



## Notice of KEY Executive Decision

<b>Subject Heading:</b>	EHCP EP Advice Contract – Approval to award contract following procurement
<b>Decision Maker:</b>	Councillor Oscar Ford
<b>Cabinet Member:</b>	Councillor Oscar Ford
<b>ELT Lead:</b>	Tara Geere, Director of Starting Well
<b>Report Author and contact details:</b>	Dr Marcus Bennett <a href="mailto:marcus.bennett@havering.gov.uk">marcus.bennett@havering.gov.uk</a> <b>01708 433465</b>
<b>Policy context:</b>	<p>The Council has a statutory duty under the Children and Families Act 2014 to complete Education, Health and Care Needs Assessments (EHCNAs) within prescribed timescales, including the provision of Educational Psychologist (EP) advice. Ongoing national shortages of qualified EPs, coupled with sustained growth in local demand for EHCNAs, mean that external provision remains necessary to ensure statutory compliance.</p> <p>Following approval to undertake procurement for EP advice, the Council has completed a competitive procurement process under the Provider Selection Regime Regulations 2023 (PSR). This report seeks approval to award a contract to CF Psychology for the delivery of EP advice to support the Council in meeting its statutory responsibilities, reducing backlog, and improving timeliness and quality of assessments.</p>
<b>Financial summary:</b>	Approval is sought to award a contract to CF Psychology for the delivery of an estimated 550 EP assessments from contract commencement to 31 August

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	<p>2026, with an option to extend for up to a further 12 months to 31 August 2027, subject to demand, performance, and available funding.</p> <p>As per the pricing detailed below, the estimated total value for 550 assessments is £605,000, with a maximum value of £660,000 – this range is based on a difference in cost between work undertaken face to face and virtually, with the estimated balance between virtual and face to face the basis for the figure of £605,000. The total contract value will not exceed £1.4 million (excluding VAT) across the full potential contract term, which reflects the option of the extension beyond the 550 assessments and initial time period to accommodate likely sustained or increasing demand. There is no guarantee of volume, and expenditure will be subject to service demand and budget availability with no contractual obligation on the Council to meet any amount of spend beyond what is required and within budget availability.</p>
<b>Reason decision is Key</b>	Indicate grounds for decision being Key: (a) Expenditure or saving (including anticipated income) of £500,000 or more
<b>Date notice given of intended decision:</b>	7 January 2026.
<b>Relevant Overview &amp; Scrutiny Committee:</b>	People OSSC
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

## **The subject matter of this report deals with the following Council Objectives**

People - Supporting our residents to stay safe and well X

Place - A great place to live, work and enjoy

Resources - Enabling a resident-focused and resilient Council

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### **Part A – Report seeking decision**

#### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

To approve the award of a contract to CF Psychology following a competitive procurement for the provision of Educational Psychology advice to support Education, Health and Care Needs Assessments for a period to 31 August 2026. The contract will include an optional extension of up to 12 months, so 17 months on the assumption of the contract being in place from 1<sup>st</sup> of April 2026, though an earlier start will be sought. The projected contract value is £605,000, with a maximum total value of £1.4 million (excluding VAT) if the extension is used, subject to demand and available budget.

#### **AUTHORITY UNDER WHICH DECISION IS MADE**

3.3.8 To approve the commencement of the tender process, to award contracts, agree extensions of contract terms where the value of such matter is between £1,000,000 and £2,000,000 subject to consultation with the Strategic Director of Resources.

#### **STATEMENT OF THE REASONS FOR THE DECISION**

The competitive procurement attracted seven compliant tenders. Submissions were evaluated in accordance with the published evaluation methodology, assessing quality, face-to-face versus virtual delivery model, social value, and price. Scores were moderated by a multi-disciplinary evaluation panel.

