

ABERDEEN CITY COUNCIL

COMMITTEE	Education & Children's Services Committee
DATE	08 September 2016
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Children's Social Work Commissioning Framework
REPORT NUMBER	ECS/16/052
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

- 1.1 This report outlines the actions that Children's Social Work have taken to develop a comprehensive Strategic Needs Assessment and Commissioning Framework to support the implementation of Reclaiming Social Work and provide the council with assurance of rigorous oversight of public funds.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee note the Report and approve the decision for Children's Social Work to adopt the Public Social Partnership (PSP) model for the commissioning of external services.
- 2.2 In particular, approval is recommended for the:
- (i) implementation of the PSP in three phases;
 - (ii) separate tendering processes for the three phases, without the need for a pilot phase, within the timescales outlined below;
 - (iii) co-design of the service specifications for each phase, including Children's Social Work, the third sector and the views of current service users and their families.

3. FINANCIAL IMPLICATIONS

- 3.1 At full Council in February 2015, earmarked reserves of £2.93 million were approved to support the implementation of Reclaiming Social Work, an evidenced based model of social work. The investment was to be drawn over a

period of four years, and contingent on savings being made following the application of the model. There was a specific commitment to realise £800K of savings from commissioned services by 1 April 2019 on the grounds that the re-designed Social Work Units would be less reliant on external services and more able to resolve the needs of children and their families through direct intervention. The Commissioning Framework and the PSP model outlined below are intended to help realise these savings.

- 3.2 Reclaiming Social Work is a systemic model with evidence of improved outcomes, including a reduction in the number of looked after children. The implementation of the PSP and the commissioning of more targeted services based on assessment of service need, will contribute to delivering the above savings by the end of the five year implementation programme. These savings are also contingent on implementation of the Inclusion Review being fully implemented.
- 3.3 As all three phases of the PSP will be issued by tender there are no implications in relation to Procurement rules and the threshold of £750K which would apply if the services were to be directly commissioned.

4. OTHER IMPLICATIONS

- 4.1 The PSP is being developed collaboratively with the third sector and people who use our services together with our own staff who have a detailed knowledge of social care need. The involvement of the third sector in the design of future services is designed to garner their expertise and avoid any destabilisation of the market.
- 4.2 Some existing services may not be re-commissioned because they are either no longer required or are unsuccessful in the tendering process. In all such cases, appropriate notice will be given to terminate contracts and any outstanding contractual issues will be managed in conjunction with Commercial and Procurement Services. Appropriate consultation periods have been built in to the timescales to take account of TUPE.
- 4.3 The Commissioning Framework will operate within financial and procurement regulations and timely advice has been sought from the council's Commercial and Procurement Services and Solicitors in connection with the Framework and the preparation of this Report.

5. BACKGROUND/MAIN ISSUES

- 5.1 In previous years, there had not been a strategic approach to the commissioning of services in Children's Social Work, although a small number of services had been developed following specific needs assessments. In addition, significant deficiencies have been identified in the monitoring of arrangements representing potential reputational risk to the Council.
- 5.2 In September 2015, the Head of Children's Social Work commissioned a review of all commissioned services and invited internal audit to become involved. A cross council project was implemented involving colleagues from the commercial and procurement service, finance, ICT and the transformation unit, and a

recovery plan is now in place. A strategic needs assessment and commissioning framework are key parts of the plan.

5.3 **Recovery plan & service reviews:**

- 5.3.1 Of the 105 services funded from the Children's Social Work budget only three local providers had an up to date contract in place. Seven services were provided under the National Framework for Fostering or Residential Services, and the remaining 95 services, most of which were individual placements or packages of care, either had no contract or an expired contract. Many of these needed to be brought under the appropriate National frameworks or, where the service was not part of a national framework, a contract needed to be put in place. Separate work is being undertaken in relation to this latter group.
- 5.3.2 Seventeen of the services that were out of contract were considered to be 'high risk' because of high levels of funding, risk related to the client group, or concerns that without a contract the council could not provide assurance of best value. Seven of these, however, related to individual care packages where a level of agreement was in place or needed to be further developed and/or needed to be properly recorded on the system.
- 5.3.3 The reviews were commissioned earlier this year from an independent consultant and the findings were subsequently reviewed by Children's Social Work and the Contracts and Commissioning Team to determine:
- the strategic relevance of the service;
 - whether the service was delivering value for money;
 - the cost of the service; and
 - whether the contract had been awarded in compliance with the council's financial regulations and with applicable procurement regulations.
- 5.3.4 The reviews have been completed and meetings arranged with providers to discuss the findings and put in place interim arrangements. This includes short term contracts and performance measures, pending the development of the PSP framework.

