

Assistant Executive Member update for the Children and Young People's Policy & Scrutiny Panel, 18th November 2016.

Social Impact Bond Update

There is good progress towards procuring a new edge of care service funded via social investment. The competitive dialogue phase is now complete and final tenders have been received and are currently being evaluated. We are therefore on track for the Executive to make a decision about contract award in December.

There are two bidders for the contract: Outcomes for Children (Part of Core Assets Group Ltd.) and Action for Children. Both are large, well established providers of children's services, who provide edge of care services, including social impact bond services in other areas. Each bidder is working with a large social investment provider who is willing to provide up-front finance for the service and share a proportion of the risk.

The proposed service will be for children aged 10-17 who are at imminent risk of becoming looked after under voluntary agreement with their parents. It is estimated that there are 50 children per year in this group, the vast majority to whom will become looked after with treatment as usual. In addition there are a small group of around 40 children currently looked after but with a plan to return home to their families, where the new service will aim to get them back home safely more quickly. Following a successful bid, Big Lottery funded the development of the business case for the service, and have agreed in principle to contribute up to £293,000 towards the outcomes payments.

A detailed briefing on the two bids was provided to the Policy and Scrutiny Panel's Foster Care task and finish group on Thursday 27 October. As the final tenders had not been received at this point, the Scrutiny Working Group provided a forum where members could be fully briefed confidentially without compromising the competitive procurement process. Members have been involved in each stage of the procurement, from policy formulation, through consideration of the business case to evaluation of the bids:

- A session on social impact bonds for all members was held on 17 September 2014;
- A working group session of the whole CYPS Policy and Scrutiny Panel considered the full business case in November 2015, and informed the decision to proceed with the procurement;

- As Assistant Executive Member I have taken part in the evaluation panel with officers from the Strategic Procurement Team, Finance, Support and Safeguarding and Policy and Transformation.

The bids are being evaluated against the criteria set out in the table below, with a weighting of 40% for financial aspects and 50% for quality and 10% for implementation.

Area	Criteria	Weighting
Financial	Cost of delivery to the council: - Lifecycle cost of outcome payments over 4 years (best, worst and base cases) - Cost of council obligations	25%
	Contractual Delivery Model: - Security of investment - Balance of risk between parties - Provider incentivisation - Overall financial viability	15%
	Quality of intervention: - Likelihood of success (evidence base) - Impact on/Risks to family - Risks to council (non financial) - References	25%
Quality	Quality of people delivering the intervention - Relevant experience - Qualifications and training	15%
	Quality Assurance/Governance: - Performance Management - Performance Measurement - Quality Assurance - Continuous improvement - Management of sub-contractors	10%
Implementation	Implementation and mobilisation: - Recruitment and retention - Timescales - Mobilisation	10%

The bids received support the view that there is scope to enable more children to remain with their families rather than becoming looked after, improving outcomes and also avoiding significant costs for the council. A key decision report will therefore now be prepared for the Executive on 6 December which will recommend that a contract is awarded to the bidder which scores highest in the evaluation.

Best regards,

Cllr Lisa Pilgrim