

Item No.	Classification: Open	Date: 18 January 2021	Decision maker: Deputy Leader and Cabinet Member for Children, Young People and Schools
Report title:		Gateway 1 - Procurement Strategy Approval SEND Independent School Placements	
Ward(s) or groups affected:		All	
From:		Strategic Director of Children and Adults Services.	

RECOMMENDATIONS

1. That the Cabinet Member for Children, Young People and Schools approves the procurement strategy outlined in this report for the delivery of new Special Educational Needs and Disabilities (SEND) Independent School Placements (under 19 years of age) for Southwark Council (the council). - namely to join the Commissioning Alliance (CA), formerly known as the West London Alliance (WLA), Framework Agreement that operates as a Dynamic Purchasing Vehicle (DPV) for an estimated total cost of £3.4m.
2. That the Cabinet Member for Children, Young People and Schools approves the procurement strategy outlined in this report to adopt the CA's, Central SEN Brokerage Service, which will support finding and negotiating price for appropriate new placements in SEND Independent Schools.
3. That the Cabinet Member for Children Young People and Schools delegates to the Strategic Director of Children's and Adults Services the approval decision for the subsequent Gateway 2 report.

BACKGROUND INFORMATION

4. In 2019, the council commissioned an independent review of commissioning arrangements for SEND Independent School Placements for children and young people aged under 19 years. The procurement strategy presented in this gateway report is consistent with the recommendations from the independent review.
5. The majority of Southwark children and young people are being accommodated within the council's mainstream or funded special schools. However, there are a number of children and young people with special educational needs and disabilities whose individual needs cannot be met, primarily due to the complexity, within Southwark mainstream or funded special schools, or there are simply no places available to accommodate them. In these circumstances, places are being sought from SEND Independent and Non-Maintained Schools or out of borough special school provision.

6. All children and young people requiring SEND placements have an Education, Health and Care Plan (EHCP). The EHCP describes the child or young person's specific education, health and care needs and the support they require to achieve what they want in their lives. The number of children and young people in Southwark with EHCP's has been increasing since 2014/15 – this is in part due to the increased age threshold for children and young people with SEND from 18 years old to 25 years old. As of May 2020, there are 2294 children and young people aged 0-25 in Southwark with an EHCP¹.
7. Where a child or young person has an EHCP, under the Special Education Code of Practice 2015, a parent or carer can make a request for the child to be placed at a named school. This includes independent schools and colleges, provided they can meet the child's or young person's needs. The council has to comply with this request unless provision at the named school or college are considered to not meet a child's needs, does not represent good value for money or would affect negatively on the education of others.
8. Autistic Spectrum Disorder (ASD) is the most common primary type of need of children and young people with an EHCP in Southwark and these numbers continue to grow. In 2016 the council published its All Age Autism Strategy 2016-2021. This strategy sets out that the council will ensure equal access to specialist and mainstream services for people with autism, their families and carers.
9. The council currently has 238 children and young people attending 53 SEND independent schools, both within and outside Southwark. The majority of children and young people have their needs appropriately met in schools with day provision. There are, however, a small number of children and young people who require a residential school setting to effectively meet their needs.
10. The current annual expenditure on placements in independent schools is £9.2m, and the average annual cost of a single placement is £44.6K. All placements are spot purchased.
11. The council has built a model of further education that enables more young people with special educational needs to learn and achieve within Southwark lessening the need for excessive travel to out of borough placements and/or to attend high cost independent placements.
12. However, as the demand for SEND placements in Southwark and London increases and exceeds supply in both maintained and independent SEND schools, competition for available places increases, meaning local authorities have to widen their search to find appropriate placements. This increase in demand also has an impact on the costs with local authorities experiencing a rise in the prices they are paying for placements.

