

<b>Item No.</b> N/a	<b>Classification:</b> Open	<b>Date:</b> 1 October 2019	<b>Meeting Name:</b> Cabinet Member for Children, Schools and Adult Care
<b>Report title:</b>		Gateway 0 - Pre-procurement strategic assessment for Children's Residential Care and Independent Fostering Agencies (IFA)	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director for Children's and Adults' Services	

## RECOMMENDATIONS

1. That the Cabinet Member for Children, Schools and Adult Care approves this Strategic Options Assessment for the delivery of Children's Residential Care and Independent Fostering Agencies (IFAs) for Southwark Council and notes the next steps as set out in the report.

## BACKGROUND INFORMATION

2. Southwark Council's four-year Sufficiency Strategy (2018-2022) was agreed by the Children's and Adults' Board and the Corporate Parenting Committee in November 2017<sup>1</sup>. It was co-developed with colleagues in health, children's social care, carers, Looked After Children (LAC) and care leavers. The strategy is accompanied by an Action Plan which focuses on creating appropriate placement opportunities for LAC to ensure good outcomes, including safety and stability, educational achievement and good health outcomes.
3. Successful delivery of the strategy will include the following 15 areas:

1.	Effective Early Help and Edge of Care Services.
2.	A greater range of fostering placement types within our fostering service matched to the needs of our children.
3.	Reduced need for children to enter care through lower numbers of looked after children.
4.	Good use of Family Group Decision Making processes to enable families to develop their plans to safely reduce the need for children to enter care or lifelong links.
5.	Permanence for children entering care at earliest opportunity.
6.	More placements matched to needs of the child.
7.	Siblings kept together whenever in their best interests.
8.	Increased short term and long-term placement stability.
9.	Increase the number of in-house Southwark foster carers and IFAs where appropriate.
10.	Increase the number of Children and Young People (CYP) living in family settings.
11.	Reduce the number of children placed in residential care.
12.	Reduce the placement number and costs of semi-independent placements.

<sup>1</sup> Children Looked After and Care Leavers Placement Sufficiency Strategy 2018-2022

13.	Child and Adolescent Mental Health Service (CAMHS) and Clinical Commissioning Group (CCG) working together with social care to deliver timely assessments, treatment, and funding of therapeutic help for children and young people.
14.	Robust quality assurance of independent providers with clear outcomes measures for the child.
15.	Innovative and creative solutions.

4. The strategy details the council's vision for "all our children and young people to be safe, happy and healthy and to enjoy life. We will give them the care and support they need to be resilient and well prepared for adulthood and independence."
5. The council's aim is to ensure a high quality and safe accommodation offer for our population of LAC that meets their needs, delivers better outcomes, is affordable and is closer to Southwark where possible.
6. As of April 2019, there were 457 Looked after Children (LAC) in Southwark which is a decrease from previous year 492 (31 March 2018).
7. The council has an in-house Foster Care team based at Talfourd Place, Peckham who recruit, train and support people living in Southwark and neighbouring boroughs to foster a child or young person who can no longer live at home with their families. There are various circumstances where this may occur including families with a child who has a learning disability requiring a short break, to mother and baby placements, sibling placements, or longer-term permanent fostering up to the age of 18 and under Staying Put Guidance, once the child becomes an adult up to the age of 25. This is the preferred method of placing children and will continue to be developed through an in-house fostering recruitment campaign. As of June 2019, there are currently 153 children placed by the in-house foster care team.
8. In addition to our in-house Foster Care team the council purchases approximately half of its Foster Care from Independent Agencies (IFAs) which have high associated costs.
9. The council commissions Independent Fostering Agencies (IFA) and residential placements for LAC to ensure sufficient and appropriate placements for children in care in addition to in-house fostering services. In 2018-19 Southwark spent £7.9m on IFA and £5.6m (gross) on residential placements.
10. The council experiences challenges with regards to high spend on individually arranged contracts with out of borough residential placements. This can be due to foster care placements breaking down due to the challenging behaviour of the LAC. This is particularly evident amongst our thirteen-year-old and above cohort.
11. While the council assesses its longer-term strategic options all residential care placements are currently agreed via individual contracts through the London Care Services Framework (LCS).
12. There is a national shortage of foster carers and the council will seek to increase our in-house foster care provision in line with the council's Sufficiency Strategy for 2018-2022.

