

## **Scotland Excel**

**To: Executive Sub Committee**

**On: 10 February 2016**

**Report  
by  
Director Scotland Excel**

**Tender: Fostering and Continuing Care Services**

**Schedule: 10/15**

**Period: 25 March 2017-24 March 2019 (with the option of extension for up to two years up to 24 March 2021)**

### **1. Introduction and Background**

This framework will be the second national framework in Scotland for fostering services. The current fostering framework will end on 24 March 2017. The framework will enable local authorities to purchase fostering placements from independent and voluntary providers as a supplement to their internal provision.

Fostering services provide 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.

Fostering services are provided by all 32 local authorities in Scotland as well as by independent and voluntary providers. All services must be registered by the Care Inspectorate. Providers of foster care services in Scotland must operate on a not for profit basis.

This framework has been developed in a context of change in national legislation and policy, and has been designed to take account of outputs from the Scottish Government's Foster Care Review that are expected to take effect during the life of the new framework.

The original framework was based around core type placements, although local authorities are also able to purchase additional services to support individual placements where required. The scope of the new framework has been extended to include enhanced/specialist services and short breaks. This will enable local authorities to purchase a greater range and proportion of their purchased foster care through the framework. The framework also allows an

option for local authorities to purchase continuing care services which will support them in addressing their responsibilities under the *Children and Young People (Scotland) Act 2014*.

## **2. Scope, Participation and Spend**

The structure of the new framework continues to set out a clearly specified core or “standard” service, but now with the opportunity to purchase a range of “enhanced” or specialist services offered by bidders, each with their own characteristics. Accordingly, there are two service options:

Service Option 1 – Standard Service

Service Option 2 – Enhanced Services

Both service options include options for short breaks and continuing care services. It is expected that approximately 90% of spend will be on Service Option 1 - Standard Service.

The framework agreement is open to all 32 Scottish local authorities and any integrated health and social care organisations taking on their legal responsibilities as a result of the *Public Bodies (Joint Working) (Scotland) Act 2014*. Glasgow City Council has its own separate purchasing arrangements and has confirmed that it will not purchase services under the national framework.

Fostering services are purchased on a case by case basis, making it difficult to estimate future expenditure, and under the framework there is no guarantee given of any business, any level of business or any continuation of business. Spend on the current framework has continued to increase throughout its duration. Transfer of placements from the current framework is not automatic, and so initial spend may again be relatively low while local authorities set up individual arrangements. Spend on the framework is likely to be a combination of new standard placements, existing placements and new enhanced placements. Extrapolating existing spend information, with estimates for expansion of the scope and market growth, the overall framework spend for four years is estimated at approximately £104 million. An estimate of average annual spend per local authority (over the four years) is shown in Appendix 1 - Participation, Spend and Savings Summary. The actual spend, however, may be affected by the unpredictable nature of individual needs and the availability of in-house foster carers. It should be noted that local authority spend is not related to the size of the local authority, but is related to the proportion of fostering services delivered in-house. A local authority that delivers the majority of services through its own fostering services is likely to have relatively low spend even if a high proportion of its purchased services are obtained via the framework.

### **3. Procurement Process**

#### **Development of the strategy**

A series of meetings were held with key local authorities to discuss options for the procurement strategy. Local authorities were also surveyed to gauge views about future requirements.

The UIG agreed to expand the framework to include enhanced/specialist services and short breaks, but without a detailed specification for enhanced/specialist services, instead requiring providers to provide information about the specific services offered and their prices. This option allows the majority of local authorities' requirements to be covered by the framework, and increases transparency, but avoids the difficulties of agreeing multiple specifications for diverse services.

#### **Stakeholder engagement**

Development of the framework has included consultation and engagement with a range of stakeholders. In addition to local authorities, engagement with other stakeholders included:

- A Prior Information Notice (PIN) issued in July 2015 relating to consultation on the framework development
- A further PIN issued in May 2016 seeking views from providers and other interested organisations on the draft service specification.
- Discussion with organisations representing providers and foster carers
- Discussion with the Centre for Excellence for Looked After Children in Scotland (CELCIS)

Views of children and young people were obtained in development of the current framework specification, which forms the basis for the new framework, and advice from CELCIS and local authorities indicated that these were still valid. A review of recent research involving children and young people's and foster carers' views about fostering services was undertaken and key points included in the service specification.