The tables below summarises the final evaluation outcomes:

	Organisation	Total Quality Score	F2F/VIRTUAL SCORE	Total Social Value Score	Total Contract Price (as pricing schedule)	Price Score out of 100	Total Weighted Value Score	Total Weighted Score
1	CF Psychology Group Limited	17.8	8	5	£ 605,000.00	100.00	50.00	80.80
2	Competitor 2	19.25	12	4	£ 803,000.00	75.34	37.67	72.92
3	Competitor 3	22.6	16	4	£ 818,400.00	73.92	36.96	79.56
4	Competitor 4	9.5	4	0				13.50
5	Competitor 5	24.2	16	5	£ 914,650.00	66.15	33.07	78.27
6	Competitor 6	20.45	8	5	£ 770,000.00	78.57	39.29	72.74
7	Competitor 7	11.5	4	2	£ 852,500.00	70.97	35.48	52.98

	F2F/VIRTUAL %	F2F	VIRTUAL	F2F COST	VIRTUAL COST	TOTAL CONTRACT VALUE
CF Psychology Group Limited	60/40	<b>330</b>	<b>220</b>	£ 1,200.00	£ 950.00	£ 605,000.00
Competitor 2	70/30	<b>385</b>	<b>165</b>	£ 1,475.00	£ 1,425.00	£ 803,000.00
Competitor 3	80/20	<b>440</b>	<b>110</b>	£ 1,500.00	£ 1,440.00	£ 818,400.00
Competitor 4	50/50	<b>275</b>	<b>275</b>	£ 1,300.00	£ 1,300.00	£ 715,000.00
Competitor 5	80/20	<b>440</b>	<b>110</b>	£ 1,668.75	£ 1,640.00	£ 914,650.00
Competitor 6	60/40	<b>330</b>	<b>220</b>	£ 1,500.00	£ 1,250.00	£ 770,000.00
Competitor 7	50/50	<b>275</b>	<b>275</b>	£ 1,600.00	£ 1,500.00	£ 852,500.00

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As can be seen across the two tables, CF Psychology's bid represented the best value contract, while the bid was also sufficiently strong in regard to quality. CF Psychology's pricing assumptions were based on a blended delivery model of approximately 60% face-to-face and 40% virtual assessments, with unit prices of £1,200 for face-to-face assessments and £950 for virtual assessments, resulting in a total estimated contract value of £605,000 for 550 assessments. This represented the most advantageous tender when assessed against the full evaluation criteria.

The Council is required to secure educational psychologist advice as part of statutory EHC needs assessments. Furthermore, only through timely and high-quality advice can the Council assure that children and young people's SEND are accurately identified, assessed, and appropriate recommendations for provision (i.e., support) outlined, so as to be delivered. Despite active recruitment and relatively strong retention of permanent EP staff, demand for assessments continues to significantly exceed in-house capacity due to a national shortage of EPs and a sustained increase in the number of EHCNAs.

Following approval to procure, the Council undertook a competitive procurement process in accordance with the Health Care Services (Provider Selection Regime) Regulations 2023. The procurement was designed to secure high-quality, timely, and cost-effective EP advice, evaluated against price, quality, service sustainability, social value, and the ability to improve timeliness and reduce backlog.

CF Psychology was identified as the most advantageous provider, achieving the highest overall score against the published evaluation criteria. The provider demonstrated strong capacity to deliver assessments within statutory timescales, robust quality assurance arrangements, experienced and suitably qualified EPs, and a competitive pricing structure representing value for money.

Awarding this contract will support the delivery of an estimated 550 EP assessments up to 31 August 2026, with the option to extend subject to performance and funding. Key performance indicators will include:

- Timeliness of EP advice, with a target of at least 90% completed within six weeks (allowing for internal quality assurance processes)
- Quality of EP advice, with at least 90% assessed as 'good' or 'outstanding' following agreed induction and mobilisation periods.

Failure to award this contract would significantly increase the risk of non-compliance with statutory timescales, expose the Council to legal challenge, complaints, and tribunal costs, and negatively impact outcomes for children and young people with special educational needs and disabilities.