13. Despite the best efforts of the council, there are 20 LAC placed in residential care, which is beyond the council's control. The council continues to seek ways to reduce this by supporting more CYP to live in foster care and runs numerous campaigns to attract more foster carers locally. Presently discussions are taking place to enable decisions to be made on whether the council should pursue its own in-house residential premises this would enable Southwark children and young people to maintain the support of their families and to maintain access to local services, including education and clinical support.
14. In 2018/2019 36 (22%) were placed out of Southwark which is a decrease of 3% when compared to the previous year 54 (25%). Whilst it is sometimes appropriate to place a LAC out of Southwark for safety reasons or because of specialist needs, there are also implications for the management of health and educational outcomes that the council must be considered.
15. As the council is aware that better outcomes are associated with longer term placement stability, Southwark Council wish to secure the best possible placements for our LAC to meet their individual needs.

## **KEY ISSUES FOR CONSIDERATION**

### **Future Service Requirements and Outcomes**

16. Paragraph 3 highlights the outcomes that are required of the successful implementation of the Sufficiency Strategy.
17. It is proposed that Southwark Council fulfils the statutory requirement of providing sufficient placements for LAC and care leavers through IFAs and Residential Placements, when in-house fostering or kinship arrangements are not available for Children and Young People (CYP), provided via external providers.

### **In-House Fostering**

18. The Internal Foster Care Strategy is in development and the aim is for this to attract a greater number of in-house foster carers to meet rising demand. This is the preferred way of placing LAC and with Staying Put Guidance, LAC can now choose to remain with their foster carer up to the age of 25. This enables relationship continuity, access to higher education and safe care as well as preparing for adulthood in a cost-effective manner.
19. The In-House Fostering Service of the council had set an in-year target for 2018/19 to attract a further 12 local foster carers, achieving 11 out of the 12. As of June 2019, there are 153 children placed with in-house foster carers.
20. The In-House Foster Care Team aim to use further innovative models taking evidence of best practice from elsewhere in the country to bolster the support and expertise available to In-House Foster Carers in and close to Southwark. A mapping exercise is currently underway to establish the geographical spread of Foster Carers in Southwark and to determine where there is the potential to generate opportunities for shared learning from experienced carers and to also find gaps in provision to inform areas for future training and development.
21. For any requirements that the council cannot meet through the in-house option the council will place the LAC using either IFA or residential care services, the future requirements and outcomes of which are detailed below.

## **Residential and IFAs**

22. For any requirements that the council cannot meet through in-house options the council will place LAC using either IFAs or residential care services. As often this is the most appropriate option for LAC depending on the needs of the individual. This is managed via external provisions.

## **Strategic Service Delivery and Option Assessment**

### **External Procurement**

23. The Officers has considered the merits of a number of procurement methods and have identified the following strategic service delivery options for Children's Residential Care and IFAs:

### **Do nothing and cease providing the service**

24. This is not an option as if the council did not provide this service it would be in breach of its statutory duties.

### **Provide all the service in-house:**

25. Southwark has an in-house Fostering Service with stretch targets to achieve net increases in the number of local foster carers.
26. The Fostering Recruitment and Retention Strategy 2019/2022 which focuses on 'Staying Put', which means supporting foster carers to accommodate LAC with complex needs and sibling groups. The council continues to run foster carers recruitment campaigns to recruit local foster carers within Southwark, to ensure LAC can have access to local resources such as CAMHS services and education.
27. There are no residential homes within the borough. This means that Southwark children will be out of borough, usually in another London borough, but this is likely to be placed beyond a 20-mile radius from Southwark. As part of a review of young people in residential care, commissioning and children's social care are developing an options appraisal, GW0, for opening an in-house children's home which will focus on those most likely to be placed beyond the 20-mile radius due to their challenging/complex needs.

## **Procurement**

28. The nature and value of these services means that they are above the light touch threshold and as such the Public Contract Regulations 2015. The two most likely procurement options to be further detailed in the Gateway 1 are as follows:

### **Develop a framework for Independent Fostering and Residential Care**

29. The advantage of doing a procurement for Southwark only includes having greater control over who delivers the services, cost and quality. Councils that commission collaboratively have the potential to achieve greater collective leverage and influence over fee negotiations and pricing, terms of contracts and outcomes expected to be delivered. There is little leverage within the current provider market for Southwark Council as a single purchaser, therefore, this is a disadvantage to this approach.