5.4 **Commissioning framework:**

- 5.4.1 Reclaiming Social Work, the implementation of which is subject of a separate Report at today's Committee, is predicated on a robust and strategic approach to commissioning in recognition of the staff intensive nature of the model and the importance of commissioning services that are targeted at identified areas of need.
- 5.4.2 An options appraisal for establishing a clear Commissioning Framework was therefore undertaken. This identified the business benefits and associated risks for three options. These were:
- (i) *Do nothing / do minimum*
- This would involve continuing to procure services in the absence of a needs assessment, commissioning framework or robust contract monitoring procedures. The appraisal established that there were no advantages to

continuing with the current model as there is no real stability in the market as services are currently out of contract. Neither could the Council give assurance on the quality of service or evidence how best value is secured.

(ii) *Develop a service-led approach to commissioning*

This approach would continue to focus on contracting and procurement practice. Whilst unit costs may be reduced through block contracting and negotiations around inflationary pressures, the strategy would be shaped by existing services, rather than by the needs of children and young people. There would also be little incentive for innovation and services would be largely unchanged in response to budget pressures and efficiency drives.

(iii) *Develop a Strategic Commissioning Framework, including a Public Social Partnership (PSP) delivery model*

The Strategic Commissioning Framework, including the Public Social Partnership delivery model is not simply a procurement mechanism. Following a strategic needs assessment, its aim is that third sector organisations working with public sector purchasers co-design a service (which involves service users) to deliver high quality innovative services, which meet the needs of individuals and local communities.

5.4.3 All three options were scored against the following set of business objectives:

- Compliance with Legal Framework
- Compliance with Standing Orders
- Improved management of external market
- Engage providers in design and delivery
- Engage users in design and delivery
- Deliver a strategic commissioning model
- Procurement reform
- Build consortia approach in third sector
- Effective monitoring and evaluation of services
- Securing best value

Option 3 scored the highest in the appraisal, twice the score of option 2. It therefore became the preferred option for the development of the Commissioning Framework for Children's Social Work services.

5.5 **Public Social Partnership model:**

5.5.1 The PSP model has already been piloted and evaluated nationally. In November 2009, the national Public Social Partnership (PSP) programme was piloted in ten local authority areas. This was part of the Scottish Government's commitment to developing an enterprising third sector where providers play a valuable part in the co-design of services as well as improving commissioning practice in the public sector.

5.5.2 Following an evaluation of the pilots, '*A Practical Guide to Forming and Operating Public Social Partnerships*' was published in July 2011. This described a PSP as a strategic partnering arrangement which involves the third sector in the design and commissioning of public services. Its involvement can mean that people have more choice and control over what services are delivered locally. A

PSP differs from other commissioning approaches in that it starts with the need to be addressed, rather than the services available.

