- 46 cases had been closed, stepped down or escalated as appropriate
 - 31 additional cases had been allocated
 - 18 were to be allocated
- 3.5 It is currently projected that circa 40/50 cases will after updated assessments and planning and review require ongoing work following the current 14 week contract period and as a result pass back to the Local Authority at this point.
- 3.6 Feedback from colleagues has been positive.
- 3.7 The work is judged to be of a good quality.

4. OPTIONS GOING FORWARD

- 4.1 Whilst it is positive that turnover of permanent staffing has reduced, the proportion of agency staff in the service remains high.
- 4.2 Although this is now at a lower level than at any point in the past 18 months plus, it still remains at over 30% (and it should be noted that a proportion of this reduction is caused by carrying vacant posts as a result of ongoing difficulties in recruiting both permanent and interim capacity).
- 4.3 Issues remain in relation to the high turnover rate amongst agency staffing and the inconsistent quality of work.
- 4.4 It is proposed that in order to address the ongoing pressures in the children's social care system, the staffing and associated capacity issues as detailed earlier in this report, that an extension to the current contract is granted for a period of up to six months with a break clause at three months.
- 4.5 The benefits of this are as follows:
- The quality of the work undertaken to date is seen to be good and more consistent in its quality than that which is currently available through the more usual individual worker/contract agency recruitment.
 - The turnover of staffing over the life of the current contract is projected to be 0%.
 - Maintaining the current contract will enable consistency of staffing and prevent the handover of an anticipated 40/50 cases to other workers with all the inefficiencies associated with this as outlined earlier in this report.
 - This will also prevent a change in Social Worker for this cohort of children.
 - The current staffing complement is now familiar with Tameside policies, procedures and processes and have developed effective working relations, so will be in a position to take forward this work at pace.
 - It will be possible to allocate additional cases that will require interventions to a point past the current contract.

- Whilst significant investment will be required in order to maintain this resource it is anticipated that this cost can in part be offset by holding four vacancies that would otherwise be filled with individually recruited agency staffing.
- The savings associated with the proposed targeted case work activities as detailed in section 4.7 of this report will also be set against the contract costs, with a projection that overall the contract will be cost neutral.

4.6 Whilst a focus will be maintained on the CIN and associated work as previously outlined which is impacting positively on the service as anticipated. It is recognised that the capacity to effectively take forward timely and targeted Social Work activity linked to our Looked After population would also be of clear benefit to the individual children, capacity, ongoing service improvement and financially.

4.6 Although now relatively stable since October 2018, our LAC population remains high and this capacity will allow targeted work to take place as follows:

- Support permanency arrangements for children where appropriate with a significant individual through a Special Guardianship Order application.
- Seek the discharge of Care Orders where appropriate for children placed at home with parents.
- Work with a defined cohort of children where it is believed that with support, a step down to a more appropriate and most likely cost effective placement or possibly home to family/friends is achievable.

4.8 This targeted activity will support our long term strategy of reducing the Looked After Population by significantly increasing the timeliness and speed at which we will be able to review and update individual care plans if required and then where appropriate secure Special Guardianship or the discharge of Care Orders for children placed at home. Both of which will enable secure long term permanency plans to be achieved in a more timely manner for a number of children together with the associated capacity gains and financial savings.

4.9 This targeted and time limited activity will not only enable more timely interventions and first and foremost improved outcomes for a number of our children and young people as outlined above, but also release a level of current staffing capacity to focus more effectively on our longer term improvement journey. This includes fully embedding our practice model Signs of Safety and improvements in the consistency of quality in our assessment, planning and case management.

4.10 In progressing work through this route the increased capacity created, or be it temporarily, it is anticipated will reduce some pressures in the system on a more permanent basis, reduce/remove backlog and also provide the opportunity for our managers and staff to focus on the areas of improvement identified in our self-assessment. It is not anticipated that any further such arrangements will be required going forward following the conclusion of this proposed contract.

4.11 This arrangement will also afford the opportunity to provide a level of targeted support in discreet areas of pressure, namely Public Law Outline cases where there has been drift and reassessment is required to support progress or potential step down; connected carers assessments to avoid delay and progress children in a timely manner to the care of relatives/ friends where appropriate, and some activity at the front door as required.

4.12 Specific cohorts of children will be identified, clear performance indicators, including timescales and outcomes established. It is anticipated that the contract will be cost neutral and to support this, it will be proactively managed through fortnightly performance meeting with the provider and monthly briefings to SLT. This together with the option of a three month break clause will support the management of any risk associated with the contract

not delivering on the required outcomes for children, the associated financial savings or capacity released.

5. PROCUREMENT STANDING ORDER SEEKING TO WAIVE /AUTHORISATION TO PROCEED

- 5.1 This report is prepared in line with Procurement Standing Orders F1.4 where authorisation is required for exception to Procurement Standing Orders on the basis that this activity provides evidence that the exception is necessary to achieve the Council's objectives and will achieve Best Value for the Council.
- 5.2 The instability of the workforce in this area has become more acute in the past few months and requires urgent action in order to seek to stabilise the position. Simply seeking to recruit to social work positions or to fill vacancies with agency staffing has so far not proved successful.
- 5.3 The consistency of the quality of work across this area is of particular concern and has attracted criticism from the Courts.
- 5.4 The Council is due a full Ofsted inspection any day now.
- 5.5 A number of children entering care from 1 December to 18 January had escalated from CIN.
- 5.6 Cases are backlogging in Duty as Locality Teams are unable to manage the demand and in Locality Teams as Looked After Teams are unable allocate, leaving a number of cases that require action to review, update or progress the care plans, either moving them through or in many cases out of the system.
- 5.7 The Council continues to have a statutory responsibility to ensure that services for our children are of a good and consistent standard.
- 5.9 Targeted activity to help address the Local Authorities LAC numbers will be possible with the additional capacity afforded by this contract.
- 5.10 The extension will allow for continuity of work and also allow the Council to look at what are the commissioning requirements going forward. Once this is established the extension will allow time for governance and to go out to the market and procure a service if this is required.

