

ABERDEEN CITY COUNCIL

COMMITTEE	Education & Children's Services Committee
DATE	01 June 2017
REPORT TITLE	Payment Controls within Children's Social Work - Update
REPORT NUMBER	ECS/17/024
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1. PURPOSE OF REPORT

- 1.1 This report provides a further update on the implementation of the recommendations within the Audit, Risk & Scrutiny report on Payment Controls within Children's Social Work. The previous update was considered by the Committee on 17 November 2016.
- 1.2 This further update report specifically focusses on the progress made towards the implementation of the first two areas of service to be commissioned under the 'Together for Children in Aberdeen' Public Social Partnership (PSP).

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
 - (i) note the progress made in the implementation of Phases One & Two of the PSP; and
 - (ii) request the Head of Children's Social Work to submit a Service Update to the Committee in early 2018, to provide assurance about the development of Phases Three & Four and the consideration of a Phase Five.

3. BACKGROUND / MAIN ISSUES

- 3.1 As noted in the previous report, Children's Social Work provides statutory services to children, families and young people in need of care and protection, including child protection investigation and assessment, services for children who are disabled and family support, as well as providing respite care, residential care, fostering, adoption and kinship care. Some of these are delivered by the Service itself whilst others are purchased from external providers.
- 3.2 Following a report to and approval by this Committee in September 2016, Children's Services have adopted the PSP model for the recommissioning of the majority of the services that it purchases from external providers in order to ensure a robust approach to commissioning and procurement.
- 3.3 The Service developed a Commissioning Framework, underpinned by a Strategic Needs Analysis, which has been used to drive the PSP forward. This led to the re-commissioning being sub-divided into a number of phases. Initially these were:
 - Phase One: Early help for families, children and young people
 - Phase Two: Intensive support for families, children and young people

- 3.4 Subsequently, the PSP model has been extended to two additional phases. These are:
- Phase Three: Services for children who are disabled and their families.
 - Phase Four: Services for children & young people in need of specialist assessments
- with the possibility of a subsequent Phase Five covering commissioned Residential Services.
- 3.5 As is implicit within the PSP approach, service specifications for Phases One & Two were developed during 2016 following extensive consultations with existing service providers and other representatives of the third sector along with similar engagement with Children's Services staff. Significantly, independent consultation was also commissioned with children and families who used the existing services.
- 3.6 The resulting service specifications were then central to the tendering process which was launched in November 2016 and closed in early January 2017. The subsequent procurement process, as required by current EU legislation, was followed including independent evaluation of the bids that were received by a number of Service Managers and importantly by a panel of three care experienced young people.
- 3.7 Following due process, the successful bidders for Phases One & Two have recently been announced and they are:
- Phase One: A consortium of four independent organisations, led by Barnardos Scotland
 - Phase Two: Includem
- 3.8 Implementation Groups have been established with the successful bidders and clear plans for the new providers to take over the running of the services from July 2017.
- 3.9 Contracts for the resulting services will be for five year periods with the anticipated overall savings, compared to the range of individual services that were previously provided and which have been incorporated into Phases One & Two, contributing to that required from Children's Social Work as a result of the investment in Reclaiming Social Work.
- 3.10 Planning for Phases Three & Four will see a similar tendering process being launched in September 2016 with the new services anticipated to be implemented before March 2018.

4. FINANCIAL IMPLICATIONS

- 4.1 In response to concerns raised by the Service in respect of contracts in place and payment controls within Children's Social Work, Internal Audit reviewed the effectiveness of controls in this area. Their report focussed on two key areas of contract management and payment systems.
- 4.2 A project management approach was adopted to address the resulting recommendations. These have now been successfully resolved and reported to Internal Audit.
- 4.3 The re-commissioning of externally provided services through the PSP model was deemed essential in order to provide the level of financial rigour required.