¹ <https://www.gov.uk/government/statements/statements-of-sen-and-ehc-plans-england-2020>

13. On 7 January 2020, the Cabinet Member for Children, Schools and Adults' Care agreed the Gateway 0 pre-procurement Strategic Assessment for SEND out of borough, independent and non-maintained school placements. The Strategic Assessment sets out the business case for joining the Commissioning Alliance (formerly West London Alliance (WLA) SEND independent and non-maintained school placements framework that operates as a Dynamic Purchasing Vehicle (DPV).
14. Joining the Commissioning Alliance DPV supports the council's desire to reduce the need for children and young people to have excessive journeys to and from school by offering a wider range of independent schools to choose from and to achieve better value for money, as well as manage annual price reviews of placements.

Summary of the business case/justification for the procurement

15. There are currently 238 children and young people placed by the council in 53 SEND Independent schools. The annual cost of these placements is circa £9.2m.
16. Once a child or young person has received an Education Health and Care (EHC) assessment, which has resulted in an EHC Plan (EHCP), the council has a statutory requirement to provide access to appropriate services that meet the needs of the child or young person. When a placement is required in an SEND Independent School, the activity to research and find an appropriate school, determine availability, negotiate on fees and to work with the identified school to secure and make the placement are currently completed by SEND caseworkers. There is no dedicated resource to complete this activity. The adoption of the CA Central SEN Brokerage Service would mean that these caseworkers would no longer need to complete this activity freeing them up to dedicate their time on working with families and effective case management and focus on the phased transfer of Independent school placements.
17. If an appropriate placement cannot be found within one of Southwark council Maintained Special Schools or a parent or carer names a SEND Independent School, then a search for a SEND Independent School will be authorised.
18. As SEND Independent School placements are currently all spot purchased, joining an established framework DPV will enable the council to have access to a wider choice of schools and improved value for money. This is brought about by local authorities utilising the DPV collective working to gain leverage in economies of scale.
19. The council anticipate that by working collaboratively with other local authorities it will provide commissioners with improved intelligence regarding capacity in the market to undertake collective strategic market management and shaping and greater leverage to control costs of placements made through the framework.
20. By joining the CA and signing up to the SEND Independent Schools Framework DPV, Southwark would have access to the following facilities:

- Access to the Framework DPV for commissioning SEND Independent School Placements from those Providers signed up to the DPV. Access to Market Intelligence, provider information and data through the Provider portal CarePlace
 - A dedicated brokerage function provided through the CA's Central SEN Brokerage Service. This service will complete all brokerage activity from point of referral through to securing individual placements for those bought through the DPV and also those spot purchased outside of the Framework DPV when an appropriate place cannot be found.
21. SEND Service is forecasting 25 placements being made each year at a cost of £44.6k each. It is estimated that the total annual value of this contract will be circa £1.1m for three years giving an estimated total contract value of circa £3.3m. The cost of joining the Commissioning Alliance's Dynamic Purchasing Vehicle ²(DPV) is approximately £115k for three years (see break down in paragraph 87), therefore the total cost is circa £3.415m.
22. Through working collectively the council seeks to:
- a. ensure there is capacity in the local market to provide appropriate placements to meet the needs of its children and young people who have EHCP and require SEND Independent school placement.
 - b. deliver better terms and consistent prices from high cost and volume providers, through improved relationships, strong negotiation and the enforcement of identified ceiling rates.

Market considerations

23. There is an increasing demand for SEND school placements across London and nationally numbers have been increasing since 2010. In Southwark, this is demonstrated by the increase in children and young people aged 0-25 with EHCPs. This number has steadily increased over the last 3 years from 1600 EHCPs/SEN statements in 2016 to 2238 (an increase of 40%) EHCPs in 2019.
24. As a result, the demand for school places in locally maintained provision has meant an increase in the number of children and young people needing to access specialist provision in SEND Independent schools.
25. Local Authority SEND School provision and the SEND Independent Schools market have not been able to keep up with this national increase in demand. This has led to local authorities competing against each other for limited numbers of placements and as a result, they have experienced increases in the prices of placements.
26. The council currently has placements with 53 SEND Independent Schools only two of which are currently part of the Commissioning Alliance DPV. In addition, there are a further 30 schools accessible through the DPV bringing

