

Scotland Excel

To: Executive Sub-Committee

On: 18 June 2021

**Report by:
Chief Executive of Scotland Excel**

Tender: Fostering and Continuing Care

Schedule: 1020

Period: 01 July 2021 to 30 June 2024 plus the option to extend for up to a further 12 months until 30 June 2025

1. Introduction and Background

This recommendation is for the award of the third-generation renewal framework for Fostering and Continuing Care services.

This proposed renewal framework was advertised for the period from 1 July 2021 until 30 June 2024 with the option to extend for up to 12 months until 30 June 2025. It is intended to commence on 2 July 2021 following the successful completion of the standstill period requirements.

This framework will enable local authorities to secure fostering placements from independent and voluntary providers as a supplement to their internal provision. The framework is mainly based around a core placement with local authorities able to source additional services to support individual requirements. Specialised placements are also available, where required, as well as continuing care placements.

Foster care provides family-based care for children and young people who cannot live with their own families. Children may be fostered for a wide variety of reasons and may stay in foster care for a short period before returning to their families or moving onto a longer-term placement. Some children stay in foster care until they reach adulthood.

Continuing care placements, in the context of fostering, enable young people to remain living with their foster carer. Any eligible young person ceasing to be looked after on or after they turn 16 can request to remain in their placement under continuing care. A young person receiving continuing care will no longer be defined as 'looked after' but will continue to receive the same support.

Following the publication of the Independent Care Review's reports in February 2020, The Promise Team was established to implement the review's

recommendations with the objective of keeping “the Promise” to improve the care system outlined in the reports.

The Independent Care Review has highlighted that the period between April 2021–March 2024 will be a ‘bedding down’ period where the necessary legislative reform will be underway. The advertised framework period is from 1 July 2021 until 30 June 2024 with an option to extend until 30 June 2025. This extension option allows for a re-tender in 2024 if there are significant legislation reforms which would require a restructuring of the framework.

2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of two service options (Service Option 1- Standard Service, and Service Option 2 – Enhanced Service), with the majority of current framework placements being under the Standard Service. This structure remains the same as the current framework and was enhanced with the addition of a maximum continuing care fee requested from providers. This information will provide transparency and will allow for better informed fee? discussions at the time of referral.

As detailed in Appendix 1, 28 local authorities have confirmed their intention to participate in this framework. The remaining local authorities rarely require to place children out with their own services however the framework will be available for any future requirement.

The forecast annual spend for participating local authorities, with contingency, is £34 million per annum. This equates to an estimated spend of £136 million over the full 4-year term of the framework.

3. Procurement Process

A UIG consisting of representatives from participating local authorities endorsed the procurement strategy on 3 November 2020. In addition, a working group consisting of technical and procurement representatives was formed to review service specifications and participate in the technical evaluation.

Scotland Excel has taken consideration of the impact of the Coronavirus pandemic in relation to this tender exercise. Balancing the current situation with the need to provide a route for local authorities to source such external fostering placements as may be considered essential for the development and safeguarding of children and young people, Scotland Excel determined it was appropriate to undertake this renewal tender exercise and to recommend the establishment of this framework.

A Prior Information Notice (PIN) was published in September 2020 inviting interested providers to meet virtually with Scotland Excel to discuss the scope of the services they offer and the possibility of extending the scope of the national framework. The response to the PIN included 17 organisations noting their

interest. Meetings were held with eight providers including two not participating on the current framework.

The Social and other Specific Services Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 8 March 2021. The framework falls under the light touch regime arrangements with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system.

As such, the tender exercise commenced after the UK withdrawal from the European Union and was conducted and concluded in accordance with the law and procedures currently in force.

The tender was available for 31 days and closed on 14 April 2021.