#### **Tender strategy and evaluation**

The framework falls under the new EU "light touch" arrangements, for social and other services implemented via the Public Contracts (Scotland) Regulations 2015, and was advertised in the Official Journal of the European Union and via the Public Contracts Scotland portal. Providers had the option to bid for one or both service options.

An open-type procedure was used to encourage maximum provider participation and facilitate as much choice of services and providers as possible. A voluntary standstill procedure will be undertaken before awards of participation on the framework are made.

The tender included qualification, technical/quality and commercial elements.

Evaluation of the tenders was in two stages. At stage one (qualification), offers were examined to ensure that the bidder met basic financial, technical and business robustness criteria, using the new European Single Procurement Document (ESPD)(Scotland). Only those bidders passing stage one had their commercial and quality/technical offers evaluated. The minimum selection criteria providers were required to meet were:

- appropriate registration with the Care Inspectorate;
- Care Inspectorate quality grades of 4 or above for all quality themes;
- no current inspection requirements set by the Care Inspectorate where there is a lack of evidence of improvement or plans to improve;
- satisfactory foster care agreement documents;
- minimum levels of insurance cover or the ability to obtain the required levels; and
- satisfactory financial stability.

To ensure new entrants to the market were not disadvantaged, provision was included for any bidder who did not hold the relevant registration or quality gradings to be recommended for award, which award will be deferred until satisfactory evidence has been supplied of achieving registration and/or quality grades, provided this is within 12 months (or such other period determined by Scotland Excel) of the start of the framework (deferred award).

The second stage of the tender was evaluated on quality and price. The following weightings were used:

- 70% - quality/technical competence
- 30% - commercial.

The quality section assessed elements including managing placement crisis, quality of staff and quality of foster carers, and implementation of national indicators. Bidders were also asked to provide details of the community benefits they would offer during the framework and information relating to the Living Wage and Fair Employment.

Bidders were invited to offer for one or both of the service options, and to offer weekly agreed fees in each service option for which they wished to be considered. An agreed fee for each of four age bands (0-4, 5-10, 11-15 and 16-17) was required in Service Option 1 and for the purposes of evaluation a single agreed fee for all ages was required in Service Option 2- Enhanced Services. Weightings based on spend on the current framework were applied for the age bands. Bidders were also invited to offer discounts defined in the tender for specific aspects which were weighted based on spend in the current framework and scored in both service options.

Bidders were able to submit prices for optional additional services (not scored) which will be available to local authorities to assist with setting up tailored services for individuals.

The agreed fee for Service Option 1 covers delivery of the core service. The agreed fee for Service Option 2 covers three elements: delivery of the core service; delivery of additional key specified minimum requirements for an enhanced service; and the elements of service additional to these which comprise the specific service as detailed by each bidder.

#### **4. Report on Offers Received**

Offers were received from 15 organisations. There were 13 offers for Service Option 1- Standard Service, and 41 offers under Service Option 2 – Enhanced Services. A full evaluation was undertaken of all bids using the evaluation methodology and criteria advertised in the tender. Details of the SME status and location of these organisations is summarised in Appendix 2 – SME Status, and a summary of the scores they achieved is shown in Appendix 3 – Scoring and Recommendations.

At the time of submitting tender responses, one bidder did not meet the registration and grading requirements. If this is still the case at the start of the framework, award to this provider will be deferred until satisfactory evidence that the requirements are met is received, as long as this is achieved within 12 months or an alternative timescale as deemed appropriate. The bidder has indicated it is in the process of becoming registered, and so it is anticipated that the requirements may be met within a shorter timescale.

#### **5. Recommendations**

One of the objectives of the framework is to give maximum choice of services and providers available to meet diversity of needs. All bidders have or are expected to achieve the minimum quality requirements. It is therefore recommended that participation on the framework agreement be awarded to all 15 bidders who submitted compliant bids as detailed in Appendix 3 – Scoring and Recommendations.

#### **6. Benefits**

##### **Pricing**

As with the current framework the new framework will be based on the requirement to make placement decisions appropriate to the individual needs of each child, and so it is not expected that the new framework will provide significant opportunities for savings. Comparison between the weekly prices charged by providers under the current framework and the bid prices for standard services tendered by the same providers indicates an estimated overall increase of around 1.5%.

