

Finance and Resources Committee

10.00, Thursday, 27 November 2014

Supported Employment Service

Item number	7.27
Report number	
Executive/routine	
Wards	All

Executive summary

This report seeks the approval of the Finance and Resource Committee to approve the award of a Supported Employment service. The term of the contract will be four years with an option to extend for up to two years.

This is a result of a comprehensive review conducted by the Economic Development Service on the budget investment allocated for job seekers with a disability. The outcome of this review was to procure a Supported Employment service and this was approved at the Finance and Economy Committee on 17 November 2013.

Links

Coalition pledges	P29 , P30
Council outcomes	C08 , C09
Single Outcome Agreement	SO1 SO2

Supported Employment Service

Recommendations

- 1.1 It is recommended that the Finance and Resource Committee approves the award of a four year contract for a Supported Employment service to the Consortium of Edinburgh Supported Employment (CESE). ENABLE Scotland will act as the lead within the consortium which includes Forth Sector, IntoWork and the Action Group.
- 1.2 The Supported Employment contract will be for a period of four years (with the option to extend for up to two years).
- 1.3 We further seek approval to authorise the Director of Economic Development to agree the final terms of the contract and to implement the contract.

Background

- 2.1 In 2013 Employability and Skills in The City of Edinburgh Council undertook a comprehensive review of the employment goals, aspirations and requirements of disabled Edinburgh residents seeking employment support. This included a review of services and service models.
- 2.2 From this review a gap in provision was identified. The City of Edinburgh Council through Employability and Skills subsequently commissioned a supported employment service in line with the Scottish Government's Supported Employment framework. This supported employment provision is for job seeking Edinburgh residents with a disability.
- 2.3 The proposed new service significantly increases the number of job outcomes and includes a service provision to help people sustain their job outcome and progress within it.

Main report

- 3.1 This service falls within The Public Contracts (Scotland) Regulations 2012 Part B services. Although a Part B Services Contract is not subject to the full rigours of the regulations, the requirement for openness, transparency and fair and equal

treatment remains, as does the need to comply with the Council's Standing Orders.

- 3.2 To provide maximum market engagement a Future Contract Notice was published on Public Contracts Scotland (PCS) website 8 February 2014 to engage with potential providers on the redesign of the services. 30 organisations noted interest and attended a market testing event on 4 February 2014. This early engagement supported the co-production development of the final specification for the service.
- 3.3 An open tender was placed on the Public Contract Scotland website on 12 June 2014 and 25 organisations noted interest in the opportunity. From those noting interest four organisations submitted a tender on 5 August 2014. Of these, two organisations put forward a consortium proposal and the other two put forward partnership/subcontracting proposals.
- 3.4 To ensure only the highest quality proposals were considered a quality threshold rating of 60% was applied to the qualitative evaluation. All organisations who met this standard were then evaluated on the basis of the most economically advantageous tender with 60% overall for quality and 40% for price. The Criteria for Selection and Award and the scoring mechanism used are provided in the Appendices 1, 2 & 3
- 3.5 Price evaluation considered the total overall cost of the service and the unit cost associated with achieving the performance outcomes. The total price for the service will be split for payment with 70% paid for operational delivery and 30% for achievement of performance outcomes; this approach will support best value from the contract.
- 3.6 A scoring panel representing Health and Social Care, Economic Development and Capital City Partnership was formed to assess the score the applications.

Measures of success

- 4.1 The offer includes a minimum of 552 outcomes against a benchmark of 500 (+10%) to support clients with a disability into part and full time work, subsequent sustainment in work, in-work progression and also self-employment.
- 4.2 The new service delivers in line with the Scottish Government's Supported Employment framework, bringing The City of Edinburgh Council in line with national policy drivers.

Financial impact

- 5.1 A budget of £6,454,590 based on a four year contract plus up to two years extension option was historically allocated to this service area.