² A Dynamic Purchasing Vehicle (DPV) is similar to a framework agreement in its operation, with two exceptions, new suppliers can join at any time and it is to be run as a completely electronic process with some restricted procedures.

a wider choice and opportunity to match the provision to children and young people's needs and aspirations. Paragraph 43 sets out how the Commissioning Alliance will approach signing up an appropriate number of Southwark's current providers to the DPV.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

Option 1: Do nothing and cease providing the service

27. With demand for SEND school placements exceeding available placements in maintained SEND Schools, there is a need to source placements from SEND independent schools for the council to meet its statutory obligation.

Option 2: Provide locally maintained school provision

28. The council has been working collaboratively with Spa School to open a new special free school that will provide 120 places for pupils aged 5-16 years. The new Spa School opened in September 2020 with an initial intake of 42 students. A number of these students are being transferred from SEND Out of Borough Maintained/Independent Schools.
29. After this first year, the intake of students will be phased to reach the school's full capacity by the third year.
30. Although the council is ambitious in its plans for extending high quality SEND provision within the borough, it recognises that the capacity is such that it will continue to need to use SEND Independent school placements, albeit at a reduced number over time.

Option 3: External Procurement

31. Officers have considered the merits of a number of procurement methods and have identified the below strategic service delivery options for independent SEND school placements.
32. The nature and value of these services means that they are above the EU "light touch" threshold and the Public Contract Regulations 2015 will apply. The two most likely procurement options are as follows:

Option 3.1: Develop a Southwark framework for SEND

33. Undertaking a single authority procurement has been considered by commissioners. However, local authorities 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.
34. As a single authority, it would not be possible to achieve the same level of intelligence and influence to undertake effective market development.

There would also be little leverage within the current provider market for the council to achieve improved value for money because it does not have the economies of scale, there are significant disadvantages to this approach.

Option 3.2: Join an external established framework agreement – Preferred/Recommended option

35. Joining an external framework offers the opportunity for collective influence, provides opportunities to drive improved quality and cost and gain improved levels of intelligence and influence to undertake effective market development. Working with other local authorities can reduce competition between local authorities for placements.
36. There are a number of framework agreements available, which may be able to meet the council's requirements. The two frameworks assessed as being best suited are as follows:
 - **South London Commissioning Programme (SLCP)**. This framework has a total membership of 10 South London local authorities and hosted by Croydon Council. This framework was established in 2013. The partner local authorities agreed to procure a Dynamic Purchasing System (DPS), to standardise the processes across the commissioning of new placements.
 - **Commissioning Alliance (CA)** formerly the West London Alliance (WLA). This Framework has a total membership of 13 local authorities, 12 London Boroughs and 1 County Council. Of these, four have signed up to CA centralised brokerage (Ealing, Hounslow, Redbridge and Buckinghamshire). The framework operates as a DPV, hosted by Ealing Council and went live in October 2018.
37. Initial investigations into utilising the SLCP option were discontinued because the programme was not fully advanced and did not compare favourably with the CA offer. This was done with the full agreement of Senior Managers within Education. Subsequently the SLCP no longer has the provision of this framework available.
38. In addition to option 3.2, for making new placements, it would be beneficial to review existing placements, which accounts for an annual expenditure of £8.7m of the total spend in this area of £9.3m. However the SEND Service does not currently have the resource capacity to complete this work as resources are focused on the phased transfers of young people from primary to secondary placements.
39. The scope of any review would include:
 - Review and analyse Southwark's existing SEND Independent Schools placements
 - Develop and implement solutions and a plan for achieving savings on existing placements.