Review of relevant market indices confirms an inflationary increase of over 2.5% over the current framework period. The prices for all except two of the providers under the current framework have remained fixed since 2013, with an overall average framework price impact of only 0.3% incurred.

The bespoke nature of enhanced services makes it difficult to compare framework pricing for Service Option 2 and the services currently being purchased by local authorities. The framework however will enable local authorities to have clearer information about enhanced services, including pricing.

### **Price Stability**

As with the current framework, providers will have an option to request price review on an annual basis. Any such requests will require to be accompanied with satisfactory documentary evidence, and elements will be limited by the change in the Consumer Price Index or 2% as specified in the framework agreement.

### **Sustainable Procurement Benefits**

Tenderers were requested to consider sustainability issues within the technical section of the tender, and the framework agreement embodies a number of potential sustainability benefits.

The framework supports children and young people who may be disadvantaged in society. It aims to increase the life choice and opportunities for these individuals. It also supports local employment and skills development in the care sector.

### Community Benefits

Bidders were asked to detail the community benefits initiatives they would commit to deliver during the lifetime of the framework. These commitments will be used as a baseline and progress monitored through reports from each organisation throughout the life of the framework. Community benefits offered include:

- 43 full time and three part time new employees
- 440 hours of accredited training to employees and 768 hours of accredited training to non-employees
- work placements
- use of local community venues
- charitable donations
- carer pamper days linking with local college students
- use of local tradesmen for office maintenance
- excess furniture donations to charity

### Living Wage

The tender made clear the expectation that payment of the Scottish Living Wage will be promoted and encouraged through the framework. All bidders have confirmed that they pay their staff at least the Scottish Living Wage, and six organisations said they are either accredited with the Living Wage Foundation or are going through accreditation, while a further two committed to becoming accredited within the initial two years of the framework.



### Fair Work Practices

Bidders were asked to provide a statement detailing their approach to fair work practices and retention of staff. Responses included a range of salary related, contractual and additional benefits including flexible working, staff training and development programmes, employee support and staff engagement structures. Many also promoted wellbeing and work-life balance and offered various staff discounts. Three organisations stated they had Investors in People or other staff awards or accreditations. The responses to this question will be reviewed periodically during the framework to ensure high standards of employment practices are maintained.

### Other Benefits

The framework will also offer opportunities for:

- understanding the nature of specialist and enhanced services and the similarities and differences between services;
- differentiating more clearly between standard and enhanced services and gaining greater understanding of the costs;
- measuring the uptake of continuing care services;
- understanding the needs of young people in continuing care services and how these differ from fostering services;
- increased transparency in the relationship between price and service delivery;
- understanding differences between different enhanced services.

The new framework will also provide the following additional benefits:

- support to purchasers in meeting their responsibilities in relation to changes in legislation and national policy, through a revised service specification for core services that incorporates learning from the current framework and both covers implemented changes, and takes account of expected changes;
- greater flexibility for purchasers to purchase individualised services through an additional service option for enhanced services, as well as by allowing for purchasing of short breaks and continuing care placements;
- greater clarity of information about the nature of enhanced services – a new basic specification sets key standards and provider-defined specifications will allow comparison and choice;
- discounts for long term and sibling placements, permanence and volume placements; and
- improved transparency in relation to fees.

## **7. Contract Mobilisation and Management**

Contract mobilisation will take place as soon as award notices have been issued, and is expected to continue during the initial months of the framework. Mobilisation briefings with each provider will be held as soon as possible.

Written guidance and information packs will be developed for local authorities. Briefing meetings for local authorities will be held on a regional basis and they will also be offered further local support as required.

The membership of the UIG will be reviewed on completion of the tender to form an ongoing contract management reference group.

Contract management will involve meetings with providers to discuss operational issues and opportunities for improvements at least annually or more frequently if required. Issues relating to performance will be referred to the contract management reference group.

Management information will be gathered by Scotland Excel on a quarterly basis including information about usage and spend, reasons for end of placements, types of enhanced and additional services, continuing care and on a six monthly basis about community benefits delivered and payment of the Scottish Living Wage. Providers will also be required to submit management information to purchasers where requested. An annual report will be produced summarising activity and performance on the framework.

