

Item No. 14.	Classification: Open	Date: 4 February 2020	Meeting Name: Cabinet
Report title:		Gateway 1 - Children's Residential Care and Independent Fostering Agencies (IFA)	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Jasmine Ali, Children, Schools and Adult Care	

FOREWORD – COUNCILLOR JASMINE ALI, CABINET MEMBER FOR CHILDREN, SCHOOLS AND ADULT CARE

Southwark council is corporate parent to 450 children in care and 526 care leavers, a role that we rightly take seriously. Finding the right placements for children in our care is one of our key considerations. Once we get this sorted out, we can concentrate on improving our children and young people's outcomes in everything from health to education and employment attainment.

With this in mind, the following report proposes a new procurement strategy for children's residential care and Independent Fostering Agencies.

The report seeks the authority of cabinet to join an existing Dynamic Purchasing Vehicle through an established commissioning partnership – The West London Alliance (WLA). The partnership is currently between several local authorities including Barnet, Brent, Ealing, Hammersmith and Fulham, Harrow, Hounslow and Hillingdon.

Southwark is already engaging in major partnerships to better serve looked after children; we're currently leading the Regional Adoption Agency. It is also helpful to note that this collaborative approach to local authorities working together isn't new. It was proposed in the Independent Fostering Review (2017), where it was advocated by Sir Martin Narey as a safeguard to prevent IFAs from making a profit from foster care placements.

By joining the West London Alliance, the council will be in a good position to explore opportunities to engage in shared services and joint working. This will help us to increase quality of service and at the same time make for a more efficient service. Savings can be made by a reduction in administrative effort. Subsequently, this will allow partnering authorities to identify competitive suppliers, who should offer more competitive prices and increased quality based on an expected increase in business.

This new arrangement will help us to fulfil our commitment to the children in our care - as set out on the council's four year sufficiency strategy (2018-2022) and approved by the Corporate Parenting Committee in 2017. Crucially, it will enable us access a larger variety of placements for the children in our care. This will help us to make sure that we can meet different needs, including any physical disability, enabling siblings to live together and find placements that will have the least disruption to the child's education.

The estimated value of the contract is £13 million per annum, for a period of three years, making a total approximate contract value of £39 million. Cabinet are asked to approve the report so that Southwark can join the West London Dynamic Purchasing System to give the Southwark more flexibility and choice which will benefit the children in our care.

RECOMMENDATIONS

1. That the cabinet approve the procurement strategy outlined in this report for the delivery of Children’s Residential Care and Independent Fostering Agencies (IFAs), via the West London Alliance’s Framework that operates as a Dynamic Purchase Vehicle (DPV) the estimated value of approximately £13 million per annum, for a period of three years making a total approximate contract value of £39 million with a start date of March 2020.
2. That the cabinet note that approval of the procurement strategy would also involve joining the West London Alliance, with an estimated cost of £89,000 per annum for an intimal term of three years from 1 March 2020 to 28 February 2023, making an estimated total cost of £252,000 for three years which includes a one-off implementation cost of £12,000 in year 1.
3. That the cabinet approve the delegation of the award decision in the Gateway 2 contract to the strategic director for children’s and adults’ services in consultation with the lead cabinet member for children’s schools and adults’ services as detailed in paragraph 51 of this report.

BACKGROUND INFORMATION

4. Southwark Council’s four-year Sufficiency Strategy (2018-2022) was considered by the Children’s and Adults’ Department Contract Review Board (DCRB) and approved by the council’s Corporate Parenting Committee on 6 November 2017. The strategy was co-developed with colleagues in Health, Children’s Social Care, Carers, and Children Looked After and care leavers. The strategy is accompanied by an Action Plan which focuses on creating appropriate placement opportunities for Children Looked After to ensure good outcomes, including safety and stability, educational achievement and good health outcomes.
5. The successful delivery of the procurement will primarily support areas 2, 6, 10, 11, and 15 in table 1 below:

Table 1 Key Deliverables for Southwark’s Sufficiency Strategy 2018-2022

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.
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.