- 5.5.3 Whilst the guidance suggests that PSPs will typically comprise three stages, including a pilot phase, in some cases this will not be required. This would particularly be the case when it is not a wholly new service, where the market has already organised itself into a formal partnership, or where the local market may not be sufficiently mature or resilient enough to pilot a service. Where there is no pilot phase, a formal tender would be issued at the appropriate stage.
- 5.6 **Proposed Commissioning Framework and Reclaiming Social Work:**
- 5.6.1 The changing focus and new skills mix in Social Work Units will inevitably lead to different requirements of support services. Existing in-house Family & Community Services have already been re-configured and residential services are being similarly re-designed. Re-commissioning external services is a fundamental requirement of the implementation of Reclaiming Social Work by setting out the council's purchasing intentions to meet local need.
- 5.6.2 The PSP model has already provided the basis of a series of planning sessions between the service and third sector representatives. These have focussed on the identification and analysis of need as well as the parameters of the model's use resulting in a move from the current service led commissioning approach towards a strategic commissioning framework which sets out clear commissioning intentions, processes for the regular review of contracts and makes clear how the impact that services are having will be monitored. These planning sessions were supported and facilitated by Ready for Business, a third sector led consortium that works with commissioners and buyers to encourage the adoption of social value in public procurement, including promotion of the PSP model.
- 5.6.3 The resulting Strategic Commissioning Framework for Children's Social Work and Strategic Needs Assessment are currently draft documents which will subsequently be approved at Directorate level - although the Needs Assessment will remain a 'live' document and be updated as and when further data becomes available. They include information not only about levels of need and existing services, but also sections covering the market position, commissioning priorities and performance management. They will help the service to pro-actively plan to meet future levels of demand by anticipating the needs and expectations of children and young people who are eligible to receive support from Children's Social Work as well as their families and carers.
- 5.6.4 One key aspect of the approach being developed is a clear shift towards monitoring and reviewing all services based on evidence of need and improved outcomes. This will be underpinned by a culture of performance management led by the Council as the commissioning organisation and a culture of continuous improvement and accountability by the providers. The principles of 'Results Based Accountability', a model developed by Mark Friedman, will be used to develop performance accountability in commissioned services and this will be reflected in interim contracts, highlighted above, ahead of the PSP.

5.6.5 As well as focussing on the identification and analysis of need, consultation with both representatives from current providers and a range of our own staff has also begun work on the co-production and design elements of the PSP. Work has also been undertaken to gain a range of views from service users, although this has proved a challenge and the work to gather their opinions is on-going.

5.6.6 From these consultations, implementation of the approach in three phases over the next year has been proposed. These will be:

- (i) intensive support services
- (ii) family support services
- (iii) services for children with disabilities

The benefit to Children's Social Work will be that each phase will be aligned to the needs of the part of the service that it will complement and support. For example, the first phase, which it is proposed will be tendered for later this year, will support early intervention and prevention, and particularly the work of the Youth Team. By contrast, the second phase will follow the roll out of further Units and provide support to children and families at that stage. The third phase, which will not be tendered until later in 2017, will follow on from work being undertaken to better understand the relationship between the Children with Disabilities Team, working with children receiving care packages, and the Children with Disabilities Unit which will support more vulnerable children.

5.7 **Next Steps:**

5.7.1 If this approach is supported, there is a clear timeline for the first two phases of the PSP. Indeed, a further workshop involving staff and third sector representatives was arranged for mid-August ahead of the Committee meeting to begin work on developing the service specification for 'intensive support services'. These services can often involve the most expensive out of authority care and the aim of re-commissioning services to this group of young people will be to maintain them in their own communities wherever and whenever it is safe and appropriate to do so. Simultaneously, planning to develop the service specification for phase two has been arranged for late September.

5.7.2 The timeline will see the tender for phases one and two issued at the end of November. A project team will be established including colleagues in Commercial and Procurement and Children's Social Work to complete the service specification and oversee the procurement process. Existing providers may submit bids either on their own or in consortia for one or both phases, whilst bids may be received from providers not currently engaged in the city. Tenders would be submitted by late January 2017 with evaluations expected to be completed by late February. Following the required standstill period, it is anticipated that contracts would be awarded in early March. Subsequent consultations may follow dependent upon the successful provider with an expectation that services would be provided under the new arrangements from the end of May 2017.

5.7.3 To recap, it is being proposed to adopt the PSP approach to commissioning external services by Children's Social Work. This approach, which has already involved the council working in close partnership with third sector providers and

in consultation with independent advisors, will:

- (i) be implemented in three phases over the next twelve months;
- (ii) involve separate tenders for all three phases, none of which will include a pilot phase, on the grounds that they are not wholly new services and do not involve piloting new approaches in themselves;
- (iii) involve a co-design of the service specification for each phase, including staff, the third sector and the views of current service users;
- (iv) see all bids evaluated by a panel including representation from service users and their families;
- (v) ensure that all resulting services are subject to contract management and that their performance is regularly monitored and reviewed.
- (vi) continue to be underpinned by a Strategic Commissioning Framework and Needs Assessment which evolves and responds to the changing needs and experience of Children's Social Work and its service users.