5. LEGAL IMPLICATIONS

- 5.1 Children's Services are working closely with Commissioning & Procurement to ensure that the tendering and procurement process conforms with current EU requirements. The adoption of the PSP approach though means that the process is as transparent as possible and potential bidders have opportunity to influence the

process and contribute to the development of the resulting service specifications. This reduces the likelihood of subsequent challenge to the outcome of the process.

- 5.2 Consultation with service users, as well as providers, should also ensure that there is evidence that the specifications reflect the needs and interests of the families who are likely to be affected by any change in the configuration of the services, again reducing the risk of subsequent challenge.

6. MANAGEMENT OF RISK

- 6.1 The original Internal Audit report identified a number of actions required to improve Payment Controls within Children's Social Work. To mitigate the associated risks, these have been managed by a Project Team actively supported by a Programme Manager from Corporate Governance, including maintaining and reviewing a Risk Log at bi-monthly project team meetings.

Financial

- 6.2 The use of the PSP model in the re-commissioning of externally provided services has itself been designed to reduce many of the financial risks identified by the Internal Audit report, through the co-production and procurement processes, as well as with the resulting clear and transparent contracts that are being established with the successful bidders.

Employee

- 6.3 There are none.

Customer / citizen

- 6.4 Strict adherence to the development and implementation process should ensure that there is no 'gap in service' for existing service users as they transition from one provider to another. However, there are inevitable risks when re-commissioning services which means that this risk cannot be reduced to zero. In the event that new services are delayed for example, Children's Social Work will work closely with the existing provider to ensure as far as possible a continuation of service.

Environmental

- 6.5 There are none.

Technological

- 6.6 There are none.

Legal

- 6.7 Strict adherence to the Public Contracts Scotland process for tenders for the re-commissioned services will further reduce the risk of subsequent legal challenge.

Reputational

- 6.8 Aside from the financial and legal risks, that existed as a result of the previous commissioning arrangements, there was also a reputational risk for the organisation. The Commissioning Framework that has been put in place and is designed to evolve with the changing landscape over the next five years, should ensure that these risks are further managed. It is accepted though that the process of re-commissioning will itself de-stabilise the delivery of services, particularly where there is a change of provider. Clear and transparent management of this process, particularly in relation to the implementation of the new services will aim to control and reduce these risks as far as can be anticipated.

7. IMPACT SECTION

Economy

- 7.1 The re-commissioning of externally provided services within Children's Social Work will provide more effective controls over payments and will improve the use of resources, including budgets. In particular, it will ensure that they are targeted most effectively on behalf of vulnerable children and families within the city, as well as continuing to provide economic stimulus to third sector organisations working within the city who will in turn be able to draw on other funding streams to the advantage of such families.

People

- 7.2 As noted in previous reports, 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 recommissioning of externally provided services and the tightening of payment controls in relation to these should help to ensure that these contribute to improving outcomes for them.
- 7.3 An EHRIA was previously completed for the report presented in September 2016. It did not identify any required actions

Place

- 7.4 The commissioning of a proportion of services required by Children's Social Work to support vulnerable children and their families is in part designed to stimulate community empowerment and resilience, through the encouragement of organisations to come together to pool their knowledge, experience and resources and to work together with their own service users. The performance of the recommissioned services in improving outcomes for individuals and the communities that they serve will be closely monitored and managed against an agreed set of indicators, that not only ensures their contractual compliance but also demonstrates the overall benefit that they are delivering.

Technology

- 7.5 The procurement process for the recommissioned services encouraged prospective bidders to identify how they will take advantage of digital technology to develop their services in terms of both communication and interaction with service users. This will be closely monitored as the new services progress.

8. BACKGROUND PAPERS

- 8.1 Report to Education & Children's Services Committee (24.03.16) – "Payment Controls in Children's Social Work"
- Report to Education & Children's Services Committee (08.09.16) – ECS/16/036
"Children's Social Work Commissioning Framework"
- Report to Education & Children's Services Committee (17.11.16) – ECS/16/067
"Payment Controls within Children's Social Work"

9. APPENDICES

- 9.1 There are none.

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