## **8. Summary**

The national framework continues and develops the expectations of high quality fostering services established by the current foster care services framework. It brings additional value by expanding the scope to include enhanced services, covering the majority of local authority requirements for externally purchased fostering services. The framework also enables local authorities to support young people who choose to stay on in their fostering placement as a continuing care service, promoting stability and continuity of support. Local authorities will have greater choice of services, and better access to information about their content and price.

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



## Appendix 1 – Participation, Spend and Savings Summary

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data
Aberdeen City Council	Yes	25 March 2017	£4,262,145	Management Information
Aberdeenshire Council	Yes	25 March 2017	£750,121	Management Information
Angus Council	Yes	25 March 2017	£20,000	Member Provided
Argyll & Bute Council	Yes	25 March 2017	£82,043	Management Information
City of Edinburgh Council	Yes	25 March 2017	£3,311,617	Management Information
Clackmannanshire Council	Yes	25 March 2017	£867,298	Management Information
Comhairle nan Eilean Siar	Yes	25 March 2017	£0	Management Information
Dumfries and Galloway Council	Yes	25 March 2017	£0	Management Information
Dundee City Council	Yes	25 March 2017	£1,967,708	Management Information
East Ayrshire Council	Yes	25 March 2017	£605,422	Management Information
East Dunbartonshire Council	Yes	25 March 2017	£802,888	Management Information
East Lothian Council	Yes	25 March 2017	£278,612	Management Information
East Renfrewshire Council	Yes	25 March 2017	£206,532	Management Information
Falkirk Council	Yes	26 March 2017	£0	Management Information
Fife Council	Yes	25 March 2017	£3,883,640	Member Provided
Glasgow City Council	No	n/a	n/a	n/a
Highland Council	Yes	25 March 2017	£50,000	Member Provided
Inverclyde Council	Yes	25 March 2017	£256,611	Management Information
Midlothian Council	Yes	25 March 2017	£608,858	Management Information
North Ayrshire Council	Yes	25 March 2017	£633,000	Management Information
North Lanarkshire Council	Yes	25 March 2017	£759,340	Management Information
Orkney Islands Council	Yes	25 March 2017	£0	Management Information
Perth & Kinross Council	Yes	25 March 2017	£850,000	Member Provided
Renfrewshire Council	Yes	25 March 2017	£1,470,745	Management Information
Scottish Borders Council	Yes	25 March 2017	£72,917	Management Information
Shetland Islands Council	Yes	25 March 2017	£0	Management Information
South Ayrshire Council	Yes	25 March 2017	£1,482,275	Member Provided
South Lanarkshire Council	Yes	25 March 2017	£454,765	Management Information
Stirling Council	Yes	25 March 2017	£91,817	Management Information
The Moray Council	Yes	25 March 2017	£640,656	Management Information
West Dunbartonshire Council	Yes	25 March 2017	£1,112,604	Member Provided
West Lothian Council	Yes	25 March 2017	£406,716	Management Information
<b>Total</b>			<b>£25,928,330</b>	

## Appendix 2 - SME Status

Bidder	SME Status	Location	Service Options Tendered
Barnardo's	Large	Edinburgh	1 and 2
Carevisions Fostering Limited	Small	Stirling	1 and 2
Carolina House Trust	Small	Dundee	1 and 2
Core Assets Scotland Limited trading as Foster Care Associates Scotland	Medium	Glasgow	1 and 2
Dean and Cauvin Trust	Small	Edinburgh	2
Foster Care Connect Ltd	Micro	Galashiels	1 and 2
Fostering People Scotland Ltd	Micro	Dundee	1 and 2
Fostering Relations Limited	Small	Dalgety Bay, Fife	1 and 2
Fostering Solutions (Northern) Ltd	Small	Bolton	1
Fosterplus (Fostercare) Ltd	Medium	Edinburgh	1 and 2
Quarriers	Large	Bridge of Weir	2
St Andrew's Children's Society Ltd	Small	Edinburgh	1
Swiis Foster Care Scotland Ltd	Medium	Dunfermline	1 and 2
The Adolescent and Children's Trust	Medium	Edinburgh	1 and 2
The National Fostering Agency (Scotland) Ltd	Medium	Uxbridge, Middlesex/Stirling	1 and 2