6. VALUE OF CONTRACT

- 6.1 The Services to be provided under the proposed contract fall under the "light touch rules regime" of the EU procurement rules and as such does not need to be advertised in the Official Journal of the European Union (OJEU). The light touch regime applies to a certain category of Health, Social and Education services and certain other service contracts with a threshold value of below £615,278. Based on the information contained in this section of the report the value of the contract is below this financial threshold.
- 6.2 Members should note that the contract value includes a fixed sum of £ 460,817 together with an estimate for business mileage of £ 12,000, total estimated value of £ 472,817. This equates to £ 18,185 per week for the 26 week duration.
- 6.3 The cost of the contract will be financed via the 2019/20 Children's Social Care Directorate revenue budget. Members are reminded that the Council approved £9.3 million additional

revenue investment to the Directorate budget for 2019/20 on 26 February 2019. However, the estimated cost of this contract extension was not included as a commitment against this investment.

- 6.4 The Directorate will ensure 4 Social Worker posts (agency) included within the 2019/20 budgeted establishment will remain vacant for the duration of this proposed extension to support the related financing.
- 6.5 In addition the contract provider will be expected to deliver key performance measures during the extension period. Some of these measures will deliver cost savings to again support the related financing. These include the conversion of Independent Agency Foster Carers (IFA) to Special Guardianship (SGO) status and the step down of children currently residing in independent sector residential care to independent agency foster care or semi-independent residential provision.
- 6.6 The estimated savings are summarised in **table 1**. The savings are shown for the period of the proposed contract extension together with the remaining period of the 2019/20 financial year. The delivery of the estimated savings will be subject to stringent contract performance monitoring on a two weekly cycle throughout the contract duration. **Table 1** also provides details of the estimated placement numbers that will realise expected savings.
- 6.7 The contract extension is expected to be self-financing if the performance measures are delivered. In addition the savings that may be realised would also contribute to, or potentially fully finance the cost of the existing contract, but only if fully achieved.
- 6.8 Members should note however that the savings that are expected to be realised will not contribute towards the financing of any existing or additional demand pressures that may materialise in the current financial year as they are contributing towards the cost of the current contract and proposed extension. The majority of future savings will come through the reduction in the volume of looked after children. It is expected that progress will be made in this area during the year and that the additional savings are possible to enable the delivery of a balanced budget.

Table 1

Estimated No of Placements	£'000	£'000
		472.8

Estimated Contract Value

Estimated Savings - Contract Duration

Existing Establishment Social Worker Posts - Remain Vacant For Contract Duration	4	103.1	
Existing IFA Placements - Conversion To SGO	18	25.7	
Existing Independent Sector Residential Placements - Step Down To IFA Placement	4	51.7	
Existing Internal Sector Residential Placements - Step Down To IFA Placement - Transition Of Independent Sector Residential Placements to Internal capacity	5	26.4	
Existing Independent Sector Residential Placements - Age 16 Plus - Step Down To Semi-Independent Placement	4	36.1	
Existing Internal Sector Residential Placements - Age 16 Plus - Step Down To Semi-Independent Placement - Transition Of Independent Sector Residential Placements to Internal capacity	2	8.0	
Total			251.0
Net Cost			221.8

Estimated Savings - Remainder of 2019/20

Existing IFA Placements - Conversion To SGO	18	109.2	
Existing Independent Sector Residential Placements - Step Down To IFA Placement	4	219.7	
Existing Internal Sector Residential Placements - Step Down To IFA Placement - Transition Of Independent Sector Residential Placements to Internal capacity	5	112.2	
Existing Independent Sector Residential Placements - Age 16 Plus - Step Down To Semi-Independent Placement	4	153.6	
Existing Internal Sector Residential Placements - Age 16 Plus - Step Down To Semi-Independent Placement - Transition Of Independent Sector Residential Placements to Internal capacity	2	34.0	
Total			628.8
Estimated Net Saving - 2019/20			(407.0)
Estimated Cost of Existing 14 Week Contract			308.5
Estimated Net Saving Of Existing Contract and Proposed Contract			(98.5)

7. GROUNDS UPON WHICH WAIVER /AUTHORISATION TO PROCEED SOUGHT

- 7.1 Other Local Authorities have engaged with this supplier for the same reasons and have provided testimonies that can be made available. The testimonies are very positive and clearly recommend Skylakes as a safe and credible supplier of managed Social work Services.
- 7.2 Skylakes have supplied a bespoke package of support and planned implementation to the Council that can be made available if requested.
- 7.3 Given the timescales involved and urgency it would clearly make no sense to try and go elsewhere for the required service. There would undoubtedly be significant inconvenience in terms of officer time, delay in project implementation as well as additional unnecessary costs. The continuity and efficiencies gained from extending the current arrangements are significant.

8. REASONS WHY USUAL REQUIREMENTS OF PROCUREMENT STANDING ORDERS NEED NOT BE COMPLIED WITH BUT BEST VALUE AND PROBITY STILL ACHIEVED

- 8.1 This new arrangements is necessary to achieve the Council's statutory duties, objectives and will achieve Best Value for the Council.
- 8.2 The council has a statutory duty to ensure that services for our children are of a good and consistent standard.

9. RECOMMENDATIONS

- 9.1 As set out at the front of the report.