### **Join an external framework or established framework**

Joining an external framework offers the opportunity for collective influence and provides opportunities to drive improved quality and cost. Market research shows that there are frameworks available now which are likely to be suitable for Southwark's needs. The most appropriate framework that the council could use is likely to be via one of the following: -

- South London Commissioning Programme (SLCP) which has total membership of 6 London Boroughs and is hosted by Croydon Council. This framework has not yet been established and there have been delays in going to the market. Tender date is currently September/October 2019, contracts to commence in March 2020.
  - Children's Cross Regional Arrangement Group which has total membership of 18 Councils and is hosted by Hertfordshire County Council, established since 2012. There are currently 3 London Local Authorities signed.
  - West London Alliance which has total membership of 11 which is made up of 10 London Boroughs and Buckinghamshire County Council and is hosted by Ealing Council, established since 1998 but have had sub regional commissioning for about 8 years.
30. Further details of benefits realisation will be provided in the Gateway 1. However, it is anticipated that joining a framework will help Southwark to develop collaborative commissioning arrangements across the sub-region. Ultimately, this would mean utilising the assets of the framework to provide sufficient accommodation that delivers a balance of being closer to Southwark whilst having the skills and expertise to effectively support our children and young people, who experience challenging behaviours.
31. Taking into account that the Council may determine that an in-house residential care home is required to better meet the needs of CYP, there may still be a need to make out of borough placements, as sometimes this is the most suitable option, at least for short periods, for some children and young people.

## **Market Considerations**

32. Southwark Council is currently placing children out of borough to ensure the needs of LAC are met in appropriate placements i.e. there is insufficient in-borough provision. This is not unique and other London boroughs are making out of borough placements. Please see paragraph 26, the Council is developing an options appraisal for in-house, in borough provision.
33. The council will work with other boroughs and together with potential in-house foster carers to ensure that the future provider landscape is shaped in a way that meets the needs of our LAC.
34. The council does not have its own in-house residential LAC, however the council is developing an options appraisal for in-house, in-borough provision, please see paragraph 26.

## **Policy implications**

35. The Council's Fairer Future Commitments for all children and young people to have healthy lives and make a successful transition into adulthood, to be supported with education, health and children social care all working together to support and empower CYP to develop skills and use opportunities to become, active, valued members of society.
36. The 2014-2017 Placement and Sufficiency Strategy for LAC has been refreshed for 2018-2022 and is required to ensure that Southwark Council fulfils its statutory obligations to:
  - i. Ensure the adequate supply of high-quality accommodation and support;
  - ii. Meet the needs of, and improve the outcomes for LAC, young people, and children on the edge of care.
37. The sufficiency duty requires that each Local Authority providing children's services, must:
  - a) "take steps to secure, so far as reasonably practicable, sufficient accommodation within the local authority's area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area"; and
  - b) The Sufficiency Guidance, published by the Department for Children, Schools and Families in 2010, describes the necessity for Local Authorities to make the "right placement in the right place at the right time."
38. The proposal supports the Children Act 1989 and in particular, Section 22G of the Act, the 'Sufficiency Duty,' in accordance with the Children Leaving Care Act 2000, the Housing Act 1996, and the Sufficiency: Statutory Guidance on Securing Sufficient Accommodation for Looked After Children (2010).

## **Recommended Strategic Delivery Option**

39. Based upon the information and details outlined in this report, the recommended strategic delivery option is to run a procurement exercise, which will most likely be

done through an external framework. Further investigation and details of this approach will be provided in a Gateway 1 report. In the interim period Southwark Council will continue to purchase IFA placements through the London Councils Placement (LCP) framework and arrange individual contracts for residential placements.

### Identified risks for the service and recommended strategic option

40. A number of risks have been identified for this strategic option;

Risk	Risk Rating	Mitigation
Affordability in joining a framework	Low	Cost modelling for joining frameworks will be undertaken to inform the recommendations in the GW1.
Delay in realising outcomes	Medium	This is a standing item for monitoring by the Directors of Children and Families and Commissioning.
Viability of frameworks	N/A	To be determined at Gateway 1
Quality may fluctuate	N/A	The capability of available frameworks to manage and drive up quality will be part of the evaluation and reported in the Gateway 1.

### Key /Non Key decisions

41. This is a key decision.

### Next Steps

42. The council will commission innovative models of foster care based on effective evidence-based models from elsewhere in the UK and abroad to ensure that LAC benefit from high quality in-house services including use of CAMHS, Early Help, Youth Services. This approach will also ensure that foster carers are supported to care for LAC with challenging behaviours by creating incentives for more experienced foster carers to offer support to other foster carers.