6. The council has a statutory duty under the Children Act 1989 (section 22c) to provide sufficient placements in the locality, as far as reasonably practical, to meet the accommodation needs of our Children Looked After and of our Care Leavers. The Children Act 1989 requires that the priority consideration for placing a child, is that the placement is the most appropriate available to meet the child's needs, including any physical disability, enabling of siblings to live together if appropriate, and least disruptive to the child's education.
7. The council wishes to provide sufficient accommodation that delivers a balance of being closer to Southwark whilst having skills and expertise to effectively support our children and young people, who experience complex needs and challenging behaviours.
8. Despite the best efforts of the council, there are still some Looked After Children placed in residential care and Independent Foster Care Agencies. However, there numerous campaigns to attract local foster carers are promoted and delivered. Table 2 below demonstrates the number of looked after children as of August 2019, compared to the same period in 2018. The total number of Looked After Children also includes 18+ years old who access other type of accommodation and for the purpose of this procurement is excluded.

Table 2 – Number of Looked After Children August 2019 and August 2018

LAC	2018-2019	Year to date 2019-2020
In-house Fostering	177	153
IFAs	167	149
Residential/secure units	27	32
Total number of LAC	458	452

9. The council currently uses 'spot purchase' (for the purpose for this report 'spot purchase means ad hoc) principle for procuring placements from providers who are listed on the London Care Placement (LCP) framework, which is hosted by London Council's in addition to our in-house foster carers for IFAs and Residential.
10. For IFA, suggest average discount rates but there is no obligation on providers to comply. For Residential LCP have no long-term placement discounts. The notice period, which is from 7 to 28 days doesn't provide sufficient stability for these placements. Residential care costs currently incur a retainer cost.

11. Table 3 below demonstrates the spend for Looked After Children placements in 2018-2019.

Table 3 – Spend for Children Looked After Placements in 2018-2019.

Type of placement	Spend LAC only £000	All Aged Disability (AAD) cases £000	2018/19 Spend including AAD £000
In-house fostering	£6,300	£155	£6,455
IFA	£6,519	£549	£7,069
Residential	£6,413	£1,682	£8,095
Total	£19,233	£2,387	£21,620

12. Southwark prefers to bring looked after children back into the local community, however, from time to time due to safety reasons or because of specialists needs young people are placed out of borough. This means often there is less control over the management of health and educational outcomes. Table 4 below compares the percentages of young people placed out of borough between 2017-2018 and 2018-2019, this represents a decrease of 3% when compared to the previous year.

Table 4 – Number of Looked After Children placed out of borough 2018-2019 and

LAC	2017-2018	2018-2019
Out of borough placements	54 (25%)	36 (22%)

13. The council experiences challenges with regards to high spend on individual out of borough 'spot purchasing' of residential placements. This can often be due to foster care placements breaking down. This is particularly evident amongst young people 13 years old and above; often related to their challenging behaviour.
14. As the council is aware, better outcomes are associated with long-term placement stability, it wishes to secure the best of residential placements for looked after children to meet their individual needs. A DPV framework will not in itself provide placement stability but will support better financial management of placements.
15. On 3 October 2019, Cabinet Member for Children, Schools and Adults' Care agreed to the Gateway 0 – Pre-procurement Strategic Assessment for Children's Residential Care and IFA report which sets out the business case for joining an existing framework to achieve better value for money for Looked After Children placements in Southwark.

Summary of the business case/justification for the procurement

16. On 31 March 2019, there were 453 Looked After Children (which is 38 less than in 2018 for the same period).

17. As in paragraph 5 of this report, providing appropriate accommodation is a statutory duty for Southwark Council, as such in joining an established DPV framework will enable Southwark to work collaboratively with other boroughs. Therefore, provider better prices, market intelligence/capacity and stability for Looked After Children.
18. Southwark Council anticipate by working collaboratively with other boroughs it will provide commissioners with improved intelligence regarding capacity in the market to undertake collective strategic market management and shaping.
19. The council is seeking to:
 - i. Ensure that placements for looked after children are available and appropriate to meet the child's needs, including any physical disability, enabling of siblings to live together if appropriate, and least disruptive to the child's education.
 - ii. Drive negotiations with high cost/volume providers to deliver better terms or efficiency savings and manage adherence and enforcement of ceiling rates.
 - iii. Ensure the council fulfils its duty under the Children Act 1989 (section 22c) to provide sufficient placements in the locality, as far as reasonably practical, to meet the accommodation needs of our Looked After Children and 18+ Care Leavers.
 - iv. Ensure that the council fulfils its commitment as set out in the council's four-year sufficiency Strategy (2018-2022) for Looked After Children.