### Appendix 3 - Scoring and Recommendations

Service Option 1 – Standard Service	
Bidder	Score
Fostering People Scotland Ltd *	77.1
Core Assets Scotland Limited trading as Foster Care Associates Scotland *	73.9
Swiis Foster Care Scotland Ltd *	73.6
Barnardo's *	71.0
The Adolescent and Children's Trust *	69.8
Fostering Solutions (Northern) Ltd *	68.7
Carevisions Fostering Limited *	65.0
The National Fostering Agency (Scotland) Ltd *	63.9
Foster Care Connect Ltd *	61.3
Carolina House Trust *	59.1
Fostering Relations Limited *	54.3
St Andrews Children's Society Ltd *	53.3
Fosterplus (Fostercare) Ltd *	53.3

Asterisk (\*) denotes recommended providers

Service Option 2 – Enhanced Services			
Bidder	Service Name	Score	DEFERRED AWARD
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Team Parenting	73.0	
Swiis Foster Care Scotland Ltd*	Enhanced Service	70.3	
Swiis Foster Care Scotland Ltd*	Permanence Service	70.1	
Fostering People Scotland Ltd*	Specialist	67.6	
Swiis Foster Care Scotland Ltd*	Parent & Child Service	66.8	
Barnardo's *	1. Complex Needs	66.6	
Fostering People Scotland Ltd*	Parent & Child (P&C)	65.1	
Fostering People Scotland Ltd*	Disability	63.3	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Solo Placements	63.2	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Placements for Children and Young People with Disabilities	63.2	
Fostering People Scotland	Singleton	62.4	

Ltd*			
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Parent and Child	<b>60.7</b>	
The National Fostering Agency (Scotland) Ltd*	Children / Young People with Disabilities	<b>60.1</b>	
Core Assets Scotland Limited trading as Foster Care Associates Scotland*	Step Down Placements	<b>59.6</b>	
Fostering People Scotland Ltd*	Transitions	<b>59.3</b>	
The Adolescent and Children's Trust*	Complex Needs	<b>57.6</b>	
Carolina House Trust*	2. Parent and Child	<b>56.4</b>	
Barnardo's *	2. Solo	<b>56.2</b>	
Carolina House Trust*	1. Short Breaks	<b>55.6</b>	
Quarriers*	Foster Care Services for Children with Disabilities including Learning Disabilities, Autism, Challenging Behaviours and Physical Disabilities	<b>55.6</b>	
Fostering Relations Limited*	Parent and child	<b>54.1</b>	
The Adolescent and Children's Trust*	Solo	<b>54.1</b>	
The National Fostering Agency (Scotland) Ltd*	Children / Young People with Complex / Challenging Behaviour	<b>53.6</b>	
The National Fostering Agency (Scotland) Ltd*	Parent and Child	<b>52.4</b>	
Carevisions Fostering Limited *	1) Parent and Child Placement	<b>51.8</b>	
Foster Care Connect Ltd*	Children and Young People who have suffered trauma	<b>51.2</b>	
Foster Care Connect Ltd*	Children and Young People who present complex and challenging behaviour	<b>51.2</b>	
Foster Care Connect Ltd*	Children and Young people who require intensive support	<b>51.2</b>	
Dean and Cauvin Trust*	Young People with Complex/ Challenging Behaviour	<b>50.9</b>	DEFERRED AWARD
Dean and Cauvin Trust*	Parent and Child	<b>50.7</b>	DEFERRED AWARD
Fostering Relations Limited*	Other - Solo	<b>50.5</b>	
Fostering Relations Limited*	Children/Young People with disabilities	<b>50.5</b>	

Carevisions Fostering Limited *	2) Intensive Support Placement	<b>49.6</b>	
Carolina House Trust*	3. Augmented Placement	<b>49.3</b>	
Dean and Cauvin Trust*	Intensive Support	<b>48.7</b>	DEFERRED AWARD
Dean and Cauvin Trust*	CYP who has suffered severe Trauma	<b>48.7</b>	DEFERRED AWARD
Fosterplus (Fostercare) Ltd*	Enhanced Service - Complex	<b>48.6</b>	
Barnardo's *	3. Short Breaks	<b>48.6</b>	
Barnardo's *	4. Parent and Child	<b>48.2</b>	
The Adolescent and Children's Trust*	Child and Parent	<b>39.4</b>	
Fosterplus (Fostercare) Ltd*	Enhanced Service - Parent and Child	<b>37.6</b>	

Asterisk (\*) denotes recommended providers