

Report of Strategic Commissioning Group

**Report to Deputy Director Safeguarding, Specialist & Targeted
- Children's Services**

Date: 28th November 2014.

Subject: Request to extend the Framework Contract for the Independent Fostering Agencies for a period of 3 months to facilitate the review of the contract documentation.



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The report seeks approval to extend the framework agreement contract to the providers listed at appendix 1 to this report for the provision of foster care services for children for a period of 3 months
2. The extension to the contract is for a period of 3 months from 13th December 2014 to 13th March 2015.

Recommendations

The Deputy Director-Safeguarding, Specialist & Targeted Services Children's Services is recommended to extend the framework agreement contract for the provision of foster care services for children to the providers identified at appendix 1 to this report for a period of 3 months.

1 Purpose of this report

- 1.1 The report seeks to extend the Framework Agreement with a number of independent fostering agencies identified in appendix 1 for a period of 3 months
- 1.2 The extension to the contract will be on the same terms and conditions as the current contract and is requested to enable the strategic commissioners across the region review and amend the existing documentation to ensure that the provision purchased against the contract continues to meet need and is reflective of changes in requirements across the region.
- 1.3 The maximum contract value of the extension will be under £250,000. This relates to new placements only and does not include any of the placements made to date which continue under this contract
- 1.4 Call offs against the framework will continue to be made against those providers whose service models and prices have determined that they are placed in Tier 1. Subsequent call offs will be made against tiers 2 and 3 in the event that a placement cannot be made within tier 1. The extension of the contract guarantees no contracts with the providers and the same practices around identifying the most suitable match in terms of quality and price will continue and will be subject to the current governance process that is in place.

2 Background information

- 2.1 The Framework Agreement contract was established for the purposes of the provision of foster care services for children who are Looked After and is between the named placing Authority and the named Independent Fostering Agency or Voluntary Organisation.
- 2.2 The contract commenced on 13th December 2012 for a period of two years with further options to extend for a further period of up to two years
- 2.3 The contract was established ensuring that all relevant and current law was embedded into the tender documentation and current contracts with the providers
- 2.4 The contract was established as a regional framework contract.
- 2.5 The participating authorities share resources across the region to ensure that the contract continues to meet need and that providers are managed in a transparent and consistent manner to help deliver quality outcomes for the young people placed with the providers on the framework. Strategic issues are also managed through the Strategic commissioning Group that had representation from the participating authorities.

- 2.6 The contract was established with the support of the regions Chief executives and the regions Directors of Childrens Services.
- 2.7 The council also maintains its own internal Fostering Agency. The contracted provision engaged against this contract will have no bearing on the internal list and any policies in respect of this internal list can be undertaken without placing the council in breach of contract.

3 Main issues

Reason for Contract Extension

- 3.1 The contract was advertised and let with the provision to extend on the basis that it continues to meet the needs of the participating authorities
- 3.2 The Strategic commissioning group have broadly identified that the contract continues to meet need but that a number of changes need to be made to the contract to ensure that this remains so and to enable any placements made to continue to be made in the best interests of the young people placed and to reflect any changes priorities of the participating authorities.
- 3.3 It has been identified that the contracts need to be amended to ensure that they reflect current and future practice with respect to Special Guardianship Orders and Staying Put. Due to the change in law that gives care leavers the right to live with their foster carers until they are 21 years old, the contract is being amended to reflect that change. Providers have been consulted in how to do this and this is being finalised; this brief contract extension is to enable all White Rose Local Authorities and providers to agree the detail. Also, key to our commitment to children looked after, the contract is being amended to support a more pro-active approach to achieving permanence through Special Guardianship Orders. It is important that we have a partnership approach to achieving permanence, which is based on the needs of the child, rather than which agency the foster carers work for. This brief contract extension will allow providers and White Rose Local Authorities to facilitate a partnership arrangement that gives a child a 'home for life'.
- 3.4 The contract also includes within its key documentation a framework mechanism which states how the providers will be ranked at intervals within the contract – the refresh points. The refresh points facilitate an ongoing judgement of quality and the opportunity to review prices to allow the providers to be re-ranked within the tiering system described in paragraph 3.5.
- 3.5 For the period of the extension, the contract will continue to be utilised on the basis of the establishment of a tiering system of providers. Providers would be allocated to one of three tiers allocated to each area of activity with the providers who provided the best responses in

terms of the price and quality of their bid being placed in tier 1. Those providers in tier 1 would be offered the opportunity of the placement in the first instance with bidders in tiers 2 and 3 subsequently being contacted in the instances where the tier 1 providers are unable to provide a place that matches the needs of the young person. This model has been utilised in other consortiums establishing frameworks for the provisions of the same services with an average of 80% of placements being made to providers residing in the first tier.