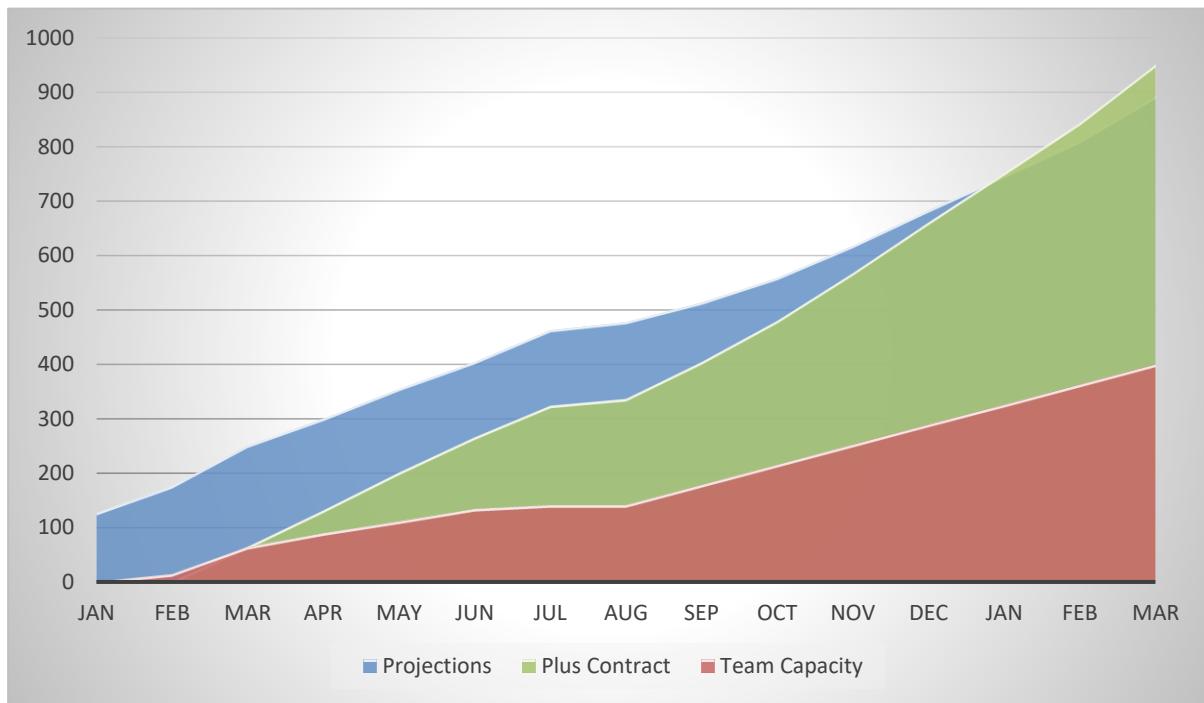
### **Implications of the contract in the context of most up-to-date EHCNA projections and implications for EHCNA timeliness and spend since approval to tender**

Having begun the process to undertake a competitive tender in late 2023, it is useful to provide an update on the number of EHCNAs, and therefore, statutory EP reports, the borough requires over the next two years, as well as information about the timeliness of these EHCNAs, and projected spend.

As of the end of January 2026, there is a waiting list of 126 EHCNAs that Havering has agreed to undertake but have not yet progressed due to the need to wait for there to be an EP to whom the assessment can be allocated. The graph below illustrates a starting point of 126 assessments in January 2026, the projected number of additional assessments the Council will be required to undertake until the end of March 2027

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(blue), and how this demand for assessments will be met through a combination of capacity from permanently employed EPs (orange) and capacity from the agency contract that is the focus of this report (green).



The above graph is based on the projections for the number of EHCNAs that will be agreed as shown in the table below. The table uses actual data from April 2016 until January 2026, and projections based on this information for the period until the end of March 2028.

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### **Number of assessments**

The graph shows that to complete the full **number of assessments** currently awaiting allocation to an EP, as well as complete new assessments agreed between the start of February 2026 and the end of March 2027, approximately 500 assessments delivered via an agency contract are required. This figure is lower than the previous projections of 550, as current projections for FY25-26 are that fewer assessments will have been agreed than in the previous year. However, forecasts regarding permanent EP capacity do not account for permanent EPs' involvement in tribunal hearings, of which there has been a significant increase in the last 12 – 24 months, which would reduce their capacity to provide EP advice for EHCPs. Nor does it account for lost days due to sickness, maternity, or other factors, all of which mean it is likely that closer to the full 550 rather than 500 agency assessments would be needed between now and the end of March 2027.

### **Performance / Timeliness**

In terms of **performance** on the key metric of **timeliness of EHCNA (within 20 weeks)**, the graph illustrates that with these projections, and with the assumption that we maintain the number of agency assessments completed at an average of between 40-50 per month (as per the specification), that it is from January 2027 that there will be capacity for all children and young people for whom an assessment has been agreed to immediately allocate an EP, and thereby achieve at or close (due to unforeseen circumstances) to 100% completion within 20 weeks.

### **Savings / Expenditure**

In terms of **expenditure** during the duration of this contract, and beyond, the table below summarises the cost of the contract (550 assessments) at the average price of an assessment via CF psychology (£1100), compared to the projected total cost based on the figure of £1500 per assessment based on market research.

