

Report of Strategic Commissioning Group
Report to Director of Children and Families

Date: 21 June 2019

Subject: Request to award the White Rose Electronic Market Place Agreement for Residential Providers



Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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

1. Main issues

- This report seeks approval to establish the Electronic Market Place (EMP) as the framework for residential placement contracts and appoint onto the agreement approved suppliers on behalf of the members of the White Rose Strategic Commissioning Group (WRSCG).
- Leeds is the lead authority for regional children's commissioning which consists of 14 local authorities and 1 Children's Trust, all of which currently commission residential provision from external providers. The new EMP has been commissioned to improve quality and meet sufficiency requirements within the sector and provide a streamlined placement process for local authorities and providers.
- A competitive procurement process has been completed by Leeds City Council on behalf the WRSCG. An initial number of successful providers will be offered EMP agreement allowing them to bid for placements from all participating authorities through the YORtender system. Agreement will be entered into with additional providers over the term of the EMP.
- The participating authorities are Barnsley MBC, City of Bradford Metropolitan District Council, The Borough Council of Calderdale, Doncaster Children's Trust,

Doncaster Borough Council, East Riding of Yorkshire Council, Hull City Council, The Borough Council of Kirklees, Leeds City Council, North Lincolnshire, North East Lincolnshire, Rotherham Borough Council, Sheffield City Council, Wakefield Metropolitan District Council and York City Council.

- The award is for the Electronic Market Place Agreement for a period of 10 years, from 01/08/2019 to 31/07/2029 with an option to review or amend at any time during the life of the contract.

2. Best Council Plan Implications

- The EMP agreement consolidates an important focus on continuing to improve educational attainment across the city whilst closing the achievement gap for disadvantaged children and young people in the City. This is one of the key obsessions within Children and Families Directorate in respect of children looked after and is reflected in the documentation and the quality evaluation model used within the process.
- The agreement encourages all providers to work in partnership and actively seek greater collaboration between schools and businesses; and support businesses and individuals in improving skills to boost competitiveness and aid career progression.
- This agreement contributes to ensuring that children and young people are physically safe, stable and emotionally secure, protected from ill treatment, neglect, violence, Sexual and Child Criminal Exploitation (CSE & CCE); and free from bullying and discrimination, and are protected from involvement in crime, anti-social behaviour and other risk taking behaviour.
- All White Rose partnership local authority policies and priorities are reflected in the agreement and will continue to be mirrored in the ongoing quality assessment of provision.

3. Resource Implications

- There is no obligation for the Participating Authorities to purchase any services from any bidder admitted to the Electronic Market Place during its term. No undertaking or any form of statement, promise, representation or obligation is being made, or has been made by the Council in respect of the total quantities or values of the services to be ordered by the Participating Authorities pursuant to the EMP. Therefore the EMP has no guarantee of business for the providers.
- The 14 participating LAs have asked Leeds City Council to lead on the EMP under the partnership and will be managing EMP training, all future applications from new providers and the contract for this agreement on behalf of the region. All participating authorities contribute to the core costs of the commissioning programme.

4 Recommendations

- a) The Director, Children and Families is recommended to award White Rose Residential Electronic Market Place agreement to the initial successful applicants

identified at Appendix 1 for a period of ten years from 1st August 2019 to 31st July 2029.

- b) The Director of Children and Families is also recommended to all approve subsequent Electronic Market Place awards to new entrants to the same agreement during the term of this agreement from 1st August 2019 to 31st July 2029.

1. Purpose of this report

- 1.1 This report seeks to award a White Rose EMP Agreement to residential homes providers identified at appendix 1 and all subsequent future successful applicants on the EMP agreement during the 10 year term.

2. Background information

- 2.1 Within the provisions of the 1989 Children's 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) They 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.

- 2.2 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.

- 2.3 The White Rose Residential partnership has been working together since 2011 to put a Framework Agreement in place to provide effective placement for children and young people. The first residential framework agreement commenced in July 2013 for four years followed by a two year interim framework which expires on 17th August 2019.

- 2.4 In order to comply with the Public Contracts Regulations 2015, a new agreement for residential provision was required from which individual placements will be purchased.

- 2.5 The WRSCG approved a new approach to purchasing placements through an electronic market place instead of a framework call off contract. This allows a more efficient process for matching a child to the most appropriate placement, meeting sufficiency requirements and achieving value for money.

- 2.6 The EMP has been established with the support of the region's Chief Executives and the Directors of Children's Services.

- 2.7 New providers will have the opportunity to apply to join the agreement at any time during the agreement and assessment of new applicants will be carried out every three (3) calendar months. This process will be managed through the YORtender secure system. How the EMP will work is attached at Appendix 2.