- Work with the CA to build mutually beneficial professional relationships with current Independent Schools and others in the market that meets Southwark's requirements. Jointly work with providers to negotiate discounts such as early payment, volume for new placements.
 - Work closely with the CA to develop and shape the local market and set up Schools forums to address commissioning matters.
40. Any engagement of the SEND Independent Schools market would need to be planned and considered, as Schools are new to a framework based commissioning approach and the experience has been that they are very resistant. One of the main reasons for this is that demand exceeds supply, putting schools in a strong position.

Proposed procurement route

41. The CA Framework operates as a DPV, is fully compliant under the Public Contract Regulations 2015, and is open to any local authority to join at any time by executing an access agreement.
42. The framework is an established DPV which has been tried and tested and provides opportunities for collaborative working.
43. The CA have agreed to approach the top 16 of 53 providers that the council currently has placements with (which represents over 50% of current placement spend) to invite them to join the Framework DPV. A 50% reduction has been negotiated, in the annual membership fee for the access to the DPV until all these providers have joined the DPV. If the Schools have not joined the DPV after 9 months, impacting on the effectiveness of accessing the DPV the contract allows for the council or the CA to give notice and end the contract with 3 months' notice. This will give a minimum term of 12 months to the contract for accessing the DPV.
44. Joining the DPV offers the opportunity for local authorities to collectively influence and drive improvements in quality and cost. It provides opportunities to gain collective intelligence and have influence for market development, ensuring that the sector is prepared to provide for the needs of the council in the future.
45. A contract management and commissioning function is available which can integrate with council functions to provide for improved relationship management with Schools. These functions manage inflationary pressures as a sub-region via enforcement of contract clauses.
46. The council proposes to adopt the CA SEN Central Brokerage service, which amongst other functions manages the referral and placement search process, integrating with the council's approach to the Special Education Code of Practice 2015 20-week EHC assessment and plan development process. This ensures discount and credit regimes are applied consistently, completes all commercial negotiations with key providers capitalising on collective market influence. (The cost for this has been included in the table in paragraph 87).

Identified risks for the procurement

47. Key risks are set out in the table below. These risks will be regularly reviewed by the SEND Independent Schools placements Project Board.

No.	Risk	Risk Rating	Mitigation
1.	With the small sample of six placements used to forecast and develop the savings profile, in the original RSM report, there is a risk that the estimated savings may not be achieved.	High	Costs for each placement will be monitored to build a more robust savings profile. A 50% reduction in annual fees for accessing the CA DPV has been negotiated to share this risk with a 9-month break clause allowing the council or the CA to give 3 months' notice on the DPV access agreement if savings are not being achieved.
2.	The cost of maintaining membership of the DVP exceeds the savings achieved	High	Costs for each placement will be monitored to build a more robust savings profile. These will then be monitored against ongoing DPV costs. A 50% reduction in annual fees for accessing the CA DPV has been negotiated to share risk. If savings are not being achieved this will be escalated and the contract will be reviewed by the SEND Service supported by Commissioning. The 9 month break clause with 3 months notice has been negotiated on the DPV access agreement which can be used if a solution is not found.
3.	<p>The number of new SEND Independent School placements required each year has been estimated by the Service as being 25.</p> <p>It is forecast that this number will fall due to the 120 new school places becoming available from September 2020 at the new Spa School. 42 placements being</p>	Medium	<p>To complete this modelling with the service to inform the forecasting of future placements. To be completed by the end of Q3.</p> <p>Although there is, a risk of not achieving savings the opening of the new Spa School will reduce the council's dependency on SEND Independent Schools reducing expenditure in this area.</p>