43. With regards to additional foster care through IFA or residential foster care placement Southwark Council will continue to investigate use of frameworks with the aim of taking a Gateway 1 to the decision maker in November 2019.

### Service Delivery Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 0 decision on the Forward Plan	12/08/2019
CCRB Review Gateway 0	08/08/2019
DCRB Review Gateway 0	21/08/2019
Notification of forthcoming decision - IDM	25/09/2019

Activity	Complete by:
Approval of Gateway 0: Strategic Options Assessment	03/09/2019
Scrutiny Call-in period and notification of implementation of Gateway 0 decision	15/10/2019

### **Community impact statement**

44. This project will ensure that LAC are placed in suitable family-based environments where possible and they will be supported to access the right level of education, physical health and wellbeing/mental health services to appropriately meet their needs.
45. The wider Southwark community will benefit in terms of supporting families to stay together where possible and allow our children to thrive and grow in the communities they know.

### **Social Value considerations**

46. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing any procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. Social value considerations and how the delivery of these services can benefit the local area will be set out in the GW1 report.

### **Economic considerations**

47. The council will be seeking to support local placements where these are in the best interests of Children and Young People.
48. The council will ensure the providers pay London Living Wage (LLW).

### **Social considerations**

49. The council will ensure all LAC in Southwark are placed in suitable placements and receive appropriate support to meet their social, physical, mental health and educational needs.

### **Environmental/Sustainability considerations**

50. The council will Ensure permanency of foster care placements especially for adolescents with behaviour that challenges including arrangements under Staying Put post 18 years.

### **Plans for the monitoring and management of project**

51. The Senior Joint Commissioning officer is leading on this procurement project with the supervision of their Head of Service and advice from legal and procurement officers.

### **Resource implications**

52. It is imperative that we achieve best value and commission sufficient levels of appropriate placements for our LAC in order to ensure Children's Services operate within budget.

### **TUPE/Pensions implications**

53. Full details will be provided in the GW1 report.

### **Financial implications**

54. The total LAC budget for 2019/20 for IFA is £8m. The financial implication will be in the GW1 report.
55. The total LAC budget 2019/20 Residential is currently £5.4m. The financial implication will be in the GW1 report.

### **Investment implications**

56. Frameworks require membership fees, and these will be considered at part of the Gateway 1.

### **Legal implications**

57. Please see concurrent of the Director of Law and Democracy below.

### **Consultation**

58. Consultation will take place with current providers, key stakeholders and reported in the Gateway 1.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (CAS19/005)**

59. The financial implications are stated within the report in terms of the budget and spends for the years quoted for LAC. As part of the 2019-20 budget, £250k was agreed as a saving through use of in house foster carers rather than through use of IFAs. The budgets stated for 2019-20 IFA's are stated after allowing for that saving.

### **Head of Procurement**

60. This report seeks approval from the cabinet for Children, Schools and Adult Care of the strategic options assessment for the delivery of residential and independent fostering agencies within Southwark.
61. As the value of this procurement is over £10m it will be subject to the tendering requirements of the Public Contract Regulations 2015 (PCR15) 'light touch regime' and the council's Contract Standing Orders.
62. The evaluation and monitoring of these services will be detailed within the gateway 1 report and will be in place for the duration of the contractual period.

## Director of Law and Democracy

63. This report seeks approval of the strategic options assessment for the delivery of children’s residential care and independent fostering agencies in Southwark.
64. Under the council’s Contract Standing Orders, a pre-procurement/gateway 0 report is required for any service contract with an estimated contract value of £10m or more, or other strategically important contract for services, goods or works where requested by the relevant cabinet member. The decision to approve the report recommendation is reserved to the relevant cabinet member.
65. Whilst the recommended strategic delivery option is for the council to undertake a procurement exercise, possibly involving an external framework, the contract value of the possible procurement is not yet known and will be confirmed in the gateway 1 report together with the proposed procurement strategy.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Children Looked After and Care Leavers Placement Sufficiency Strategy 2018-2022	Partnership Commissioning Team, 4th Floor, Hub 4, PO Box 64529 London SE1P 5LX	Linda Fontaine 0207 525 7934
Link: <a href="#">Sufficiency Strategy</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Jasmine Ali, Cabinet Member for Children, Schools and Adult Care	
<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
<b>Report Author</b>	Linda Fontaine, Senior Joint Commissioning Officer, Children's and Young People	
<b>Version</b>	Final	
<b>Dated</b>	25 September 2019	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	No	No
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	
<b>Date final report sent to Constitutional Team</b>		24 September 2019