

Acceptance and use of Department for Education grant funding for Children's Social Care Data and Digital Solutions – 2a User research into social worker inputted data to CMS and approval to directly award a contract to Social Finance Limited under Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015.

Date: 22 March 2023

Report of: Head of Service Performance Management and Improvement

Report to: Chief Officer Resources and Strategy

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

In October 2022 the Department for Education (DfE) published a funding prospectus focused on digital and data solutions for children's social care. Leeds City Council saw an alignment and opportunity with project *2a User Research into social work data into case management systems*. This supports our priority to ensure that recording requirements for social workers are proportionate and add value; with the added benefit of Leeds being funded to support national practice and data collection agendas.

There was a short application window with submissions on 4 November 2022 against a detailed specification of in part defined requirements.

Leeds' practice model and practice culture added value to the research and we looked to maximise the benefits of our application within the scope of the DfE specification. Given Leeds priorities around focusing social work capacity on social work and that recording was an existing national issue we had been discussing future funding opportunities. Approaches by Social Finance Limited had prompted these conversations. When we evaluated the DfE proposed research options, this was a good match with our priorities and with existing discussions. With the short turn around, it made sense to build on the work and relationships established. This led to a credible and successful bid.

The Council was notified of its success on 22nd December 2022. This is for £319,000 of funding split across 2022/2023 and 2023/2024. Social Finance Limited will be contracted to deliver key aspects of this work and to support Leeds City Council involvement and development. Part of the Leeds capacity is intended for organisational learning from involvement in the work. The work will align with local improvements in recording practice and will inform future development of our case management system. DfE are keen to get this approved and to progress at pace, funding for the next financial year being dependent on that.

Recommendations

The Chief Officer Resources & Strategy is recommended to:

- a) Approve the receipt of the DfE grant funding and acceptance of terms for the grant.

- b) Agree to directly award a contract to Social Finance Limited (“Social Finance”) to support work and undertake key background and research aspects of this work under Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015.

What is this report about?

Leeds City Council following a short application window has been successfully awarded a grant of £319,000 to support DfE user research into Social Work case recording. This is against a DfE specification that aligns with Leeds priorities and to which Leeds can add value to national sector-led improvement. This report firstly is to agree acceptance of the grant and grant conditions. Noting that the grant is for 2022/23 and 2023/24 financial years and year 2 funding is conditional on progress. Funding is in retrospect with the Council raising invoices to the DfE for costs incurred, this includes Social Finance costs. These Social Finance costs are planned and known to the DfE, Social Finance will invoice Leeds City Council for work completed

The application was prepared with the involvement of Social Finance, a non-profit, that has established relations with Leeds and with Government. Prior to the application, the Council had been discussing research and related funding opportunities with Social Finance. The focus of these conversations aligned with the DfE specification into user research for case recording. This report secondly seeks permission to directly award a contract to Social Finance to enable delivery of the research work to DfE expectations.

What impact will this proposal have?

To enable research through securing funding to support a better understand of our social work recording practice, both the experience of social workers and the underlying drivers, including DfE requested data for national returns. Through listening to social work practitioners this will inform local improvements, helping to ensure recording is of value. The ambition being quality casefiles that keep children safe, provide a necessary record and support improved outcomes, this includes how we most efficiently collect and collate proportionate data that empowers our understanding and response to need at all levels. The research will inform national practice, including the data asked for nationally.

The core of this is user research with Social Workers. This will support local priorities on ensuring social work capacity is focused on social work, while ensuring we have the recording in place to ensure quality case work and effective decision making. Secondary research will support and shape the user engagement and the conclusions. This is an opportunity to be part of a national conversation and to feedback on how national recording expectations are impacting. This enables Leeds to contribute, shape and learn as an outstanding authority. We will consider the experience of the case holding social worker, of a social worker coming new to a case and the needs of management, leadership, other social workers and other professionals involved in and reliant on case information. The needs of the child and family now and later in life will be fully recognised.