No.	Risk	Risk Rating	Mitigation
	<p>available in the academic year 2020/21. This could bring the number of placements required down to 15 by year 3.</p> <p>At this stage it hasn't been possible to profile this number in any significant detail to take account of the impact of for example placements made in previous years, the numbers of children and young people in each age cohort, those children moving from primary to secondary school and any growth in the of required SEND school places. This will also have an impact on risk number 2 above.</p>		<p>The break clause within the framework Access Agreement will also mitigate this risk.</p>
4.	<p>There are currently only 2 out of the 53 providers the council has placements with on the CA DPV. As the current demand of placements exceeds supply, achieving the benefits of joining the DPV could be seen as ambitious.</p>	Medium/High	<p>A risk sharing approach has been negotiated with the Commissioning Alliance. A 50% reduction in the costs of the membership of the DPV has been agreed and will be reviewed on annual bases.</p> <p>The Commissioning Alliance has committed to working with Southwark's top 16 Independent Schools, which represents over 50% of expenditure, to facilitate them joining the DPV. If the Commissioning Alliance are unsuccessful in getting Schools signed up to the DPV, the 50% reduction in the Access Agreement fee will stay in place.</p> <p>The break clause within the framework Access Agreement, will also mitigate this risk.</p>
5.	SEND Independent School Placements will	Medium	See above.

No.	Risk	Risk Rating	Mitigation
	<p>still be spot purchased outside of the DPV where placements EHCP needs cannot be meet by those schools on the DPV This will include the council's criteria for travel time ie. 1 hour and parental choice. This is compounded by the council's current SEND Independent schools not joining the DPV</p>		<p>The CA will expand this approach to increase market engagement with new and existing Independent schools. The intention will be to expand the capacity of the DPV. This will run at the pace of the growth of the CA Central SEN Brokerage Service and will start with a soft marketing approach.</p> <p>The CA Central SEN Brokerage will still manage spot purchased placements and enter into negotiation on price with these Schools.</p>
6.	<p>The current capacity of the CA SEN Central Brokerage Service and availability of market intelligence is currently limited. As only 4 local authorities have adopted the SEN Central Brokerage Service, it is only data and intelligence from these authorities that is available.</p> <p>The growth of the service is linked to new authorities commissioning this service.</p> <p>Capacity to complete a market engagement exercise, to expand the capacity of the DPV may be limited.</p>	Low/Medium	<p>The SEND Service, supported by commissioning will work with CA to ensure they fulfil the activities set out in the SEN Central Brokerage SLA. They will keep track of new schools joining the DPV and market engagement and support this where possible especially with the engagement of the council's current SEND Independent Schools.</p>
7	<p>Potential delay in receiving relevant information from CA, scheduling pre- meetings and training due to COVID-19 priorities. The availability of service staff to attend pre-meetings and training in the current.</p>	Medium/high	<p>Regular communication is being maintained with the CA and the service to establish a clear process and timelines for delivery.</p>

Key /Non-Key decisions

48. This is a non- key decision.

Policy Implications

49. The council's Fairer Future Commitment is 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.
50. The statutory process and timescales set out in the Special Education Code of Practice 2015 will need to be integrated into any commissioning or referral processes that are put in place as a result of the procurement. This would also include parental consent as set out in the Code.

Procurement Project Plan (Key Decisions)

Activity	Complete by:
DCRB – Review of Gateway 1	28/10/2020
CCRB – Review of Gateway 1	05/11/2020
Brief relevant Cabinet Member (over £100k) –	24/11/2020
Approval of Gateway 1: Procurement Strategy Report	24/11/2020
Forward Plan (GW2 is key decision)	03/08/2020
DCRB – Review of Gateway 2	28/10/2020
Notification of forthcoming decision (if GW2 is key decision)	06/11/2020
CCRB – Review of Gateway 2	05/11/2020
Approval of Gateway 2: Contract Award Report	25/11/2020
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	09/12/2020
Contract award	21/12/2020
Add to Contract Register	21/12/2020
Contract start	04/01/2021
Initial contract completion date	31/12/2023

TUPE/Pensions implications

51. There are no TUPE/pension implications for the council as an employer as the council is not a provider of SEND Independent School placements or the SEN Brokerage service. These services are directly contracted under the CA SEN Independent School placements DPV Access Agreement and SEN Central Brokerage Service. Commissioning these services will free up the time of SEND caseworker to prioritise their work with families and young

people and the transition of young people from primary to secondary schools. TUPE would not apply to the joining of the framework, only potentially to any call off contracts under the frameworks.