Market considerations

20. Southwark Council is currently placing some children and young people out of borough to ensure their needs are met in appropriate placements as there are insufficient in-borough provisions. This is not unique and other London boroughs are also making out of borough placements.
21. The council does not have its own residential home in-borough for Looked After Children, however, as part of a review of young people in residential care, commissioning and children's social care are developing an options appraisal, in line with the GWO report, 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 and complex needs.
22. Currently the council have access to approximately 36 IFA providers on the West London Alliance that is utilised however there are 30 that is on the DPV that is not utilised which will likely lead to more choice for placing Looked After Children.
23. The growing cost of pressures on Local Authorities this market means that it can often be difficult to manage inflationary pressures from providers as such joining a DPV will maximise the benefit of scale.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

24. The following options have been considered.

Option 1: Do Nothing

25. This is not an option, if the council does not provide these services it would be in breach of statutory duties.

Option 2: Provide all the services in-house

26. Southwark Council has an in-house Fostering Service with stretch targets to achieve net increases in the number of local foster cares. This would still not meet demand nor achieve the same efficiencies as joining a DPV framework.
27. There are no children's residential care homes within the borough. This means that Southwark children and young people will be placed out of borough, usually in another London borough but they could be placed beyond a 20-mile radius from Southwark. This applies in the main to those children and young people whose foster care cannot be identified for. Commissioners are developing an options appraisal with a view to opening an in-house children's home but due to the predicted timescale this currently is not a viable option.

Option 3: Continue with the current procurement arrangements

28. The council currently procures Residential and Independent Fostering Agencies (IFAs) via the London Care Placements (LCP) framework, in addition to our in-house foster carers.
29. For IFAs, LCP suggests average discount rates but there is no obligation on providers to comply, including some for sibling placements. For Residential LCP have no long-term placement discounts. The notice period, which is from 7 to 28 days does not provide sufficient stability for these placements. Residential care costs also currently incur a retainer cost.
30. The disadvantages to these uncertainties and ability to manage providers and the market rate advantages that are possible with collaborative frameworks.

Option 4: The Council Develop a framework for Independent Fostering and Residential care

31. Commissioners have identified that the advantage of undertaking a single Authority procurement for a Southwark Independent Fostering and Residential Care may be having greater control over who delivers the services. However, councils that commission collaboratively have achieved greater collective leverage and influence over fee negotiations, terms of contracts and outcomes expected to be delivered.
32. As a single Local Authority it would not be possible to achieve the same level of intelligence or influence to undertake strategic market management and shaping, or ensuring the council receives the most financially beneficial price.

Option 5: Joining an external established Framework Agreement

33. Joining an external framework offers the opportunity to:
 - i. Standardise best practice
 - ii. Maximise our purchasing power to secure efficiencies

- iii. Develop a joint sufficiency plan and market position statement
 - iv. Encourage diversity in the residential and foster care market and
 - v. Improve placement choice and stability.
34. There are a number of frameworks available which may have been suitable to meet Southwark's needs, such as the South London Commissioning Programme Dynamic Purchasing System. This has only recently gone out to procurement and is not yet established.
 35. The West London Alliance (WLA) DPV which has total membership of 11 Authorities made up of 10 London Boroughs and Buckinghamshire County Council. The DPV is hosted and managed by Ealing Council and was established in 1998.
 36. The framework operates as a Dynamic Purchasing Vehicle (DPV) is fully compliant with the Public Contract Regulations 2015 for IFAs and Residential care and means that providers can apply to be part of the framework at any time.
 37. The West London Alliance framework has been established since 1998 and includes approximately 66 providers for IFAs, 36 of which are providers used by the council. There are just under 400 providers for Residential Care registered on the DPV.
 38. The council would work with current providers who wish to join the WLA DPV framework for IFAs and Residential care.

