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**Decision Maker:** PORTFOLIO HOLDER FOR CHILDREN, EDUCATION, AND FAMILIES

**Date:** For Pre-Decision Scrutiny by the Children, Education and Families Policy Development and Scrutiny Committee on 20<sup>th</sup> March 2024

**Decision Type:** Non-Urgent Executive Key

**Title:** EXTENSION OF EDUCATION PSYCHOLOGY SUPPORT CONTRACT

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**Chief Officer:** Jared Nehra – Director of Education

**Ward:** All Wards

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## 1. REASON FOR REPORT

- 1.1 The Council holds a contract with Sanctuary Personnel Limited for the provision of Education Psychology staffing resource to undertake Education Psychology Assessments. These assessments contribute to the statutory SEND Education Health and Care Needs Assessments (EHCNA).
- 1.2 The contract was awarded via a compliant framework for a one-year contract with the option to extend for a further six months. The initial term is due to end on 17<sup>th</sup> April 2024 and authorisation is sought to apply the six month extension.
- 1.3 The value of the extension will be variable depending on the volume of assessments undertaken. The estimated value of the initial term is £486k. The estimated value of the six-month extension is £170k based on an estimated volume of 125 assessments.
- 1.4 During the extension period, an options appraisal will be undertaken to determine the longer-term requirement and procurement options.

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## 2. RECOMMENDATION(S)

- 2.1 The Children, Education and Families Policy, Development and Scrutiny Committee is asked to note and comment on the report prior to decision.
- 2.2 The Portfolio Holder for Children, Education and Families is recommended to agree the available six-month extension to the Education Psychology contract with Sanctuary Personnel Limited at an estimated value of £170k (whole life value of £656k), the extension period being 18 April 2024 to 30 September 2024.

2.3 The Portfolio Holder for Children, Education and Families is recommended to note the intent to set out a further Gateway report for decision on the longer term arrangements for Education Psychology provision as set out in para 3.10 and 3.11.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Whilst there is a statutory duty to meet the defined timescales for giving advice within the EHCP process, we can never lose sight of the vulnerable children at the centre of this work.
  2. Timely assessments enable children to access the support and assistance they need to be able to progress and realise their full potential.
  3. The additional capacity that this service brings to the councils Educational Psychology Service facilitates the ongoing commercial activity that in turn generates an income for the council, maintains a productive and motivated workforce and helps children to overcome their challenges within a mainstream school environment.
  4. This important work contributes to learners developing the life skills and coping mechanisms for a long and successful career in education and beyond.
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## Transformation Policy

1. Policy Status: Not Applicable Existing Policy New Policy: Further Details
  2. Making Bromley Even Better Priority (delete as appropriate):
    - (1) For children and young People to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
    - (2) For adults and older people to enjoy fulfilled and successful lives in Bromley, ageing well, retaining independence and making choices.
    - (3) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
    - (4) For residents to live responsibly and prosper in a safe, clean and green environment great for today and a sustainable future.
    - (5) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.Not Applicable: Further Details
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## Financial

1. Cost of proposal: £170k
  2. Ongoing costs: Non-Recurring Cost:
  3. Budget head/performance centre: R15253
  4. Total current budget for this head: £950k
  5. Source of funding: Core
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## Personnel

1. The use of this resource for now will reduce the pressure on the permanent staff who are working hard to keep pace with the increasing demand on the service, thus enabling us to retain the permanent staff and minimise the attraction rate. It is vitally important that we achieve the right work-life balance despite the increase in assessment.
  2. As indicated in the main body of the report there is a national and regional shortage of quality/experienced Educational Psychologist and hence the Council is looking at various recruitment and retention initiatives including a grow your own staff scheme, review of the total salary package and the possible use of retention/"golden handcuff", similar to the recruitment and retention package currently available to qualified social workers in children's and adult services.
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## Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None:  
Further Details
  2. Call-in: Applicable
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## Procurement

1. Summary of Procurement Implications:
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## Property

1. Summary of Property Implications: N/A
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## Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications:
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## Impact on the Local Economy

1. Summary of Local Economy Implications:
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## Impact on Health and Wellbeing

1. Summary of Health and Well Being Implications:
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## Customer Impact

