

**Report of Head of Service Commissioning and Market Management Report to  
Report to the Director of Children and Families**

**Date: 11th August 2018**

**Subject: Equipment for Local Authority Foster Carers, Residential  
Homes and Leaving Care Accommodation**



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: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. This decision is seeking the permission of the Director of Children and Family Services to commission a framework contract through a full competitive tender process to procure equipment for children and young people who are in or leaving the care of the local authority.
2. The Local Authority runs a number of residential homes for children and young people and maintains a register of approved foster carers for the purposes of providing care for these children and young people.
3. To enhance the environment in which the children and young people are placed it is necessary to provide a range of supplies and equipment to ensure that children and young people are cared for in homes that are adequately furnished and maintained to a good standard.
4. An interim arrangement of a temporary framework of three providers who supply a range of equipment to foster carers, residential homes and leaving care accommodation is currently in place to allow the service a good opportunity to draw up a clear and effective specification for the delivery of this contract.

5. The project team has set a timeline to undertake a full commissioning process to ensure the highest quality supplies and value for money.
- 6 This service fulfils an important function in allowing the most vulnerable to be supported to achieve their potential and the authority to maintain its legal obligation and vision as part of the overall vision of Leeds being the best city for children.
6. Permission is therefore sought to undertake a full formal procurement in respect of these supplies.

## **Recommendations**

7. The Director of Children and Families is requested to approve the procurement of a contract for the supply of equipment for children and young people who are in care or leaving care. The contract will be for three years, with the option to extend by a further 2×12 months periods. The contract will commence from 1<sup>st</sup> September 2019 with an indicative value of £325k per annum (£150k for fostering and £175k for leaving care accommodation).

## **1 Purpose of this report**

- 1.1 The purpose of this decision is to seek permission to commission a framework contract for the supply of equipment in order for the LA to meet its statutory obligation to children and young people in care. A soft market test and bidders event will form part of the programme.
- 1.2 The contract will commence on 1 September 2019 for a period of three years with an option to extend for 2×12 months period.

## **2 Background information**

- 2.1 LCC operates a few residential homes and recruits its own Foster Carers to care for children in the care of Leeds City Council.
- 2.2 To enhance the wellbeing of looked after children and young people placed in the care of foster carers, residential homes and leaving care accommodation, Children's Services has a budget to provide a range of necessary supplies and equipment. This ensures a good standard in their living environment.
- 2.3 Purchases had been undertaken on an ad-hoc basis in the past. Foster carers often sourced items directly from Argos or other big store themselves and presented social care with the bill. Some chose brand named items which although more expensive, were not the always best quality. Managing the quality and expenditure of provision was challenging.
- 2.4 An interim arrangement was set up to consolidate a few selected suppliers while a review of provision was undertaken with a view to commissioning a service which would ensure that all equipment supplied meet the needs of the young people placed through identifying the best available quality and price for the products. This service was extended to cover equipment for all children in care or leaving care.
- 2.5 The three companies currently in this arrangement are EPS Supplies, Mother care and Yorkshire B Ltd where these offer best value and are not in contradiction of other contractual obligations. Officers engage with these providers in dialogue to obtain the best product available, the best price and an appropriate timescale that will meet the needs of the young person placed.
- 2.6 This process needs to be formalised through a competitive tender exercise. Commissioning the provision would ensure good quality items with plenty of choice and a ceiling of set prices applied to purchases. If an individual foster carer wants a bespoke item they would have to pay the difference themselves.
- 2.7 It is now intended to undertake a formal procurement in respect of these supplies, to enhance the living environment for the children and young people and obtain best quality purchases and value for the council. The service will deliver economies of scale and cost sharing by bulk buying for the local authority and will remove the VAT element for the council.

- 2.8 These goods will be delivered either directly to LCC sites or to private households in Leeds, in quantities specified on the official orders.
- 2.6 The expenditure on this contract for 2017/18 is attached at Appendix 1 to this report.

### **3 Main issues**

- 3.1 The companies currently used have been found to provide a competitive pricing structure in the range of goods they provide. However the quality of the goods provided does not always meet the needs of the children and young people placed.
- 3.2 This in turn causes delays in the delivery of equipment sometimes prompting a high degree of off contract purchasing of some items from ASDA, Argos, Currys, Tesco Direct, Bells and other local charity shops.
- 3.3. Leeds has a key priority to ensure children remain in safe and supportive families wherever possible. If the right equipment can be provided to foster carers following a child being placed in their care or a young person leaving and moving into their own accommodation, the nurturing aspect of our aspiration will be achieved.
- 3.3 The Council wishes to ensure robust, outcomes focused, contract arrangements are in place for the delivery of this important provision. The pooling of budget will enable bulk buying, deliver economies of scale, allow the recovery of VAT element and generate efficiency savings.
- 3.4 The monitoring framework for this contract will measure a range of longer term and short term outcomes, in order to best demonstrate the impact of this investment and help inform future discussion regarding the supply of appropriate equipment for children and young people.
- 3.5 A full procurement which includes a bidder's event is planned. The project team has also identified that a market sounding exercise may be helpful to ascertain market appetite, capability and experience in delivering the type and level of service required to establish the provision.
- 3.6 A number of outcome measures will be agreed with Social Work colleagues across all partner services to enable us to monitor outcomes being achieved and progress being made on an ongoing basis

#### **Consequences if the proposed action is not approved**

- 3.7 If permission to procure is not approved, purchasing of equipment will continue but it would mean that providers would be outside of the scope of a

contract and its terms and conditions against which to deliver quality provision.