Background to bid

Case recording is a local and a national focus. Part of the conversation is how do digital technologies improve how information is recorded, shared and used, including for analytics. In October 2022, the DfE published a funding prospectus focused on digital and data solutions for children’s social care. There was a short application window, and the prospectus was prescriptive in the funding opportunities available. It was also prescriptive in which local authorities could apply and expectations of delivery at pace.

For Leeds City Council there was an alignment and opportunity with project *2a User Research into social work data into case management systems*. This supports the Council’s priority to ensure that recording requirements for social workers are proportionate and add value; with the added benefit of Leeds being funded to support national practice and data collection agendas. The Council had been having exploratory conversations with a non-profit Social Finance over potential funding for social care user research into case recording. Their capacity and connections supported the Council in a successful bid and will support the Council in responding to DfE timelines. Their involvement was specified and costed in the bid approved by the DfE.

The bid and resulting work are supportive of and will be undertaken in conjunction with local service and digital improvements, for example the development of the group working functionality in Mosaic.

A consortium of Authorities led by Essex County Council and with the support of Data for Insights has also been awarded funding for this grant. The Council are in regular contact to make the most of any synergies in our approach, in aligning around DfE requirements and then in conclusions reached. They are focusing on children in care. Our current plans are to ensure we have a focus on assessment, on CIN post assessment and on child protection. We are open to working with the Essex group to the extent it matches with Leeds priorities.

The funding letter has a statement of deliverable for 2022/23. Progress with the DfE is having fortnightly progress calls and then regular monthly show and tell calls with a wider audience. Objectives for 2022/23:

- Governance approvals for receipt of grant and contracting agreement for delivery
- Initial project plan agreed
- Agree finalised project plan for user research
- Summary of secondary research into CMS processes and challenges is delivered
- Initial overview of CSC practice context is delivered
- List of assumptions for testing is delivered
- User research plan agreed and participants identified
- User research recruitment of participants is completed
- User research interviews with participants started
- Business analysis resource is secured for year 2

Funding for 2023/24 is conditional on progress against the above. Funding was based on:

- 2022/23 Leeds City Council internal costs £48.3k Social Finance £105.3k
- 2023/24 Leeds City Council internal costs £75.1k Social Finance £90.5k

For 2022/23 Leeds City Council Costs will be against existing Children's and Families staff allocated time to the project. For 2023/24 the Council will assess the potential of continuing this arrangement but be open to the potential for internal secondments or short term external contracted support. Local and national alignments will inform any decision. Business analysis is one area of focus for both the Council and the DfE. Mapping aspects of Mosaic workflows and mapping how DfE national data requirements are met through Mosaic recording are potential areas of work. How this aligns with DfE capacity, with Essex led work and with local case recording developments is being worked through. The Council is confident of internal capabilities and Social Finance support; staff capacity and the linkages between local and national work will determine how 2023/24 LCC funding is used.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

The DfE bid was submitted on the basis of being consistent with Leeds City Council priorities. With these priorities being matched to the DfE prospectus. This bid is about making best use of resources (staff, technology for case recording and resulting case information and child/service data). In doing so offering effective support to children and families, ensuing safeguarding and improved outcomes. This supports our best city ambition addressing the challenge of starting well. A good start underpins lifelong health and well-being including being engaged in the community and in the workforce, supporting inclusive growth. This bid supports improving how we work with children and families where there are immediate risks to health and well-being and potential long-term risks, these include to learning and engagement in the workforce. This work will ensure that case recording is proportional and efficient. Considering the information needed to inform effective conversations and decisions from child case level to national policy level. This includes the needs of the child now and later in life.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

This bid is consistent with Council and service priorities and reflecting local workforce and service practice priorities. The awarding of the grant is to enable consultation in terms of user research with social work staff. The decision to apply was based on on-going conversations at local and national levels of improving social work. The application to the DfE was based a best fit of local priorities with national specifications. Local priorities are based on engagement inclusive of members and staff. With the successful bid relevant briefings will be undertaken.