- 5.2 The recommended supplier is offering an annual cost of £1,011,531. Total contract cost including up to two year extension option gives a final budget of £6,069,186. This represents a 6.3% saving or £68,134 per annum against budget.
- 5.3 To ensure best value is demonstrated, the funding for the service will be split with 70% awarded for running costs and 30% for performance outcomes.
- 5.4 The price offer from Consortium of Edinburgh Supported Employment is the bid providing best value for the City of Edinburgh Council.
- 5.5 The costs associated with procuring this contract are estimated at from £20,001 - £35,000.

Risk, policy, compliance and governance impact

- 6.1 An identified risk is that the economy significantly changes and the resource has to be realigned to meet different demands.
- 6.2 The proposed supplier is a consortium of four main organisations. A risk would be that they have significant differences on how the service should be developed and delivered and that these cannot be resolved.
- 6.3 Employability and Skills in Economic Development has a third party arms length monitoring company and there will be a dedicated contract manager from this to ensure contractual compliance and budgetary accountability takes place, including the monitoring of a management information system and quarterly audit visits.
- 6.4 There will also be a quarterly steering group led by a senior manager in Employability and Skills to co-ordinate and manage the overall development of the service and address any issues arising.

Equalities impact

- 7.1 An equalities impact assessment was conducted as part of the review that informed this process. Clients were widely consulted through focus groups, one to one interviews and an online and hard copy survey. Additional focus groups were arranged as a result of further public consultation events and the findings informed the specification.
- 7.2 Gaps in service to disabled clients were identified and the review recommendations led to the new commissioned service which widened the service to create a more equitable offer reaching all people with a disability in a more clearly defined and accessible way.

- 7.3 Through the Community Benefits section of the specification which highlighted client involvement as an essential part of the contract, there will now be significant client participation and ownership of the new service.

Sustainability impact

- 8.1 The new contracted service will have a core contract offer of four years, with an additional two year renewal. This will provide the successful contractor with a long term security to develop the service.
- 8.2 The long term impact of the new service is to secure sustained employment outcomes for job seekers with a disability, while strengthening in-work support that is the key to sustainability and building relationships with employers.
- 8.3 The greater involvement of service users and providers in the design of the new service has also helped to drive innovation, align services to client need, and increase the sustained outcomes achieved through this investment.
- 8.4 Furthermore the change in service model has been supported through wider collaboration effort across the Council, partner agencies and employers leading to a more lasting service offer than is widely supported and understood. This partnership development work has also led to new initiatives being developed, such as Project SEARCH in the council to offer internships to young people on the autism spectrum.
- 8.5 By setting out a specification to encourage range of organisations to come together in a consortium partnership, the new service will also radically increase the depth, range and quality of service on offer to enable all disability client groups to engage.
- 8.6 By following a transparent procurement route, we have also been able to attract additional European Social Funds to this contract which makes the project more sustainable.

Consultation and engagement

- 9.1 There has been extensive consultation with services, stakeholders and clients in a range of accessible formats with a particular emphasis on engagement with clients. This included surveys in accessible formats, one to one interviews, focus groups with assistance where required (i.e. flashcards, British Sign Language interpreter) and public consultations again with additional support needs where required.
- 9.2 A Project Board of key stakeholders and representatives was formed to oversee and guide the review process that informed the specification and service design,

identifying gaps and opportunities. Benchmarking of five other local authorities and employers also took place. A series of public consultations was also delivered in May 2013.

- 9.3 Further market testing and co-production was conducted in February 2014 with 28 organisations attending. A Bidders event to inform potential bidders of the process was also held in June 2014.
- 9.4 Elected Members were also engaged in the consultation, meeting with service providers, listening to their concerns and ensuring the overall process gave due consideration to future developments while recognising the wealth of experience already in existence. The specification for the service design reflected the outcome of these discussions.

