

Report of the Commissioning Team

Report to Director of Children's and Families

Date: 15 August 2018

Subject: Request to extend the White Rose Children Looked After Interim Residential Framework Agreement - DN245859



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 an interim residential framework agreement for the provision of Residential care services for children for one year.
2. Within the provisions of the 1989 Childrens Act, Local Authorities have statutory duties in relation to the protection, accommodation and care of children and young people The other authorities based in Yorkshire and the Humber Region have the same responsibilities as vested in Leeds under the legislation and discussions held between the commissioning teams of these authorities identified the potential to work together. This is to shape and develop the provision available within the region to deliver a high quality provision for the young people in receipt of the services whilst demonstrating value for money in respect of the cost of the placements.
3. The participating authorities are Barnsley MBC, Bradford, Calderdale, Doncaster, East Riding, Hull, Kirklees, Leeds, N Lincs, NE Lincs, Rotherham, Sheffield, Wakefield and York.
4. The extension is to an existing interim framework agreement for August 2018 to August 2019 which will be the final permissible extension period that is being invoked.

Recommendations

5. The Director of Children and Families is recommended to extend the White Rose Children Looked After Interim Residential Framework Agreement to the organisations identified at Appendix 1.

1 Purpose of this report

- 1.1 The report seeks to extend an interim framework agreement to a number of organisations providing residential care for children looked after.
- 1.2 Service delivery models submitted were evaluated at tender point one year ago and deemed appropriate by the project team.
- 1.3 The contract value for the extension year is £25,000,000 across the participating authorities with the maximum contract value for Leeds being £15,000,000.
- 1.4 Call offs against the framework will initially 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.

2 Background information

- 2.1 The White Rose Children Looked After Interim Residential Framework Agreement is between the named placing Authority and the named provider of residential care to the young people placed. The overarching legislation is enshrined within the provisions of the Childrens Act 1989 and specifically within the guidance and regulations volume 5: Childrens Homes.
- 2.2 Within the provisions of the 1989 Childrens Act local authorities have statutory duties in relation to the protection, accommodation and care of children and young people. It states:

Every local authority shall provide accommodation for any child in need within their area who appears to them to require accommodation as a result of:-
 - a) there being no person who has parental responsibility for them;
 - b) there being lost or having been abandoned; or
 - c) the person who has been caring for them being prevented (whether or not permanently, and for whatever reason) from providing them with suitable accommodation or care.
- 2.3 All providers must ensure all homes comply with the Children's Homes Regulations 2015 and the National Quality Standards set out in the Children's Homes Regulations 2015.
- 2.4 Leeds City Council currently spends approximately £12.5 million with Residential Care Providers to meet its obligations as enshrined within the Children's Act and where the relevant placement procedures followed by the council have identified that the placement of the

young person with an external residential care provider represents the best choice for the young person.

- 2.5 The placement of the young people with the providers of residential care continues to exert significant pressure on budgets within children's and families.
- 2.6 The council also maintains its own internal residential provision. The contracted provision engaged against this contract will have no bearing on this internal provision and any policies in respect of this internal provision can be undertaken without placing the council in breach of contract.
- 2.7 Leeds City Council is actively engaged on a project entitled 'turning the curve' which has as its principal target a reduction in the need for children and young people to be in care.
- 2.8 There is now a Strategic Commissioning Group (SCG) which meets every 6-8 weeks to discuss the issues. This is to shape and develop the provision available within the region to deliver a high quality provision for the young people in receipt of the services whilst demonstrating value for money in respect of the cost of the placements.
- 2.9 The participating authorities are Barnsley MBC, Bradford, Calderdale, Doncaster, East Riding, Hull, Kirklees, Leeds, N Lincs, NE Lincs, Rotherham, Sheffield, Wakefield and York.
- 2.10 The SCG is made up of key officers from the participating authorities. This includes officers from commissioning, procurement, legal and professionals with specific service responsibilities.
- 2.11 Work streams were developed with Leeds City Council being given the responsibility to manage the procurement exercise. Leeds was also identified as being the lead authority in respect of the formal contracts to be established with the providers of the services.
- 2.12 To meet the timescale for implementing a new contract and to reduce disruption to the market, Strategic Commission Group agreed to put in place an interim contract arrangement under the existing residential specification.

3 Main issues

Reason for Contract extension

- 3.1 At tender one year ago contract documents were established to ensure that the responders to the tendering opportunity clearly understood the requirements of the participating councils.
- 3.2 The contract documents comprised appropriate documentation for a scheme of this nature and included specification, framework

mechanism, quality framework documentation, pricing documents, terms and conditions and instructions to bidders.