52. TUPE does not normally apply to ad hoc/spot contracts, provided the contracts meet the definition of contracts of short-term duration and therefore fall under the TUPE exemption of Regulation 3 (3) (a) (ii). The young people under the current spot contracts are remaining with their current providers until their current contract expires. Further, 'work in hand' with the current providers is unlikely to be classified as 'activities' under the TUPE Regulations which could be deemed to transfer.

Development of the tender documentation

53. The DPV Framework is compliant with the Public Contract Regulations 2015. Specifications for the services, as well as terms and conditions are set out as part of the framework via the CA SEN Independent Schools placement DPV. All contract documentation will be reviewed by Southwark's legal department prior to signing.

Evaluation

54. The CA has set evaluation criteria for assessing organisations applying to join the SEN Independent Schools placement DPV. The DPV was set up in October 2018 and therefore does not include any Social Value.
55. There are cost parameters set up for placements let under the framework, but SEND Independent Schools have the opportunity to submit quotations for each placement when an outline portrait is sent via the online portal.

Community impact statement

56. The CA (led by Ealing Council) works in accordance with the Public Sector Equality Duty under the Equality Act 2010, which requires a council to have due regard to the needs of those individuals and groups having a protected characteristic under the Act.
57. **Age:** Children and young people with a special educational need and disability who may have a placement arranged through this framework are up to 19 years old.
58. **Disability:** All individuals affected by this procurement will have access to the service.
59. **Sex:** As of 18th May 2020, there are 26% females and 74% males in Independent Non-Maintained Special Schools.
60. **Race:** This service is open to all children and young people with a special educational need and disability and EHCP regardless of their ethnicity.
61. The other protected characteristics, such as religion or belief or sexual orientation, will be monitored through contract monitoring and upon making referrals to providers.

Social Value considerations

62. The council will join the existing SEN Independent Schools Placements CA framework DPV that was established in October 2018; as such, this cannot reflect the requirement as set out in Southwark Council's Fairer Future Procurement Framework. Once a Local Authority joins the framework DPV, they can determine the price quality ratio on an individual basis depending on the needs and vulnerability of the child or young person the council is placing.
63. The framework ensures compliance with best value, is accountable, open and transparent under the councils contract standing orders (CSOs) and in compliance with the Public Services (Social Value) Act 2012.

Economic considerations

64. Joining the CA Framework DPV will be a cost-effective way of providing an opportunity for the council to work with other boroughs to ensure that the future provider landscape are shaped in a way that meets the needs of Southwark's children and young people.
65. The CA Framework DPV will support the council to help manage inflationary pressures as a sub-region via enforcement of contract clauses, which does not allow for any inflationary uplifts during the term of the contract.
66. The council will be seeking to support local placements where these are in the best interests of children and young people.
67. SEND Independent Schools will be able to join the DPV and if successful, will help promote local jobs to local people who will support the children.
68. The CA Framework DPV supports the council's commitment to ensure that the London Living Wage (LLW) is paid to those who work for the council through contracts.

Social considerations

69. The CA Framework DPV supports the council's commitment for all children and young people to being placed in suitable placements and receive appropriate support to meet their individual social, physical, mental health and educational needs.
70. The Children and Adults Service is working with the CA to scope a cost effective and sustainable model of provision for local SEND Independent Schools.

Environmental/Sustainability considerations

71. There are no direct environmental/sustainability considerations.

Resource implications

Plans for the monitoring and management of the contract

72. The contract will be performance managed by the council's Quality and Performance team in the Children's and Adults' Services Department as well as day to day oversight by senior commissioning Officer and SEN Case Worker as and when required.
73. There will be a review with CA to ensure that the London Living Wage is paid within London or that the UK real Living Wage is paid for any staff outside London.
74. The contract will be monitored and managed in respect of:
 - Performance measurement of providers on the SEN Independent School Placements DPV
 - Effectiveness of the SEN Independent School Placements DPV arrangement
 - Service users outcomes
 - Ofsted rating of providers
 - Triangulating provider KPI data
 - Information provided to manager every provider on the SEN Independent School Placements framework DPV in terms of cost and quality
75. Performance reports will be completed in line with the council's Contract Standing Orders.

