

Report of Strategic Commissioning Group

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

Date: 20th May 2016.

**Subject: Request to extend the Framework Contract for the
Residential Care Homes for a period of 12 months.**



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| 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 checked="" type="checkbox"/> Yes | <input 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 residential care home services for children.
2. The extension to the contract is for a period of 12 months from 8th July 2016 to 7th July 2017.

Recommendations

The Deputy Director-Safeguarding, Specialist & Targeted Services Children's Services is recommended to extend the framework agreement contract for the provision of residential care home services for children to the providers identified at appendix 1 to this report for a period of 12 months.

1 Purpose of this report

- 1.1 The report seeks to extend the Framework Agreement with a number of residential care homes identified in appendix 1 for a period of 12 months
- 1.2 Strategic commissioners across the region have reviewed and amended 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 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.
- 1.4 The extension of the framework contract does not guarantee the providers any placements. 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 processes that are in place.

2 Background information

- 2.1 The Framework Agreement contract was established for the purposes of the provision of residential home care services for children who are Looked After and is between the named placing Authority and the named Residential Care Home.
- 2.2 This extension is the final permitted extension.
- 2.3 The contract commenced on 7th July 2013 for a period of two years with further options to extend for a further period of up to two years.
- 2.4 The contract was established ensuring that all relevant and current law was embedded into the tender documentation and current contracts with the providers
- 2.5 The contract was established as a regional framework contract.
- 2.6 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 has representation from the participating authorities.
- 2.7 The contract was established with the support of the regions Chief executives and the regions Directors of Childrens Services.

2.8 The current participating authorities are:

- Leeds
- Bradford
- Kirklees
- Calderdale
- Wakefield
- Sheffield
- Doncaster (Doncaster Children's Services Trust – from 1st Oct 2014)
- Barnsley
- Rotherham
- North East Lincolnshire
- North Lincolnshire
- Hull
- East Ridings of Yorkshire
- York

2.9 The decision to extend the contract is taken by Leeds after due discussion with other authorities it should be noted however that the individual contract established within the framework will continue to be the responsibility of the individual authority at the time of the placement

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 identified that the contract continues to meet the requirements of the participating Authorities.

3.3 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 child or 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.

Consequences if the proposed action is not approved

- 3.4 Purchases of residential care home provision would be undertaken 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.
- 3.5 The amendments to the Public contracts Regulations in February 2015 now require contracts of this nature to be let under the new light touch regime embedded within these regulations. If the contract was not extended than any contracting activity undertaken may place the authority at risk of being in breach of the new regulations.
- 3.6 Any ongoing efficiency savings that are anticipated would not be realised
- 3.7 The qualitative benefits as currently established within the framework would not be realised.

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.

4.3 Council policies and Best Council Plan

- 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 value for money exercise completed at the initial award of the contract attached at appendix 3 demonstrated the potential to deliver efficiency savings through this framework arrangement. This is based on the current price paid by Leeds against the different Lots to be awarded across the framework being higher in the majority of cases than those prices available on the framework. All other participating councils approved the award of the contract based on the prices received during the tendering phase.
- 4.4.2 There has been no increase in these weekly costs whilst the framework has been operational, except where changes in legislation around the new National Living Wage (NLW) incurred additional cost. This effect materialised through 5 providers increasing their prices.
- 4.4.3 The terms and conditions of this contract removed the annual inflationary increase and as a result the prices paid continue to be stable as at the point of placement.
- 4.4.4 A letter of intent has been issued to providers on the framework notifying them that the extension will be on the same terms and conditions of contract currently in place except for the refresh process which will not take place in the final year of the contract.

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 key 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 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 12 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 12 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.