- 3.3 The contract was let 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 and home size 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.
- 3.4 Tiers were established across the following placement needs :
 - Lot R1 – Core Residential Care,
 - Lot R2 – Specialist Residential Care,
 - Lot R3 – Specialist Residential Care and School Placement and
 - Lot R4 – Parent and Child Assessment Placements.
- 3.5 The evaluation of the bids was undertaken on the basis of 50% of marks being attributed to price and 50% of marks being attributed to quality.
- 3.6 Price was evaluated by multiplying the current number of placements across the participating authorities relative to each placement need by the price for the placement submitted by each tenderer.
- 3.7 Quality was established across a range of questions established by the project team with full details of the criteria against which bidders would be judged being published within the bid documentation. This included questions on the recruitment, training and professional development of staff, initial and on-going assessment of the children and young people and safeguarding.
- 3.8 On-going quality of provision has been established through the quality assurance framework which has been in place for the past year. The project team have assessed that the framework continues to offer value for money.
- 3.9 At point of tender, one of the evaluation questions was developed in conjunction with young people. This was facilitated through the voice and influence team and entailed the young people taking an active part in the determination of the quality score. Young people continue to have a voice on their placements through the statutory review system. Any feedback is reported to contract managers in order to inform performance conversations with providers.
- 3.10 The utilisation of standard specifications specific to each of the Lots should ensure that authorities are placing young people in establishments most suited to their needs, whilst reducing the scope

for providers to be adding transactional activity not suited or required for the young person placement.

- 3.11 This final year extension is to enable placements to be made on-framework for 15 Local Authorities and the re-tender process is already underway for a new arrangement to succeed this one.

Consequences if the proposed action is not approved

- 3.12 Purchases of residential care would continue across the region in an uncoordinated fashion with the market place seen to lead on the nature and quality of the provision.
- 3.13 The qualitative benefits as anticipated within the framework would not be realised.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Chief Executives and DCSs were updated during the progress of the project. The Director of Childrens and Families signed a delegated decision giving authority for Leeds to participate within the collaborative process.
- 4.1.2 The leaders of the respective Councils involved have been updated during the progress of the project, by individual representatives.
- 4.1.3 Young people were engaged in the evaluation of the submissions.
- 4.1.4 The provider market was consulted and engaged.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The Equality Impact Assessment screening exercise has been undertaken and indicated no adverse equality impact to the service users, staff and the wider community.

4.3 Council policies and Best Council Plan

- 4.3.1 The principles of the turning the curve project are enshrined within the project.
- 4.3.2 One of the key obsessions within Children's and Families 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.
- 4.3.3 The quality assurance framework to be utilised during the operation of the framework will continue to ensure that quality of provision is absolutely critical in the delivery of the services.

4.4 Resources and value for money

- 4.4.1 The contract will benefit from standard pricing throughout the region and some savings were achieved using the post tender negotiation. High levels of service are achieved through regular contract management.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The tender opportunity was advertised on Leeds City Council's YORtender system and the Official Journal of the European Union and was advertised on the basis of contract commencing 8 JULY 2017 for a period of one year with the option to extend for a further period of one year. The extended period of evaluation and negotiation has resulted in a proposed commencement date of August 2017 with the longevity of the framework being maintained as advertised i.e. a period of one year with the option to extend.
- 4.5.2 This Interim contract is only open to the participating councils for Duration of the Contract Term.
- 4.5.3 Appendix 1 to this report has been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to interests of that person or of the Council.
- 4.5.4 The decision to extend the contract is classified as a key decision and is on the forward plan.
- 4.5.5 The proposals detailed herein have been subject to consultation with Legal, Procurement and finance.
- 4.5.6 The extension of this framework contract for residential care detailed in this report is urgent and cannot be delayed. The matter was included on the List of Forthcoming Key Decisions in June 2018. In accordance with Executive and Decision Making Rule 2.6 the matter was discussed with Cllr. A. Lamb as Chair of Scrutiny Board (Children and Families) who gave approval for the decision to be taken under Special Urgency provisions. The Chair signed the approval of Special Urgency on 15th August 2018. A copy is attached at appendix B. The decision to extend this contract had to be taken before 17th August 2018 or the current contract would expire and a new procurement would be required to purchase residential placements for children looked after. Due to an administrative oversight the timeline for the decision was not given the appropriate attention it required. This decision confirms approval for the extension of the contract.

- 4.5.7 The report recommends that the decision should be exempt from 'Call-In' as any delay in undertaking the decision would seriously prejudice children looked after from being placed in quality assured residential homes.

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 utilised during this 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 award the contract to the named providers identified within appendix 1 of this report.

6 Recommendations

- 6.1 The Director of Children and Families is recommended to award the White Rose Children Looked After Residential Framework Agreement to the organisations identified at appendix 1.

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.