6. IMPACT

6.1 Improving Customer Experience

6.1.1 Children's Social Work services work with children and young people and their families who are amongst the most vulnerable and disadvantaged in the city. The vast majority of them are required to work with us on a compulsory basis. Implementation of the Reclaiming Social Work model and with it the recommissioning of external services, will significantly contribute to continuing efforts to improve the services delivered to and the outcomes for them.

6.1.2 The Business Objectives which were highlighted above and which were used to evaluate the three models proposed for the new Commissioning Framework, included:

- Engage providers in design and delivery
- Engage users in design and delivery
- Evidence based needs assessment

By stressing these objectives, the needs of customers have been central to the process and consultation with them has been a feature of the approach taken.

6.2 Improving Staff Experience

6.2.1 One of the key drivers for the implementation of Reclaiming Social Work was the recognition that staff recruitment and retention was a recurring issue in Aberdeen. The model seeks to address this by creating smaller teams or Units of staff with shared rather than individual workloads and increased levels of support. Where the model has been introduced elsewhere this has led to reduced levels of staff sickness and turnover. The development of the PSP should further contribute to this by providing them with more appropriate and targeted resources to support them in their work with vulnerable children and their families.

6.2.2 Reclaiming Social Work has also seen a major investment in staff through the

Systemic Practice training programme which has been a pre-cursor to the full implementation of the model itself. This is being promoted as part of our recruitment strategy.

6.3 **Improving our use of Resources**

6.3.1 The Business Objectives which were highlighted above and which were used to evaluate the three models proposed for the new Commissioning Framework, included:

- Effective Monitoring and Evaluation of Commissioned Services
- Improved management of external market
- Build consortia approach in third sector
- Deliver a strategic commissioning model

By considering these objectives, the evaluation looked in detail at how the use of resources that the council commissions on behalf of vulnerable children can be used effectively and efficiently and leads to improved outcomes for them.

6.4 **Corporate**

6.4.1 The Business Objectives which were highlighted above and which were used to evaluate the three models proposed for the new Commissioning Framework, included:

- Develop a strategic commissioning framework
- Compliance with Legal Framework
- Compliance with Standing Orders
- Compliance with Procurement reform

Re-commissioning external services as outlined above will ensure that the council fully meets its legal and procedural requirements. The PSP approach also offers an opportunity for the third sector to co-design and deliver services.

6.4.2 Relevant parts of the SOA that the Reclaiming Social Work programme impacts upon are:

- reducing inequalities in healthy life expectancy and improved physical and mental health through increased physical activity.
- ensuring that every child and young person in Aberdeen enjoys being young and at the same time feels safe, healthy, achieving, nurtured, active, respected, responsible and included.
- ensuring that people feel safe throughout Aberdeen's communities.
- developing effective lifelong learning through vocational and academic training from secondary school.
- supporting priority families.

6.5 **Public**

6.5.1 The Business Objectives which were highlighted above and which were used to evaluate the three models proposed for the new Commissioning Framework included that of securing best value. This is very much central to the PSP approach as it seeks to ensure that commissioned services are developed on an evidence based and needs led approach rather than from a traditional service

led position.

6.5.2 An EHRIA has been completed which did not identify any required actions.

7. MANAGEMENT OF RISK

7.1 The Commissioning Framework and the PSP are included within the Reclaiming Social Work programme. A risk register, incorporating those associated with the Framework, including timescales, reputation and financial risks, is maintained and monitored 6 weekly at Programme Board meetings.

7.2 In addition, an Action Plan has been developed in conjunction with the PMO and regular meetings are held with staff from the PMO to review work streams and associated actions, and to identify emerging risks and any mitigating actions.

8. BACKGROUND PAPERS

Draft Strategic Commissioning Framework for Children's Social Work

Draft Strategic Needs Assessment

Scottish Government (2011) '*A Practical Guide to Forming and Operating Public Social Partnerships*' <http://www.gov.scot/Resource/Doc/48453/0119024.pdf>

9. REPORT AUTHOR DETAILS

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