1. Estimated number of users or customers (current and projected):
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

### 3. COMMENTARY

- 3.1 The Children and Families Act (2014) placed duties on Local Authorities (LA) in carrying out statutory assessments for children and young people aged 0-25yrs who have SEND. When an application for an Educational Health and Care Needs Assessment (EHCNA) is received, the LA has a duty to make a decision in response to a request within a maximum of 6 weeks as to whether they will be carrying out an assessment.
- 3.2 If the LA makes a decision to carry out an EHCNA, advice that contributes to the assessment is requested from professionals across education, health and care partners. When the LA requests advice, those supplying the information must respond within a timely manner and within a maximum of 6 weeks from the date of the request.
- 3.3 As part of the assessment, psychological advice and information from an educational psychologist must be sought. An assessment cannot be completed without this advice and is considered to be the backbone of an EHCNA and an Education, Health and Care Plan (EHCP).
- 3.4 There is a national shortage of qualified Educational Psychologists which places the service (EPS) under significant pressure to work to statutory deadlines. During 2022/23 the Council required an urgent increase in capacity for Educational Psychology assessments and engaged an external supplier (Sanctuary Personnel Ltd) to support the service via a pilot. The pilot tested the market and enabled the supplier to provide 30 assessments per month over a 6 month period.
- 3.5 During 2023/2024 a further extension to that pilot was sought to resolve a growing backlog of 140 assessments that were preventing the council from meeting its statutory obligations. This was agreed and has been successfully delivered during the course of the last financial year and the council has efficiently cleared its backlog.
- 3.6 The contract has operated successfully and the backlog has been completely removed. Nevertheless, the scarcity of qualified Educational Psychologists has meant the service continues to operate with vacancies and is not able to accommodate the levels of demand for assessments without an ongoing element of the service being delivered by an external Educational Psychology Service provider.
- 3.7 In 2023/24 financial year the Contract awarded to Sanctuary Personnel Ltd for the provision of Educational Psychology Services had a value £486k. There is provision in this existing contract for a 6-month extension but such an extension into the 2024/5 financial year results in estimated cumulative award value in excess of £500k which requires Portfolio Holder Agreement.
- 3.8 The service seeks agreement to the extension of the existing contract within agreed values for a 6 month period. This will enable a further strategic service review and the development of a sustainable plan to be implemented which will enable the council to continue to meet its statutory obligations to Bromley's most vulnerable learners in the longer term.
- 3.9 EHCNA requests have increased significantly over past years with the number of assessments being agreed rising by 263% since 2014 (192 assessments in 2014, 505 in 2021, with 634 being agreed in 2022). Management action taken in 2023 has seen an overall reduction in the number of requests and agreed assessments, however the need remains high and above the capacity of the current service.
- 3.10 This contract has successfully delivered the required resolution to the backlog and the service is now able to keep pace with demand were it to be fully resourced. Unfortunately, despite the ongoing recruitment campaigns, the national shortage of Educational Psychologists has

impacted Bromley and to avoid a backlog building again an element of external support will need to continue.

3.11 The excellent track record, quality of service and flexible working arrangements that have been enjoyed during the course of the last 12 months determines that exercising the council's option to extend the existing contract by 6 months would be most beneficial to the council ahead of it exploring a longer-term strategic solution through the Executive.

3.12

Proposal	Cost	Length	No. Sanctuary EHCP	No. of EPS EHCPs (locum & Permanent staff)	Total No. of EHCPs for period	Comment
Exercise option to extend Sanctuary Contract to end of September	£170k	6 months	125	150	275	Existing demand suggests 550 EHCP assessments per year will be sought. However the service is seeking a 6 month extension in the first instance to enable a long term strategic approach to be considered.

3.13 Since the beginning of the 2023 academic year there has been an average of just under 12.5 EHCPs agreed at Needs Assessment Panel. It is anticipated based on current levels of demand that the service will need to accommodate 550 assessment requests within the statutory timeframes during the course of the next year with 275 of these required in the next 6 months.

3.14 The EPS with the assistance of locums have the capacity to deliver 150 EHCP assessments in that period leaving an anticipated shortfall of 125 assessments required from Sanctuary if the council is to continue to meet its statutory obligations in relation to timely EHCPs.

3.15 In addition to the above, the EPS has a commitment to traded and project work to schools, the focus of which is early intervention to support settings and children and young people at pre-statutory work and targeting the most vulnerable pupils. It is important that the LA continues to use this approach, which allows greater opportunities for EPs, supports recruitment and retention, provides a much-needed service to schools, supports our most vulnerable learners and importantly, generates income.

3.16 The existing contract allows for an extension for a further 6 months, the provider is able to mobilise this once agreement is reached to enable the existing service to continue unbroken without the need for any service backlog to be generated.

3.17 The costings are as follows:

Number of assessments		125
Price per assessment		£1,350
Total per month		£28,165
<b>Total for 6 month period</b>		<b>£168,750</b>
Framework cost (CCS)	0.75%	£1,265
<b>TOTAL</b>		<b>£170,015</b>

- 3.18 The proposal will utilise some of the 2024/25 FY salary underspend, pending recruitment which is actively underway. Any appointments achieved will result in a beneficial position and will be prioritised throughout, however the challenging landscape of EP recruitment indicates the ongoing need for external support funded through the salary underspend.
- 3.19 Sanctuary Personnel Ltd is a trusted partner with a proven track record to deliver quality EP assessments, they offer a flexible efficient service that will provide a cushion of support ensuring statutory timeframes can be met whilst a longer-term solution to the recruitment crisis can be considered.
- 3.20 It is anticipated that there will be other service providers beginning to move into this space, and a market testing exercise will be delivered to look at the most cost-effective solution for the authority for the next 5 years and potentially beyond, to understand where better value may be derived over the longer term. It is envisaged that a mixed economy of provision will provide the most robust arrangements for the council. Including the ongoing direct employment of Educational Psychologists, with supplementary expertise brought in where insufficient capacity can be sustained to meet demand.