Staffing/procurement implications

76. The procurement process will be managed within current resources.
77. The implementation of the SEN Independent School Placements DPV will be agreed with the Head of SEN & Inclusion Service to ensure they have the capacity to train on the CarePlace system and process related to the SEN Central Brokerage Service and to use these effectively when referring and searching placements.

Financial Implications

78. The financial implications only relate to future annual expenditure estimated at £1.1m on new SEND Independent School placements. It does not relate to the current annual expenditure on SEN Independent Schools placement estimated as £9.2m.
79. The CA have calculated the following cost savings based upon the cost of 6 placements made with the 2 SEND Independent Schools that are on the Framework DVP. The current cost of commissioning these placements outside of the DPV where compared with what they might have cost if they were bought through the DPV. This calculation showed a potential total annual saving of 14.5% across all 6 placements.

80. Assuming this percentage saving was then applied to the annual forecast of 25 new placements, with the current average cost of the councils placements with SEND Independent Schools ie. £44.6K, it shows the council could make an annual gross saving on these new placements of £162K by joining the SEND Independent Schools Placement Framework DPV.
81. The table below provides an illustration of potential net savings over a 3 year term. This illustration aims to take account of known variables.

	Year 1	Year 2	Year 3	Total for Contract	Assumptions
Best Case	£126,938	£129,438	£129,438	£385,814	25 placements-avg. 15% net savings
Worst Case	-£34,737	-£32,237	-£32,237	-£99,211	5 placements-avg.2.5% net saving
Median Case	£18,226	£20,726	£20,726	£59,677	15 placements- avg. 8.5% net saving
Mixed Median Case	£57,251	£40,238	£20,726	£118,214	25 placements in yr1; 20 placements in yr2, 15 placements in yr3 – avg. 8.5% net saving

82. This calculation relies on the assumption that all providers specified ceiling prices would be lower than current prices by at least 14.5%. Current average annual price of a SEND Independent School placement is £44.6K
83. It is noted that this potential saving, provided by the CA is deduced from a small sample of placements, as outlined in paragraph 79 It is likely that any final saving would vary from this figure based upon the schools involved, the number of placement and the ceiling price.
84. The annual costs of being part of the SEND Independent Schools placement Framework DPV, would also need to be taken into consideration in any savings calculation.
85. To join the SEND Independent Schools Placement Framework DPV the council will have to pay a one-off implementation fee plus annual fees to access the Framework DPV and supporting services.
86. Commissioning officers are in the process of seeking approval to provide other key provision through a further three Commissioning Alliance Framework DPV's. By doing this the Commissioning Alliance has given a 5% discount annual fees with other fees being shared across all 4 Framework DPV's.
87. The costs of joining the SEN Independent Schools Framework DPV are sent out in the table below:

Fee Type	One off/ Annual	Discounted Amount (Full amount)	Amount due in Year 1	Amount due in Year 2	Amount due in Year 3	Total for Contract
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Fee Type	One off/ Annual	Discounted Amount (Full amount)	Amount due in Year 1	Amount due in Year 2	Amount due in Year 3	Total for Contract
Implementation	One off	£10,000 (£12,000)	£2,500	£0	£0	£2,500
CarePlace Portal	Annual (divided between 4 contracts)	£47,500 (£50,000)	£11,875	£11,875	£11,875	£35,625
SEND DPV	Annual (50% Discount) Discount will be reviewed annually and adjusted based on number of Schools joining the DPV	£10,000 (£20,000)	£10,000	£10,000	£10,000	£30,000
Central Brokerage (Optional) ~ Initial contract is 18 months. In this year, 6 months fee due. § If the contract is renewed after the initial 18 months	Annual	£15,937+ +Based on number of placements	£15,937	£15,937§ (£7,968~)	(£15,937§)	£47,811§ (£23,905~)
		ANNUAL TOTAL	£40,312	£37,812 (£29,843~)	£37,812 (£21,875~)	£115,936 (£92,031~)