The procurement process followed an open tender process to ensure the inclusion for all potential providers to service the framework. All bidders were examined against published selection criteria, using the Single Procurement Document (SPD) and award criteria, concurrently. The award criteria included technical and commercial sections, and, given the nature of the services were weighted heavily toward the technical (quality) criteria. The published award criteria weightings were:

Technical: 80%
Commercial: 20%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including:

- approach to manage placement crisis and minimise breakdown of placements,
- approach to ensuring staff are confident and competent to deliver high quality services,
- approach to ensuring foster carers are confident and competent to provide high quality support to children and young people.

Tenderers were also required to give examples of how children and young people's outcomes are achieved through the SHANARRI (Safe, Healthy, Achieving, Nurtured, Active, Respected and Responsible, Included) wellbeing indicators for their chosen service options. The points available for these quality questions are detailed below within Table 1.

Table 1: Technical Section Weighting

Quality Section	Points Available	
	Service Option 1	Service Option 2
Method Statements		
Quality Questions	70	70
Method Statement 1 – Placement Breakdown	17.5	17.5
Method Statement 2 – Staff	17.5	17.5
Method Statement 3 – Foster Carers	17.5	17.5
Method Statement 4 – (Service Option 1) SHANARRI Indicators	17.5	N/A
Method Statement 4 - (Service Option 2) SHANARRI Indicators	N/A	17.5
Sustainability		
Sustainability Questions	10	10
Community Benefits	6	6
Fair Work Practices	4	4
Total Available Score	80	80

Within the commercial section, bidders were invited to provide an agreed fee (per child/young person per week) for each service option offered. Bidders were also invited to specify whether any reduction to the fees would be appropriate due to

any decrease in costs associated with long term placements, sibling placements, permanent placements, or multiple placements within a local authority.

4. Report on Offers Received

The tender document was downloaded by 15 fostering providers with 15 tender responses received. A comparison was completed on the noted interest from the PIN and the providers who downloaded the tender document. The results from the comparison showed that of the 17 organisations who expressed interest in the PIN, 14 accessed and completed the tender. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the published criteria and weightings set out above, it is recommended that a multi-provider framework arrangement is awarded to 15 providers across the service options as outlined in Appendix 3.

These 15 recommended providers offer best value and represent a mix of small, medium, and large organisations. Nine providers are classed as small or medium enterprises, three as micro businesses and 13 are Scottish providers.

The range of providers recommended provides coverage for all of Scotland and provide a vast range of enhanced fostering services in addition to the core fostering service.

6. Benefits

Children and Young People

Through the streamlined Individual Placement Agreement and placing processes, local authorities can tailor services to individual needs. In addition to this, there is greater flexibility for local authorities to purchase individualised services through an increased range of enhanced services offered. The renewal framework will also provide greater transparency in relation to continuing care fees.

One of the main findings from the Promise reports (referenced in earlier section 1) is that the views of children and foster carers should be considered when it comes to the care of the child or young person. Scotland Excel has embedded this ethos in the framework service specification so that providers are required to consult with young people and foster carers, with their views taken into account for all aspects of the service. This will include views on any transitions and short breaks.

Price Stability

The framework applies twelve months' fixed pricing for both service options. Thereafter, all requests for price increases will be evaluated against prevailing market conditions and require to be supported by documentary evidence from an independent source, to the satisfaction of Scotland Excel.

As part of the tender process, providers were asked to provide a full breakdown in their financial submission of the associated costs for providing the service. This information will be used when considering the appropriate uplift mechanism for the framework.

Cost Impact

Benchmarking revealed that prices were on average higher than existing standard rates and enhanced rates, where known.

Following evaluation of the commercial submissions, Scotland Excel elected to carry out post tender commercial clarifications. Following the pre-determined post tender commercial clarifications methodology, providers who had submitted rates that were a significant increase from the rates currently being charged to local authorities and/or were a significant variance from the average rates submitted via the tender were issued with post tender commercial clarifications to ensure that best value was achieved for local authorities.

Scotland Excel clarified with these providers to ensure a full understanding of cost pressures faced and to discuss options for potential efficiency savings in relation to elements of the fee not directly related to the care of children and young people.