What are the resource implications?

This work supports improvement in use of our staff and digital resources, with consequent improvement in child outcome and reduction in long term demand for services and associated costs. It provides Leeds City Council with £319,151 of grant funding, split £153,568 for 2022/23 and £165,583 for 2023/24, the later being dependent on progress in coming weeks.

The impact on the council budget should be neutral. This is additional resource to support Council priorities. It comes with expectations and commitments, that are funded. 2022/23 practicalities will and 2023/24 options could result in a proportion of funding being spent on existing staff. This is dependent on having the capacity to prioritise this work, where this happens there will be support for existing service budgets. This is a minority of the expenditure the majority of which is additional income committed to additional expenditure.

Submission was undertaken with support of a non-profit partner Social Finance, who have experience of working with the DfE and with Leeds City Council. The skills and capacity to move at pace against the DfE deliverables and funding profile placed Social Finance as a key partner/resource in delivering work. £195,300 weighted to marginally to year 1 are costed for this support. Acknowledging the key benefit to Leeds is the learning and outputs. This procurement will be undertaken under contract procurement rule 9.5. The DfE bid timetable, ensuring a credible and successful bid, meeting their timescales for delivery meant this had to be approached as a partnership. In the bid phase or the delivery phase have not provided a procurement window. All costs and relationships were clear in the bid document and agreed with the DfE in awarding the funding.

For the current year funding will be directed to utilise service improvement and intelligence staff within the directorate. As the work progresses into 2023/24, we will decide to continue, to look at capacity in wider council or in procuring external dedicated capacity. Ideally, we will stay internal and use this opportunity to enhance skills and learning, capacity with other priorities will inform our decisions. The user interviews will require staff time, but this is considered proportionate to our priorities and to the benefits. Funding to support Leeds City Council has been costed at £48,268 2022/23 and £75,083 2023/24.

The grant will be received through invoicing the DfE for costs incurred. 2022/23 estimate of costs were submitted by 9 March. These costs will be need to invoiced as soon as possible and definitely by mid-April. Alongside this will be contracting ordering and invoicing arrangements with Social Finance Ltd. There is coordination element and Social Finance invoicing of LCC will be aligned with LCC invoicing of DfE.

What are the key risks and how are they being managed?

Risk is managing the DfE expectations on pace and engagement/process overheads. Ensuring year 2 funding being the key risk. Utilising Social Finance and funding internal capacity at the outset is to mitigate the lack of set up time and to focus on the deliverables. As the work progresses, we will ensure the Leeds City Council Capacity is provided in a way that is both effective and based on our priorities, including budgetary. This does not present additional budgetary risks to Leeds as it is based on additional funding, accepting there are timing aspects to be coordinated in the invoicing of DfE and in the payment of expenditure.

Ensuring the resource is beneficial to Leeds, especially to our social care workforce and consequently to children and families. Staff involved are linked to wider practice improvement work and will ensure this piece of work is consistent and aligned with our broader improvement work.

What are the legal implications?

The decision to award a contract to Social Finance for the period February to December 2023 a cost of £195,000 (£90,000 is conditional on 2023/24 DfE funding) is a Significant Operational Decision and is not subject to call in. There are no grounds for keeping the contents of this report confidential under the Council's Access to Information Rules.

The Council believes that there are technical reasons why competition is absent and the reasons why no reasonable alternative or substitute exists, as required by Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 (“PCRs”) to follow the negotiated procedure without prior publication to directly award a contract to Social Finance that the Council would rely on to justify its decision.

13. Notwithstanding the above, there is the potential risk of challenge that there are no real reasons justifying the use of Regulation 32(2)(b)(ii) of the PCRs, and that the Council is simply seeking to circumvent the application of the rules. However, due to the reasons set out in below, the Council risk of such challenge to be minimal.