Proposed procurement route including procurement approach

39. The procurement would make use of a tried, tested and established DPV which offers the opportunity for collective influence and provides the opportunities to drive improved quality and cost.
40. The benefits of the West London Alliance (WLA), for our Looked After Children will be achieved by utilising the assets of the sub-regional partnership in order to provide sufficient accommodation that delivers a balance of being closer to Southwark whilst having the skills and expertise to effectively support Southwark's children and young people, who experience complex needs and challenging behaviours.
41. Joining the DPV offers opportunities for collective Local Authorities to influence and drive improvements in quality and cost for Southwark Council and children and young people. Joining the DPV enables the council to commission placements from independent providers for fostering and residential provision, through one central system to deliver best value for money prices for member Authorities.
42. By joining an established DPV it will provide an opportunity for the council to work with other Boroughs with potential Foster Carers and Residential providers, to ensure that the future provider landscape is shaped in a way that meets the needs of Southwark's Looked After Children.
43. The DPV, which is Local Authority lead, will be expected to manage inflationary pressures as a sub-region via enforcement of contract clauses, ensuring discount

and credit regimes are applied consistently (permanence, siblings etc.) and commercial negotiations with key suppliers capitalising on collective market influence. This will form part of the Terms and Conditions of West London Alliance and the Provider.

44. The proposed timetable for the council to join the West London Alliance Framework (WLA), Dynamic Purchase Vehicle and mobilisation of procurement approach is March 2020.
45. The cost of WLA Membership is detailed in the financial implications in this report

Identified risks for the procurement

46. The key risks are set out below. The Children Looked After The Sufficiency Strategy Working Group, Commissioner and Commissioning Contract team will regularly review these risks.

No.	Risk	Risk Rating	Mitigation
1.	Delay in realising outcomes	Medium	This is a standing item for monitoring by the Project Board and will also be monitored by Commissioners and Contract Management
2.	Reliant of all existing providers signing up to the DPV	Low	The Dynamic Purchasing Vehicle has been operating for a number of years and is well established as a way of seeking and attracting business for providers
3.	We do not have ownership of the IT Platform	Medium	Although we do not have ownership, we would purchase the licence for 3 years.
4.	Implementation/mobilisation	Low	Continue to make use of our existing arrangements through the London Care Placements until Southwark have fully mobilised to the DPV. Work closely with the commissioners and Permanence team to develop robust roadmap for implementation.
5.	Financial Risk: Failure to achieve proposed cost benefits.	Medium	Negotiations take place through the DPVs and LAs are supported by a dedicated Commissioning/Contracting function.
6.	Supply Growth – attract new services throughout the life of the contract	Low	Negotiations take place through the DPVs and LAs are supported by a dedicated Commissioning/Contracting function.

Key /Non Key decisions

47. This report deals with a key decision.

Policy implications

48. The council's fairer future commitment 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's Social care by all working together to support and empower children and young people develop skills and use opportunities to become active, valued members of society.
49. This procurement will meet the council's commitments and values as set out in the council Plan 2018-2022, specifically meeting the commitment towards Southwark being 'a place to call home,' 'a place to belong,' offer 'a healthier life,' and 'a safer community'.
50. This procurement strategy seeks to achieve the following objectives and outcomes for Looked after Children:
 - i. The proposal supports the Children Act 1989 and, Section 22G of the Act, the 'Sufficiency Duty,' in accordance with the Children Leaving Care Act 2000, the Housing Act 1996, Social Care Standard Outcomes Framework and the Sufficiency: Statutory Guidance on Securing Sufficient Accommodation for Children Looked After.
 - ii. The 2014-2017 Placement and Sufficiency Strategy for Looked After Children which was refreshed for the 2018-2022 strategy is required to ensure that Southwark Council fulfils its statutory obligations to:
 - Ensure the adequate supply of high-quality accommodation and support; and
 - Meet the needs of, and improve the outcomes for Looked After Children, young people, and children on the edge of care.
 - iii. The sufficiency duty requires that each Local Authority providing children's services, must:
 - 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
 - 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."

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	01/10/2019
DCRB Review Gateway 1	11/12/2019
CCRB Review Gateway 1	28/11/2019
Brief relevant cabinet member (over £100k)	07/01/2020
Notification of forthcoming decision - Cabinet	27/01/2020
Approval of Gateway 1: Procurement strategy report	04/02/2020
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	12/02/2020
Forward Plan Gateway (if Strategic Procurement) Gateway 2	19/11/2019
DCRB Review Gateway 2:	22/01/2020
CCRB Review Gateway 2	09/01/2020
Notification of forthcoming decision – despatch of Cabinet agenda papers	27/01/2020
05.02.Approval of Gateway 2: Contract Award Report	06/02/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	06/02/2020
Contract award	07/02/2020
Add to Contract Register	07/02/2020
Contract start	01/03/2020
Initial contract completion date	28/02/2020