88. The council may still need to commission SEND independent School placements outside of the Commissioning Alliance Framework DPV if suitable placement cannot be found that meet the Child or young person's needs, the councils travel time criteria i.e. 1 hour and parental choice.

89. In these circumstances, the cost of a placement may be higher; however, the Commissioning Alliance Central Brokerage team will still manage the referral process and negotiate on the price on behalf of the council.

Investment implications

90. None.

Legal implications

91. Please see concurrent from the Director of Law and Democracy.

Consultation

92. Consultation meetings have taken place with the relevant operational teams across the council in the preparation of this report.

Other implications or issues

93. None

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

94. This report seeks approval from the Cabinet Member for Children, Young People and Schools to join the CA DPV to procure SEND Independent School Placements and utilising the CA SEN Central Brokerage service at a cost of £1.1m total cost for 3 years including CA costs (detailed in paragraph 87) is £3.4m.
95. Joining an existing public let framework is allowable under the EU Public Procurement Regulations 2015 and the council contract standing orders (CSOs).

Director of Law and Democracy

96. This report seeks approval of the procurement strategy for the delivery of Special Educational Needs and Disabilities (SEND) Independent School Placements.
97. Due to the nature and estimated value of the services required their procurement is subject to the (EU) Public Contracts Regulations 2015. The report notes the various procurement options that have been considered and also notes the proposal to join the Commissioning Alliance in order to access an EU compliant framework (operating as a Dynamic Purchasing Vehicle) for the purpose of arranging placements. This means that it will not be necessary for the council to undertake its own competitive procurement exercise.
98. The proposed procurement strategy is also consistent with domestic legislation and the council's Contract Standing Orders (CSOs).
99. The decision to approve the recommended procurement strategy is one which is expressly reserved to the Cabinet Member under CSOs.

Strategic Director of Finance and Governance

100. This report seeks approval of the strategic options assessment for the delivery of out of borough independent school placements. The funding for independent placements is from the High Needs Block of the Dedicated Schools Grant, which had an in-year deficit in 2019/2020 of £7.0m and an accumulated deficit at the end of this year of £18.5m. This is forecast to grow to an accumulated deficit in March 2021 of £21.7m.
101. The assumed savings are based on a small sample, this has an element of risk that the savings suggested would not materialise. The savings are extrapolated on the basis of 25 pupils with a sensitive analysis around this figure as there is a risk that 25 pupils is too high especially with new provision opening at Spa Academy here in Southwark.
102. Further evaluation and monitoring of these savings will be needed as the project progresses.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Education & Schools: SEN Arrangements for Independent Placements - Final	Children, Adults' and Families Commissioning Team 160 Tooley Street London SE1P 5LX	Andrew Tregidgo 0207 525 3682
Southwark CYP with SEND Joint Strategic Needs Assessment 2018	Southwark Council website	Andrew Tregidgo 0207 525 3682
Link: Southwark CYP with SEND JSNA 2018		
Southwark SEND Education Provision Strategy 2018-2021	Southwark Council website	Andrew Tregidgo 0207 525 3682
Link: Southwark SEND Education Provision Strategy 2018-2021		

AUDIT TRAIL

Cabinet Member	Councillor Jasmine Ali, Cabinet Member for Children, Young People and Schools	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Andrew Tregidgo, Interim Senior Commissioning Officer Sau-Fun Wong, CYP Programme Manager	
Version	Final	
Dated	January 2021	
Key Decision?	No	
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 Governance	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		11 January 2021