- 3.6 It is proposed that an extension of 3 months be granted in the first instance to allow the work outlined in the timeline at paragraph 3.7 to be undertaken.

3.7

Specification amendment completed 19th Nov – 3rd Dec

Specification amendment **agreed** by all participating authorities - 4th Dec - 18th Dec

Providers to review/comment on new specification 19th Dec – 16th Jan
Working Group to review comments and send reviewed specification to Commissioners 17th Jan – 23rd Jan

Commissioners to get **agreement** from all participating authorities for new specification 24th Jan – 6th Feb

Signed off by the Strategic commissioning Group at its meeting in February meeting.

Revised specification sent to the providers after the meeting

Contract extends on 13th March for 1 year

- 3.8 It should be noted that if the programme meets its objectives and that the decision is taken to extend for a further period of 1 year, then this will need to be the subject of a further delegated decision.

Consequences if the proposed action is not approved

- 3.9 Purchases of foster care provision would continue across the region in an uncoordinated fashion with the market place seen to lead on the nature and quality of the provision as future requirements would be outside of the scope of the contract.
- 3.10 Any ongoing efficiency savings that are anticipated would not be realised
- 3.11 The qualitative benefits as currently established within the framework would not be realised.
- 3.12 The contract may not be fit for purpose and reflect the desire to improve and consolidate best practice.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Chief Executives and DCSs have been updated during the progress of the project.
- 4.1.2 The strategic commissioners across the region have been involved in the contract to date and any changes to future direction
- 4.1.3 Young people were actively engaged in the development of the specification.
- 4.1.4 Young people were engaged in the initial evaluation of the submissions.
- 4.1.5 The provider market were consulted and engaged with during the development of the project and continue to be engaged in respect of the proposed changes.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The Equality Impact Assessment (EIA) screening exercise has been undertaken and indicated no adverse equality impact to the service users, staff and the wider community as the contract will be extended on the same terms and conditions as currently enjoyed. Any amendments to the specification and future provision will need to be subjected to a further EIA assessment.

4.3 Council policies and City Priorities

- 4.3.1 The council policies and priorities will continue to be reflected in the contract as the extension will be on the same terms as currently enjoyed.
- 4.3.2 One of the key obsessions within Children's Services Directorate is in respect of looked after children and this obsession was reflected in the documentation and the quality evaluation model used within the process. It also continues to be reflected in the ongoing quality assessment of provision.

4.4 Resources and value for money

- 4.4.1 The initial value for money exercise indicated that efficiency savings of standstill to 18% will be delivered through this framework arrangement.
- 4.4.2 The refresh process has continued to solicit lower prices from the providers within the framework.
- 4.4.3 A recent review of the prices paid across the top 9 providers on the framework (those where most young people are placed) identified that the current rates payable are for age band 2 – 5 to 10 year olds are between 0.5 and 16% lower than the rates payable pre-contract

with the average rate across the participating authorities being between 14% and 19% lower across the tiers than pre-contract. Similar reductions have also been seen within the other age groups on the framework.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The opportunity was advertised on Leeds City Council's supplier contract management system and was advertised on the basis of the contract commencing for a period of two years with the option to extend for a further period of two years.
- 4.5.2 The contract is only open to the existing providers on the framework and as such the extension of the contract will continue on this basis.
- 4.5.3 The decision to extend the contract is classified as a significant operational decision.
- 4.5.4 To comply with the obligations of the Public Contracts Regulations a Voluntary Transparency Notice will be published prior to the contracts being extended.

4.6 Risk Management

- 4.6.1 The utilisation of the tiering system should ensure that value for money continues to be a key assessment during the operational phase of the framework.
- 4.6.2 The review of the refresh process to ensure that it meets the objectives of measuring price and quality to facilitate movement between the tiers should ensure that value for money and quality of provision continues to be an essential consideration when placing young people with providers.
- 4.6.3 The Quality Assurance Framework that will continue to be utilised within the extension of the contract should ensure that providers are continually monitored in respect of the quality of provision and that placements are only made with those providers demonstrating excellent quality of services.

5 Conclusions

- 5.1 The proposal is to extend the contract to the named providers identified within appendix 1 of this report for a period of 3 months.

6 Recommendations

- 6.1 The Deputy Director-Safeguarding, Specialist & Targeted Services Children's Services is recommended to extend the framework agreement contract for the provision of foster care services for

children to the providers identified at appendix 1 to this report for a period of 3 months.

7 Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.