51. This delegation required is for the approval of joining an established Dynamic Purchasing Vehicle (DPV) framework.

TUPE/Pensions implications

52. There are no TUPE/pension implications for the council as an employer as the council does not deliver the services provided by the IFA's or residential placements which will be contracted under the DPV directly. TUPE regulations apply where on a service provision change activities cease to be carried out on the council's behalf by a contractor and are instead carried out by another contractor on its behalf, where there is an organised grouping of employees whose principal purpose is the carrying out of that activity, and where the activity is to be carried out otherwise than in connection with a single specific event or task of short-term duration. Only those employees assigned to the transferring activity will transfer.
53. The current arrangements include spot purchasing for each current individual child/sibling subject to the need for the service. If there are sufficiently disparate current providers acquired under spot purchasing, and those current contracts are

for a finite period for specific individual children/siblings with no future expectation of work, it is more unlikely that TUPE applies to the award of future contracts on similar terms of engagement under the DPV, as 'work in hand' is unlikely to be 'activities' as defined under TUPE. In addition IFAs and residential placement providers would need to demonstrate that they have an organised grouping of employees whose principal purpose is the carrying out the activity on behalf of the council. However further TUPE advice needs to be sought at the stage for the preparation of the documentation to join the DPV, and for any GW2 reports as those conducting this work need to be alive to the fact that TUPE will be fact sensitive.

Development of the tender documentation

54. The DVP Framework is compliant with the Public Contract Regulations 2015. Specifications for the main specification and services, as well as terms and conditions are set out as part of the framework via the DPV.

Advertising the contract

55. The tender and framework have been advertised in line with the Public Contract Regulations 2015 and continues to have an advert for providers interested in joining the DPV.

Evaluation

56. The WLA have set evaluation criteria for assessing organisations applying to join the DPV. There are cost parameters set up for placements let under the framework but providers have the opportunity to submit quotations for each placement when an outline portrait is sent via the online portal.

Community impact statement

57. The project will ensure that looked after children are placed in suitable family-based environments where possible and they will be supported to access the right level of education, physical health and well-being/mental health services to appropriately meet their individual needs.
58. The Southwark community will benefit in terms of supporting siblings and family networks to stay together where possible and allow Southwark children to thrive and grow in the communities.
59. WLA works in accordance with the Public Sector Equality Duty under the Equality Act 2010, which requires the council to have due regard to the needs of those individuals and groups having a protected characteristic under the Act.
60. **Age:** The age of the looked after children for which the provisions is targeted range from 0 – 18 years of age although for some young people they can leave care at 16 and receive a leaving care service. Fostering ends at the age of 18 but young people can stay on a 'Staying Put' basis.
61. **Disability:** All individuals affected by this statement will have access to the service.
62. **Sex:** As of 31 March 2019, there are 40% females and 60% males in Independent Fostering Agencies and 38% females and 62% males in Residential Care. The total

looked after children population at 31 March 2019, 40% female and 60% male. There is no discrimination on the basis of sex for accessing the service.

63. **Race:** This service is open to all Looked After Children regardless of their ethnicity.
64. **Sexual Orientation:** This service is open to all Looked After Children, regardless of their sexual orientation of the Looked After Children.
65. **Religious/Belief:** The religious belief of the Looked After Children affected is unknown but the service is open to all.
66. **Maternity/Pregnancy:** Children can come into the council care once they are born.
67. **Gender Reassignment:** The service is open to all Looked After Children, although no data regarding gender reassignment is maintained..
68. **Marriage/Civil partnership:** There is no data regarding marital/civil partnership status in relation to Looked After Children but as the service is open to all regardless of their marital/civil partnership status.

Social Value considerations

69. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.
70. The council's Fairer Futures Procurement Framework requires that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the London Living Wage. For those providers outside greater London, the Real UK Living Wage would be paid. Appropriate conditions requiring the payment of the London Living Wage/Real UK Living Wage will be included in the terms and conditions of the contract.
71. The council's Fairer Procurement Framework is designed to ensure best value and continued improvement in everything purchased by the council. The Strategy ensures compliance with best value, probity and transparency principles, with all organisations in any given market following the same rules.
72. The council's Fairer Futures Procurement Framework requires that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the London Living Wage rate, where appropriate. Appropriate conditions requiring the payment of the London Living Wage will be included in the terms and conditions of the contract.