Background reading/external references

Coutts, P. (2011). [*The Context for Supported Employment in Scotland 2011/12*](#)

Coutts, P. and Riddell, S. (2012) [*Employers' Views of Supported Employment for Disabled People in Scotland*](#) SUSE & The University of Edinburgh

Department for Work & Pensions (2012) [*Disability Employment Support: Fulfilling Potential*](#). London, Department of Work and Pensions

Sayce, L. (2011). [*Getting in, staying in and getting on. Disability Employment Support for the Future: A Review to Government*](#). Department of Work and Pensions.

Scottish Government. (2010). [*A Working Life for All Disabled People: The Supported Employment Framework for Scotland*](#). Edinburgh

Scottish Government. (2010). [*Self-Directed Support: A Draft Bill for Consultation*](#). Edinburgh

Scottish Government. (2011). [*Scottish Strategy for Autism to ensure that progress is made across Scotland in delivering quality services for people with autism and their families*](#). Edinburgh

Scottish Government. (2012). [*Mental Health Strategy for Scotland: 2012-2015*](#). Edinburgh

Scottish Government. (2012). [*Working for Growth: A Refresh of the Employability Framework for Scotland*](#). Edinburgh

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Finance and Resource Committee – November 2014

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Links

Coalition pledges	P29 - Ensure the Council continues to take on apprentices and steps up efforts to prepare young people for work P30 - Continue to maintain a sound financial position including long-term financial planning.
Council outcomes	CO8 - Edinburgh's economy creates and sustains job opportunities CO9 - Edinburgh residents are able to access job opportunities
Single Outcome Agreement	SO1 - Edinburgh's Economy delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
Appendices	Appendix 1- Summary Tender Process Appendix 2 – Award Criteria Appendix 3 – Scoring Methodology

Appendix 1 – Summary Tender Process

Summary of Tendering and Tender Evaluation Processes

Contract	Employee Assistance Programme
<i>Contract Period</i>	1 April 2015 to 31 March 2019 with the option to extend for two years.
<i>Estimated contract value</i>	£1,011,531 (Annual) £4,046,124 (Total less extensions)
<i>Standing Orders observed</i>	Open Procedure
<i>EC Directives</i>	2004/18/EC
<i>Tenders Returned</i>	4
<i>Tenders fully compliant</i>	4
<i>Recommended Provider/s</i>	One
<i>Primary Criterion</i>	Most economically advantageous tender to have met the qualitative and technical specification of the client department'
<i>Evaluation criteria and weightings and reasons for this approach</i>	Quality (60%) – minimum threshold 60. Price (40%); Quality was of higher importance due to the nature of the provision; minimum threshold ensured low quality bid could not win. Price weighting demonstrated this was important with bidders encouraged to work together to bring economies.
<i>Evaluation Team</i>	Officers from Health & Social Care, Capital City Partnership & Economic Development and Corporate Finance.

Appendix 2 – Award Criteria

Qualitative Criteria

Award Criteria	Weighting (%)
Delivery	25%
Meeting Client Needs	15%
Stakeholder Engagement & Marketing	15%
Staffing & Resources	15%
Quality Management & Reporting	10%
Implementation / Contingency Plan	10%
Community Benefits	10%
Total	100%

Bids were assessed using the above criteria; the highest quality scored bid was awarded 60% and the lowest priced tender was awarded 40%. The resultant score for the Tender is as follows:-

Bidder	Quality (60%)	Price (40%)	Unit Cost £	Total (100%)
ENABLE Scotland	60.0%	37.3%	£7,332	97.3%
Bidder A	40.3%	40.0%	£6,828	80.3%
Bidder B	39.5%	39.8%	£6,867	79.3%
Bidder C	41.8%	30.4%	£8,971	72.2%

Appendix 3 – Scoring Methodology

Scoring Methodology

Score	Description
0 Unacceptable	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1 Poor	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
2 Acceptable	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
3 Good	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
4 Excellent	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.