The Council believes that the decision to award the contract to Social Finance is permitted pursuant Regulation 32(2)(b)(ii) of the PCRs which states:

32(1) In the specific cases and circumstances laid down in this regulation, contracting authorities may award public contracts by a negotiated procedure without prior publication.

(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:

(b) Where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:

(ii) Competition is absent for technical reasons,...

but only, in the case of paragraph (ii)...where no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.”

The technical reasons which the Council relies on relate to this award only being made as part Leeds City Council participating in the DfE Digital and Data Fund and being required to meet the delivery expectations of a successful competitive funding award. If the bid was not successful this contract would not be awarded. The funding being used is DfE grant funding. To successfully meet DfE timescales and requirements for this specific grant award, both in application and delivery, a credible partner was needed. This included committing to a bid that may not be successful. This was an opportunity where DfE requirements aligned with Leeds priorities and matched with existing discussions with Social Finance Ltd to explore funding opportunities. To meet DfE bid expectations and for a stronger bid detail on how DfE timescales/priorities would be met was required, this included the resources available and how funding would be allocated. Social Finance Ltd has a relationship and credibility with DfE and has also partnered with other local authorities. There is an existing knowledge of Leeds and the practice models for children’s services in Leeds. Including a procurement process following notification of a successful bid was not possible to move at the pace needed to meet DfE expectations for deliverables within 2022/23, on which 2023/24 funding is conditional. There are other organisations who are fulfilling a partner role with local authorities similar to Social Finance Ltd, the existing relationship being relevant. Successful funding was dependent on credibility of bids and the capacity to deliver at pace. This was a competitive bid process, requiring DfE and Treasury approval. Bids required detail of delivery and expenditure plans, including organisations involved. There was a 4 week window for applications, award notifications were late December 2022 with delivery expectations for 31 March 2023.

Further mitigation of risks by the publication of a voluntary transparency notice on Find a Tender Service was carefully considered. The nature of the DfE funding and the need to deliver at pace to achieve deliverables in 2022/23 mitigated against this. Legal advice comments were noted by the Chief Officer Resources and Strategy. This included that in making the final decision the need to be satisfied that doing so represents best value for the Council and is in Council’s and the public’s best interests.

As part of the grant offer from the DfE, the terms and conditions which the Council will be required to sign up stipulate that where the grant recipient seek to procure the supply of any goods, works or services from a third party in connection with the grant agreement, it shall ensure that contracts or further distribution of the grant funding are procured on a basis that complies in all material aspects with all relevant European and UK legislation in the procurement of goods and services for which the Council receive funding so as to secure best value for money.

Additionally, the DfE grant terms and conditions set out that the grant recipient (the Council) will ensure that delivery of the funded activities does not put the DfE in breach of the UK’s international obligations in respect of subsidies. The Council must maintain appropriate records of compliance with the Subsidy Control Act 2022 and will take reasonable steps to ensure that the DfE complies with the same.

Options, timescales and measuring success

What other options were considered?

From the initial DfE funding prospectus, we considered the options in terms of the most relevant to Leeds. User research into social work case management was considered the best fit. Timescales were a determinate, notification of success was received on 22 December 2022, there was then a period of clarification on outputs, including deliverables by 31 March 2023. The options chosen were shaped by ensuring capacity to achieve these, building on existing priorities and relationships.

How will success be measured?

The project has key deliverables agreed with the DfE that success will be measured against. This includes securing year 2 funding. The work will be peer reviewed with the DfE.

For Leeds success includes quality engagement of the social care workforce resulting in learning that informs our practice and our case recording. This also includes learning that supports ongoing practice and recording development.

What is the timetable and who will be responsible for implementation?

Timetable is immediate, from now through to October. Staff from the Capacity & Change and from the Intelligence and Policy team will coordinate in close liaison with the Children's Social Work leadership and IDS colleagues.

Appendices

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Background papers

None