Economic considerations

73. The council will be seeking to support local placements where these are in the best interests of Looked After Children.

74. Local companies will be able to join the DPV and if successful, will help promote local jobs to local people who will support Looked After Children.
75. The council has made a commitment to ensure that the London Living Wage (LLW) benefits were extended to not only the council's directly employed staff but also those who work for the council through contracts.

Social considerations

76. The council will ensure all Looked After Children are placed in suitable placements and receive appropriate support to meet their individual social, physical, mental health and educational needs.
77. The council's Fairer Future Procurement Framework is designed to ensure best value and continued improvement in everything purchased by the council. The policy ensures compliance with best value, probity and transparency principles, with all organisations in any given market following the same rules.

Environmental/Sustainability considerations

78. The council will ensure permanency of foster care placements especially for adolescents with behaviour that challenges including arrangements under Staying Put post 18 years old.
79. As a minimum providers will be expected to have environmental policies in place for their organisations.

Plans for the monitoring and management of the contract

80. Since January 2018, the council established a Sufficiency Strategy Steering Group. The contract will be performance managed by the council's Quality and Performance team in the Children's and Adults' Services Strategic Directorate as well as day to day oversight by Social Workers and Independent Reviewing Officers as and when required. Performance reports will be taken via DCRB in line with the Contract Standing Orders.
81. Review with West London Alliance to ensure that the London Living Wage within London or that the Real Living UK Living Wage for any outside London.
82. The contract will be monitored and managed in respect of:
 - Performance measurement of providers on the DPV
 - Service users outcomes
 - Ofsted rating of providers
 - Triangulating provider KPI data
 - Information provided to manager every provider on the framework DPV in terms of cost and quality.
83. Performance reports will be done in line with contract standing orders.

Staffing/procurement implications

84. The procurement process can be managed within current resources.

Financial implications (CAS19/015)

85. The financial implications relate to the Children Looked After budget and spends for the years quoted. As part of the 2019-2020 budget, £250K was agreed as saving through use of in-house foster carers rather than through use of Independent Foster Agencies.
86. The financial implications are stated within the report in terms of the budget and spend for the years quoted for Looked After Children. As part of the 2019-2020 budget, £250,000 was agreed as saving through use of in-house foster carers rather than through use of independent Foster Agencies. The budgets stated for 2019-2020 IFA's are stated after allowing for that saving.
87. A cost finding modelling exercise (see Table 6) has been undertaken for Independent Fostering Agencies, based on the West London framework for existing clients for 2020-21 who are currently with the providers which are on the West London Alliance framework. This model is based on assumptions, that these clients will be moved from existing contract to WLA. This is a prudent approach to the cost avoidance that in the first year there will be 50% Looked After Children to be moved to the West London Alliance Framework and second year 70% and third year 90% will be moved.

Table 6: Projected Cost Avoidance

Projected cost avoidance - IFAs				
	50%	70%	90%	
Budget needed to fund the contract	Savings for 2020-21	Savings for 2020-21	Savings for 2020-21	Cumulative savings for 3 years
0-16 years	83,835	111,547	149,868	345,251
16-17 years	12,939	19,761	25,407	58,106
WLA cost	(92,000)	(80,000)	(80,000)	(252,000)
Cost Avoidance	4,774	51,308	95,275	151,357

88. The council is required to pay the West London Alliance a membership fee for accessing services. This is £15,000 p.a. for the access to both the Residential Care and Independent Fostering Dynamic Purchasing Vehicle frameworks. Additionally a cost for access to use the online tool of £50,000 p.a., CarePlace which provides access to datahub, eBrokerage, eContracting & the provider Directory. There is also an implementation cost of £12,000 in year 1.
89. The DPV (Dynamic Purchasing Vehicle) for Looked After Children will also be utilised for Residential Care Service. The details of the Looked After Children will be referred onto the secure IT platform and potential providers will provide a quote

against the profile of the child or young person's needs. The utilisation of the DPV will save LBS from the current retainer cost we incur.

Legal implications

90. Please see concurrent from the director of law and democracy.

Consultation

91. Young people and care leavers were consulted and have helped to develop the Sufficiency Strategy through the 'I' Statements and they will ensure that the changes to the way that we currently commission services in Southwark, best meet the needs of our Looked After Children and Care Leaver population.
92. Half of our current providers are already signed up to WLA and any existing and new providers have the ability to join the DPV as and when they want, and so have the opportunity to respond to any new requests we put through the DPV.