	£ per Assessment	£ for 550 assessments
Market Research	£1500	£825000
CF Psychology	£1100	£605000
Difference (saving)	£400	£220000

Finally, it is worth noting that the total contract value of £605,000, for 550 assessments, is necessary to clear the current waiting list and to complete all additional assessments agreed between now and the end of March 2027. However, beyond March 2027 the number of assessments the Council projects it will agree to undertake each month will continue to exceed the EP capacity available via permanent EP staffing alone. Therefore, there will need to be an ongoing agency contract in place to continue to meet the demand for these assessments. The value of this contract, based on projections for FY2027 – 2028, and permanent EP capacity is outlined in the table below. It is also important to note that an announcement is imminent from the DfE about the future of SEND which may change the requirements around EHCPs.

Financial Year	Assessments Required	Permanent capacity	Contract Assessments Required	Required spend on EP contract at £1100 p/ assessment
2027-2028	752	420	332	£365200

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### **OTHER OPTIONS CONSIDERED AND REJECTED**

An alternative option considered was to rely solely on permanent EP recruitment. This approach is actively pursued but is insufficient to meet current and forecast demand due to the national shortage of EPs and increasing EHCNA volumes.

A further option was to continue contracting directly with individual associate EPs. This approach was rejected due to reduced capacity, higher administrative burden, and higher overall cost compared to a single contracted provider following competitive procurement.

The option to 'do nothing' was dismissed as this would compromise outcomes for children and young people and would be a breach of statutory regulations.

### **PRE-DECISION CONSULTATION**

Consultation was undertaken internally with Finance, Legal, and Procurement colleagues as part of the procurement and evaluation process.

### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Marcus Bennett

Designation: Head of Special Educational Needs, Disabilities (SEND) and Alternative Provision (AP)



Signature:

Date: 08.01.26

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### **Part B - Assessment of implications and risks**

#### **LEGAL IMPLICATIONS AND RISKS**

The Council has the power to award the contract under Section 111 of the Local Government Act 1972 which, permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Additionally, the Council has the general power of competence under Section 1 of the Localism Act 2011 to do anything an individual may generally do, subject to limitations. No limitations are engaged by this decision.

The contract falls under the provisions of the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR). As set out in the body of the report, the Council undertook a compliant competitive process, which is additionally in line with the Contracts Procedure Rules, and CF Psychology was identified as the most suitable provider.

In light of the above, the Council may award the contract.

#### **FINANCIAL IMPLICATIONS AND RISKS**

This contract is required to meet the council's statutory responsibility of conducting assessments within 20 weeks. This is a statutory responsibility funded from the Council's general fund budget (not DSG.)

The demand for assessments has been rising year on year and there is currently a waiting list of outstanding assessments which is expected to rise again in the next academic year.

Prompt interventions promote better outcomes and can prevent greater costs later such as tribunal costs however recruitment of qualified Educational Psychologists is extremely challenging as demand exceeds supply. This contract will help to address these market issues and the contract will be a more cost effective method than contracting directly with EPs or using internal staff.

The budget position will be closely monitored to ensure that assessments will only be commissioned if they are affordable within the budget.

Subject to satisfactory performance it will be possible to extend the contract to cover the 2026/27 academic year. The number of assessments commissioned in that year will depend on demand and on the amount of budget that is remaining. As the number of applications is rising we are seeking to identify further funding through the council's MTFS process – if this cannot be identified the number of assessments will be limited to what is affordable.

The selected provider has demonstrated ability to deliver best value having been assessed on capacity, quality and value.

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### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no direct HR risks or implications for the Council's workforce arising from this decision.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The contract will have a positive impact by supporting timely assessments for children and young people with SEND, improving access to services, and reducing delays that disproportionately affect vulnerable families.

### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

Timely access to EP advice supports positive educational, social, and emotional outcomes for children and young people with SEND and reduces stress and uncertainty for families. There are no adverse health and wellbeing risks associated with the award of this contract.

### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

The decision has no material environmental or climate change implications beyond business as usual.

### **BACKGROUND PAPERS**

N/A

### **APPENDICES**

N/A

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### **Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

#### **Decision**

Proposal agreed

Proposal NOT agreed because

#### **Details of decision maker**

Signed

Name:

Cabinet Portfolio held:

Date:

#### **Lodging this notice**

The signed decision notice must be delivered to Committee Services, in the Town Hall.

#### **For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_