The average fee increase for the standard fostering service across all four age bands is estimated at 7.3%, with pricing fixed for one year. The average estimated increase follows a period of extended price stability within the current framework. The actual costs of a fostering placements are determined by the needs and outcomes of the individual children and young people requiring the service.

Throughout the duration of the framework, Scotland Excel will monitor the costs associated with delivering these services across the country to ensure sustainability of services.

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for members. Providers were asked to confirm whether they were willing to comply with our community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual

member spend thresholds and all 15 recommended providers have confirmed their acceptance.

The community benefits approach focused on supporting the Scottish Government's National Performance Framework, and the benefits delivered should support, but are not limited to, the following indicators:

- Employment Skills and Training
- Employment - SMEs, Social Enterprises, Supported Businesses
- Communities – impacts
- Physical/mental health and wellbeing

Providers have agreed to report ongoing delivery of community benefits to Scotland Excel on a six-monthly basis and this will be monitored throughout the lifetime of the framework.

Fair Work Practices including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and engaged in decision making.

Within the technical section of the tender, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 15 recommended bidders, six are accredited Real Living Wage Employers and the remaining nine providers pay the Real Living Wage, as detailed in Appendix 4.

Scotland Excel will continue to monitor fair work practices including the Real Living Wage status during contract and supplier management.

7. Contract Mobilisation and Management

As part of the mobilisation process, all providers and local authorities will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Both providers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class B. As such it will require, quarterly provider contact, six monthly surveys, an annual UIG, frequent support to local authorities, providers and external stakeholders requiring high level of procurement expertise and extensive contract monitoring. The segmentation classifications are outlined in appendix 5. During the current market conditions Scotland Excel will continue to engage with providers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service for our members.

Meetings and engagement undertaken with providers will adhere to all applicable health and safety guidelines, including those reflecting business restriction recommendations due to Covid-19.

8. Summary

This third-generation framework for Fostering and Continuing Care continues to promote the rights and outcomes of children and provide maximum choice of services and providers available to meet a diversity of needs and support young people's choices in relation to fostering and continuing care.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation

Scotland Excel Member	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data
Aberdeen City Council	Yes	2 July 2021	£5,049,719	Management Information
Aberdeenshire Council	Yes	2 July 2021	£1,384,044	Management Information
Angus Council	Yes	2 July 2021	£180,575	Management Information
Argyll & Bute Council	Yes	2 July 2021	£54,796	Management Information
City of Edinburgh Council	No	N/A	N/A	N/A
Clackmannanshire Council	Yes	2 July 2021	£988,948	Management Information
Comhairle Nan Eilean Siar	No	N/A	N/A	N/A
Dumfries & Galloway Council	Yes	2 July 2021	£103,149	Management Information
Dundee City Council	Yes	2 July 2021	£3,164,756	Management Information
East Ayrshire Council	Yes	2 July 2021	£345,247	Management Information
East Dunbartonshire Council	Yes	2 July 2021	£499,052	Management Information
East Lothian Council	Yes	2 July 2021	£358,286	Management Information
East Renfrewshire Council	Yes	2 July 2021	£205,959	Management Information
Falkirk Council	Yes	2 July 2021	£243,295	Management Information
Fife Council	Yes	2 July 2021	£5,440,276	Management Information
Glasgow City Council	No	N/A	N/A	N/A
Highland Council	Yes	2 July 2021	£1,148,249	Management Information
Inverclyde Council	Yes	2 July 2021	£149,277	Management Information
Midlothian Council	Yes	2 July 2021	£133,661	Management Information
Moray Council	Yes	2 July 2021	£264,218	Management Information
North Ayrshire Council	Yes	2 July 2021	£92,773	Management Information
North Lanarkshire Council	Yes	2 July 2021	£1,373,394	Management Information
Orkney Islands Council	Yes	2 July 2021	£9,662	Management Information
Perth & Kinross Council	Yes	2 July 2021	£400,380	Management Information
Renfrewshire Council	Yes	2 July 2021	£640,850	Management Information
Scottish Borders Council	Yes	2 July 2021	£6,342	Management Information
Shetland Islands Council	No	N/A	N/A	N/A
South Ayrshire Council	Yes	2 July 2021	£659,994	Management Information
South Lanarkshire Council	Yes	2 July 2021	£1,306,344	Management Information
Stirling Council	Yes	2 July 2021	£18,336	Management Information
West Dunbartonshire Council	Yes	2 July 2021	£1,361,916	Management Information
West Lothian Council	Yes	2 July 2021	£217,538	Management Information
Total			£28,316,738	