#### **4. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS**

##### **4.1 Estimated Value of Proposed Action:**

The six month extension to the Education Psychology contract with Sanctuary Personnel Limited has an estimated value of £170k. The first year of operation cost was £486k (which will result in a whole life value of £656k). We are estimating a reduction in volumes for the proposed extension period now the backlog is resolved.

##### **4.2 Other Associated Costs:**

Framework costs are anticipated to be £1,265.

##### **4.3 Proposed Contract Period:**

The extension period being 18 April 2024 to 30 September 2024.

##### **4.4 Procurement Strategy:**

The contract was awarded via a compliant framework for a one-year contract with the option to extend for a further six months. The initial term is due to end on 17<sup>th</sup> April 2024 and authorisation is sought to apply the six month extension.

#### **5. MARKET CONSIDERATIONS / IMPACT ON LOCAL ECONOMY**

- 5.1 There is a National shortage of Qualified Educational Psychologist which is creating a national pressure in meeting timescales for advice and assessments. The council has an open and ongoing recruitment drive and is actively seeking to encourage newly qualified EPs from university offering work-based learning and support for those going through the process.
- 5.2 The engagement of Sanctuary Personnel Ltd at the beginning of the contract was a relatively new approach and the working relationships have matured with consistent quality advice being delivered.
- 5.3 In the event of a decision to extend the contract there will be further active engagement with the market to explore whether new models of delivery are available for the longer term.

## **6. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN) AND CUSTOMER IMPACT**

- 6.1 The services sought through this contract extension will significantly benefit some of the borough's most vulnerable learners, who, with a delayed assessment, may be prevented from accessing services needed to enable them to engage appropriately in education.
- 6.2 The contract extension will benefit those children with learning disabilities and help ensure every child in Bromley can realise their learning potential.

## **7. TRANSFORMATION/POLICY IMPLICATIONS**

- 7.1 There is a statutory requirement to complete Education, Health and Care Plans within 20 weeks. If the extension is not adopted the council runs the risk of failing to meet statutory timeframes and generating a backlog of advice needed to complete the statutory process.

## **8. PROCUREMENT CONSIDERATIONS**

- 8.1 The report seeks a six month extension to the contract with Sanctuary Personnel Limited, utilising the formal extension options built into the contract, the value of the proposed extension being an estimated £170k.
- 8.2 The Council's requirements for authorising an extension are covered in CPR 23.6 and 13.1. For an extension of this value, the Approval of the Portfolio Holder following Agreement by the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance must be obtained. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 8.3 Following Approval, the extension must be applied via a suitable Change Control Notice, or similar, as specified in the contract.
- 8.4 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## **9. FINANCIAL CONSIDERATIONS**

- 9.1 The cost of the six month contract is estimated to be £170k.
- 9.2 The funding is being found by keeping posts vacant and not backfilling them with Agency staff. These posts will have to be kept vacant for the whole financial year in order to fund the 6 month contract request.
- 9.3. This is a short term measure to address current issues whilst a longer term solution is being sought. Keeping further posts vacant for the medium to longer term may not be a viable option in the future so alternative sources of funding may have to be obtained.

## **10. LEGAL CONSIDERATIONS**

- 10.1 Sections 26 and 36 of the Children and Families Act 2014 places duties on Local Authorities to carry out statutory assessments for children and young people aged 0-25yrs who have SEND. As part of the assessment, psychological advice and information from an educational psychologist must be sought.



10.2 Authority is sought in this report to agree a six month extension to the Education Psychology contract with Sanctuary Personnel at an estimated value of £170k (whole life value of £656k), the extension period being 18 April 2024 to 30 September 2024.

The contract entered with Sanctuary Personnel Limited under the framework includes the option to extend the contract for a further 6 month period but does not specify as to the notice period required in order to exercise the extension. It is recommended that the parties' agreement to the extension is recorded in writing.

[The procurement considerations set out the requirements of the Council's Contract Procedure Rules (CPR 23) in relation to extension of contracts and the required approvals needed in line with CPR 13]

<b>Non-Applicable Headings:</b>	IT and GDPR, Personnel, Strategic Property, Health and Wellbeing, Ward Councillor views
Background Documents: (Access via Contact Officer)	[Title of document and date]