Other implications or issues

93. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (Financial Concurrent Reference Number as above)

94. The arrangement was set out in the GW0 report. This noted that the arrangement would cover the residential budget of £5.4m 2019-20 (forecast £5.1m – 26 placements as at November 2019) and the IFA budget of £8m 2019-20 (forecast £7.9m – 155 placements as at November 2019) which was net of a £0.25m agreed saving for movement from IFA.
95. The report notes ongoing costs £80,000 pa for 3 year plus a one off fee of £12,000. This will need to be funded from savings/ discounts (volumes/ siblings etc) on the new arrangements from the commencement of the arrangement from 1 March 2020 to 28 February 2023.
96. Financial modelling indicates there will be sufficient savings to be made to fund the cost of the membership fees in the first year with greater savings to be achieved in future years. This model is based on assumptions, that these clients will be moved from existing contract to WLA.
97. Using the DPV (Dynamic Purchasing Vehicle) for Residential Home clients will save us the retainer cost.

Head of Procurement

98. This report seeks approval from cabinet to utilise the WLA DPV to procure the services of Residential Care and IFA's for a period of three years from March 2020 until February 2023. The cost to utilise the WLA is £252,000 for three years with a one-off implementation fee of £12,000 and an approximate spend on Residential Care and IFA's of £39m over the three years.

99. This report confirms that Southwark Council is allowed to access the WLA DPV terms and conditions and that the services meet the tendering requirements of the Public Contract Regulations 2015 (PCR15) and conforms to the council's Contract Standing Order. This procurement route should maximise competition and ensure that the council achieves the best value for money.
100. Paragraphs 85 to 88 of this report confirm that monitoring and management will be in place for the duration of this contract and confirms that LLW will be paid

Director of Law and Democracy

101. This report seeks approval of the procurement strategy for the delivery of Children's Residential Care and Independent Fostering Agencies, as detailed within the recommendations.
102. The nature and estimated value of the services required are such that their procurement is subject to the application of the (EU) Public Contracts Regulations 2015 which, amongst other things would require expressions of interest to be sought through the publication of a contract notice in the Official Journal (OJEU). However, the report recommends the use of an existing framework managed by the London Borough of Ealing on behalf of the West London Alliance which has been procured in accordance with the EU Regulations and which the council is permitted to access on payment of a membership fee. The exercise of that option would avoid the need for the council to conduct a separate EU compliant tendering exercise.
103. The decision to approve the proposed procurement strategy is one which is reserved to the cabinet under the council constitution.
104. The community impact statement set out from paragraph 62 of this report summarises the effect of the Public Sector Equality Duty contained in section 149 of the Equality Act 2010, and in making procurement decisions the council must consider and have due regard to any effects of the decision on the community at large and on people identified as possessing "protected characteristics", as defined in the Act.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
GW0 - Pre-procurement strategic assessment for Children's Residential Care and Independent Fostering Agencies (IFA)	Children, Adults' and Families Commissioning Team / Long Term Conditions and Wellbeing, Children, Adults and Families 4 th Floor, (Zone E Hub 4), P O Box 64529 London SE1P 5LX	Linda Fontaine 0207 525 7934
Link: http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?IId=50021151&Opt=1		
Looked After Children and Care Leavers Placement Sufficiency Strategy 2018-2022	Children, Adults' and Families Commissioning Team / Long Term Conditions and Wellbeing, Children, Adults and Families 4 th Floor, (Zone E Hub 4), P O Box 64529 London SE1P 5LX	Linda Fontaine 0207 525 7934
Link (please copy and paste into your browser): http://moderngov.southwark.gov.uk/documents/s72012/Appendix%201%20Sufficiency%20Strategy%20for%20Looked%20After%20Children%202018-2022.pdf		
Council Plan 2018-2022	Children, Adults' and Families Commissioning Team / Long Term Conditions and Wellbeing, Children, Adults and Families	Council Plan 2018-2022
Link: https://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan		

APPENDICES

Appendix	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Children, Schools and Adult Care	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Linda Fontaine, Senior Joint Commissioning Officer, Children's and Young People	
Version	Final	
Dated	23 January 2020	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (For Housing contracts only)	N/a	N/a
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		23 January 2020