- 3.8 The local authority will be in danger of failing to meet their statutory duty to children and young people in care.
- 3.9 The absence of a contract framework would limit opportunities to improve and consolidate best practice. This may lead to public scrutiny over the cost of equipment and our inability to control these and the quality of services we are using.
- 3.10 Ad hoc purchasing of equipment will continue and any ongoing efficiency savings that are anticipated would not be realised. There is a need to be able to have some consistency and confidence in the pricing structure over the life of the contract so that we can ensure sufficiency and forecast budgets appropriately.

### **Advertising**

- 3.11 No advertisement has taken place in respect of the desire to utilise these providers. The procurement exercise when commenced will be subject to advertising as required under the public contracts regulations.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 Consultation with service colleagues and officers within the social work service has taken place and will continue to inform the specification and recommendations.
- 4.1.2 Further consultation with foster carers, young people and other stakeholders is also planned with the intention of involving young people in the evaluation of the tender. This will be planned carefully to ensure young people have a voice and influence and to mitigate the risk of challenge from bidders.
- 4.1.3 A market testing exercise to determine the level of interest in supply, delivery and assembly of some of these products will be undertaken before the full commissioning.
- 4.1.4 Potential providers will be invited to a bidders' event to ensure the service and pricing models are effective and viable before tender submission.

### **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.

4.2.2 Equality, diversity, cohesion and integration will continue to be considered throughout the commissioning program.

### **4.3 Council Policies and Best council Plan**

4.3.1 The outcomes the service will be commissioned against those within the Leeds Children and Young People's Plan, and lines with the best council ambition to be a child friendly city.

4.3.2 The delivery of the service will contribute to a number of the outcomes and priorities within the plan including:

- ensuring all young people have fun growing up, are safe from harm and stay in safe and supportive families. The needs of Children Looked After is a key obsession of children and families.
- ensuring that the most vulnerable are protected.
- helping children and parents to live in safe, supportive and loving families that the local authority is as efficient as possible its use of resources.

### **4.4 Resources and Value for Money**

4.4.1 There is a budget in place to, the value of this decision.

4.4.2 Public value is obtained through engaging with the potential providers to ensure that the quality of equipment and price paid offer best value.

4.4.3 This will be a call off framework contract with all expenditure approved by a Service Delivery Manager

4.4.4 The quality and value for money of the contract will continue to be monitored by the Commissioning and Market Management Team, Children and Family Services. Intelligence gained through contract monitoring service will be used to inform future provision.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1. This is a key decision and as such was placed on the list of forthcoming key decisions and is subject to the relevant call in period.

4.5.2. A full and open commissioning process will be undertaken should the Director of Children and Family Services approve the request to procure.

4.5.3. The annual contract value is £325k with the total potential value including extensions being £1,625,000 for the five year duration of contract.

4.5.4. Advice taken from procurement colleagues, indicates that there are no legal issues that may affect the proposed commissioning.

- 4.5.3 The Director of Children & Families should be satisfied that the course of action chosen represents Best Value for the Council.

## **4.6 Risk Management**

- 4.6.1 In the event that the action required in order to deliver the contract is not approved, LCC duties will remain and therefore alternative delivery arrangements will need to be put in place which may prove to be quite expensive. This could therefore have an impact on the council's priorities as outlined in the children and Young People's plan.
- 4.6.2 A lack of applicants may affect the viability of the proposed commissioning. This would be mitigated by the soft market sounding exercise and bidders' event in gaining expressions of interest, listening to and understanding what providers are saying.
- 4.6.3 Funding at the level indicated may not be available in future years, which would inevitably affect the scope of the proposal. This could be considered a medium risk at this stage pending budget decisions in subsequent years.

## **5 Conclusions**

- 5.1 A project group has been established to facilitate the commissioning and procurement process.
- 5.2 The Director of Children's Services is requested to note the contents of this report and approve the permission to procure.

## **6 Recommendations**

- 6.1 The Director of Children and Families is recommended to approve the procurement of contracts to deliver equipment for children and young people in foster care, residential and leaving care accommodation by way of competitive tendering process. The contract will be for three years commencing 1 September 2019, with the option to extend by further two 12 month periods. The annual value is estimated at £325k.

## **7 Background documents<sup>1</sup>**

- 7.1 None

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<sup>1</sup> 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.