Appendix 2 – Summary of Offers Received

Name of Candidates and Tenderers	SME Status	Location	Service Option Tendered	Service Option Awarded
Aberlour Child Care Trust	Large	Stirling	2	2
Action for Children	Large	Glasgow	2	2
Barnardo's	Large	Edinburgh	1 and 2	1 and 2
Carevisions Fostering Limited	Small	Stirling	1 and 2	1 and 2
Carolina House Trust	Small	Dundee	1 and 2	1 and 2
Core Assets Scotland Limited Trading as Foster Care Associates Scotland	Small	Glasgow	1 and 2	1 and 2
Dean & Cauvin Young People's Trust	Small	Edinburgh	2	2
Foster Care Connect Ltd	Micro	Galashiels	1 and 2	1 and 2
Fostering People Scotland Limited	Micro	Dundee	1 and 2	1 and 2
Fostering Relations Limited	Micro	Grangemouth	1 and 2	1 and 2
Fosterplus (Fostercare) Limited	Small	Milton Keynes, England	1 and 2	1 and 2
St. Andrew's Children's Society Limited	Small	Edinburgh	1	1
Swiis Foster Care Scotland Limited	Medium	Dunfermline	1 and 2	1 and 2
The Adolescent and Children's Trust	Medium	London, England	1 and 2	1 and 2
The National Fostering Agency (Scotland) Ltd	Small	Grangemouth	1 and 2	1 and 2

Appendix 3 - Scoring and Recommendations

Service Option 1 - Standard Service

An asterisk (*) denotes a recommended provider

Tenderer	Service Name	Total Score
Barnardo's*	Standard Fostering Service	89.9
Fostering People Scotland Limited*	Standard Fostering Service	87.3
Swiis Foster Care Scotland Limited*	Standard Fostering Service	86.3
Fosterplus (Fostercare) Limited*	Standard Fostering Service	81.6
The Adolescent and Children's Trust*	Standard Fostering Service	80.0
Carevisions Fostering Limited*	Standard Fostering Service	79.3
Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Standard Fostering Service	77.7
The National Fostering Agency (Scotland) Ltd*	Standard Fostering Service	77.4
Foster Care Connect Ltd*	Standard Fostering Service	73.6
Fostering Relations Limited*	Standard Fostering Service	71.6
Carolina House Trust*	Standard Fostering Service	68.8
St. Andrew's Children's Society Limited*	Standard Fostering Service	67.2

Service Option 2 - Enhanced Service

An asterisk (*) denotes a recommended provider

Tenderer	Service Name	Total Score
Aberlour Child Care Trust*	Children/Young People who have suffered severe trauma	75.7
Aberlour Child Care Trust*	Children/Young People with disabilities	75.7
Aberlour Child Care Trust*	Intensive support	75.7
Aberlour Child Care Trust*	Parent and child	75.7
Aberlour Child Care Trust*	Young People with complex/challenging behaviour	75.7
Action for Children*	Enhanced Fostering - Challenging Behaviour	84.1
Action for Children*	Enhanced Fostering - Disabilities	84.1
Action for Children*	Enhanced Fostering - Intensive Support	84.1
Action for Children*	Enhanced Fostering - Severe Trauma	84.1
Barnardo's*	Enhanced - Complex Needs	87.4
Barnardo's*	Enhanced Solo	84.5
Barnardo's*	Step Down	80.7
Barnardo's*	Enhanced Short Breaks	79.0
Carevisions Fostering Limited*	Parent and Baby	76.8
Carevisions Fostering Limited*	Solo Placement	76.8
Carolina House Trust*	Complex needs requiring intensive support	70.3

Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Team Parenting®	77.1
Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Solo Placements	74.9
Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Placements for Children & Young People with Disabilities	74.8
Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Parent & Child Placements	73.1
Core Assets Scotland Limited Trading as Foster Care Associates Scotland*	Step-Down Placements	71.4
Dean & Cauvin Young People's Trust*	Children and young people who have suffered severe trauma	72.1
Dean & Cauvin Young People's Trust*	Intensive Support	72.1
Dean & Cauvin Young People's Trust*	Young people with complex behaviours	72.1
Dean & Cauvin Young People's Trust*	Parent and child	69.8
Foster Care Connect Ltd*	Children/Young People who have suffered Severe Trauma	71.5
Foster Care Connect Ltd*	Children/Young People with Disabilities	71.5
Foster Care Connect Ltd*	Intensive Support	71.5
Foster Care Connect Ltd*	Young People with complex/challenging behaviour	71.5
Foster Care Connect Ltd*	Parent and Child	64.2
Fostering People Scotland Limited*	Enhanced	85.5
Fostering People Scotland Limited*	Solo (Singleton)	83.7
Fostering People Scotland Limited*	Disability	83.7
Fostering People Scotland Limited*	Parent & Child Placements	82.0
Fostering Relations Limited*	Children/Young People with disabilities	62.0
Fostering Relations Limited*	Young People with complex/challenging behaviour	62.0
Fostering Relations Limited*	Parent and Child	61.1
Fostering Relations Limited*	Other - Bridge to Foster	59.5
Fosterplus (Fostercare) Limited*	Complex Behaviour	81.3
Fosterplus (Fostercare) Limited*	Parent and Child	77.5
Swiis Foster Care Scotland Limited*	Permanence	88.8
Swiis Foster Care Scotland Limited*	Children/Young People who have suffered severe trauma	86.9
Swiis Foster Care Scotland Limited*	Children/Young People with disabilities	86.9
Swiis Foster Care Scotland Limited*	Intensive support	86.9
Swiis Foster Care Scotland Limited*	Young People with complex/challenging behaviour	86.9
Swiis Foster Care Scotland Limited*	Parent & Child	85.6
The Adolescent and Children's Trust*	Complex needs	80.5
The Adolescent and Children's Trust*	Disability	80.5
The Adolescent and Children's Trust*	Intensive Support - step down	80.5
The Adolescent and Children's Trust*	Parent and Child	75.0
The National Fostering Agency (Scotland) Ltd*	Children/Young People with disabilities	73.9
The National Fostering Agency (Scotland) Ltd*	Young People with complex/challenging behaviour	73.9
The National Fostering Agency (Scotland) Ltd*	Parent and Child	72.8
The National Fostering Agency (Scotland) Ltd*	Other - Bridge to Foster	71.4

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited Living Wage Employer	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor pay the Real Living Wage
Aberlour Child Care Trust	Yes				
Action for Children			Yes		
Barnardo's			Yes		
Carevisions Fostering Limited			Yes		
Carolina House Trust	Yes				
Core Assets Scotland Limited Trading as Foster Care Associates Scotland			Yes		
Dean & Cauvin Young People's Trust	Yes				
Foster Care Connect Ltd	Yes				
Fostering People Scotland Limited			Yes		
Fostering Relations Limited			Yes		
Fosterplus (Fostercare) Limited			Yes		
St. Andrew's Children's Society Limited			Yes		
Swiis Foster Care Scotland Limited	Yes				
The Adolescent and Children's Trust	Yes				
The National Fostering Agency (Scotland) Ltd			Yes		

Appendix 5 – Segmentation Classifications

1020 Fostering and Continuing Care is classified as class B.

There are five segmentation classifications and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.