3 Main issues

- 3.1 Leeds City Council is the lead authority responsible for managing the EMP commissioning process and will collect high level quality assurance information from providers. A cost for this responsibility has been identified and is shared proportionately between participating local authorities.
- 3.2 A new service specification was drafted that clearly outlines expectations and quality standards for service providers including creating a supportive and nurturing environment for all young people in their care.
- 3.3 The tender documents comprised appropriate documentation for a scheme of this nature and included specification, call-off mechanism, quality framework documentation, pricing documents, terms and conditions and instructions to bidders.
- 3.4 The EMP agreement will be let on the basis of the establishment of 3 Lots across the following placement needs :
- Lot 1 – Core Residential Provision,
 - Lot 2 – Residential and Education,
 - Lot 3 – Parent and Child Assessment Provision.
- 3.5 Providers were able to bid for one or more Lots depending on their business model. All providers were required to submit a pricing schedule based on a range of different placement needs, and this is set as their standard prices for one year. Pricing for additional packages of support may be agreed depending on the needs of the individual child by exception.
- 3.6 Under the agreement, placement opportunities are advertised on YORtender by participating authorities, and any home wishing to provide a placement for the young person will complete the Referral Form. Placement teams will assess the bids and offer the placement based on best match and best value.
- 3.7 New providers will have the opportunity to apply to join the EMP at any time through and applications will be assessed every 3 calendar months. New applications to enter in the next available window of opportunity will be managed through YORtender within the first two months of the three month cycle.
- 3.8 The evaluation of the bids was undertaken by eight panels of officers from the participating authorities. Tenders were evaluated on the basis of 50% of marks being attributed to price and 50% of marks being attributed to quality.
- 3.9 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.

- 3.10 47 providers applied to join the EMP and 39 were approved by the evaluation panels.
- 3.11 Due diligence checks of the SSQ and tender submissions have been undertaken by Procurement and Commercial Services. This process includes (but is not limited to) taking up technical references, checking appropriate insurance is in place and financial accounts meet the council's requirements. Policies for health and safety and safeguarding have also been checked by the Council's specialists.
- 3.12 The EMP will develop a framework of providers to ensure capacity to manage fluctuations in demand and capacity across the participating member authorities.
- 3.13 Providers will be monitored according to their performance against the quality standard framework and restorative support and challenge delivered to ensure the highest standards are achieved.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Local Authorities Chief Executives and DCSs have been updated throughout the commissioning process with the Procurement and Commercial Services and Legal Team also providing advice.
- 4.1.2 Consultation with regional partners and provider market informed the service specification for this agreement. The wider provider market worked with the project team to co-produce the quality standard framework.
- 4.1.3 Young people were consulted across the region through individual local authorities and their views informed the development of the specification. They have indicated their interest in being involved in future quality standard events to ensure their voices continue to be heard.
- 4.1.4 The Executive Member for Children and Families has been updated throughout the process and has been informed of the outcome of the procurement.

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. Any amendments to the specification and future provision will need to be subjected to a further EIA assessment.

4.3 Council policies and the Best Council Plan

Climate Emergency

- 4.3.1 The service specification requires all providers to consider the environmental impact of their service delivery and identify ways to reduce waste and other substances damaging to health and the environment. This forms part of the contract and will be monitored during quality standard assessments.
- 4.3.2 The Contractors in performing the service for this contract shall meet all Legislation, Guidance and Good Industry Practice in environmental management and meet the objectives of the Participating Authority(s) sustainability policies.

Children and Young People's Plan

- 4.3.3 The new service specification and terms and conditions reflect the priorities in the children and young people's plan including:
 - 'Ensure that the most vulnerable are protected'
 - 'Support young people to make good choices and minimise risk-taking behaviours'
 - 'Help young people into adulthood, to develop life skills, and be ready for work'

4.4 Resources, procurement and value for money

- 4.4.1 This agreement has no guarantee of business for the providers. The tender process was evaluated on a 50:50 price/quality split.
- 4.4.2 The regional and Leeds annual expenditure based on the 2017-18 costings returned by all partners was £97,353,735.40 and £11, 441,061.40
- 4.4.3 Leeds has worked collaboratively with the region to provide a structure for cost efficiency across the partnership and made resources available to the region in setting up and managing this agreement. A cost for leading the White Rose collaboration commissioning and future management of the quality standard by Leeds has been identified and will be shared proportionately between participating authorities.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The decision is a significant operational decision and is not subject to call-in as the award is a direct consequence of the earlier key decision to procure (Ref: D48135 Published: 16th November 2018)
- 4.5.2 The Director of Children and Families has to consider the nature of the services being delivered, there is no obligation for the Participating Authorities to purchase any services from any bidder admitted to the Electronic Market Place during its term, and is satisfied that Public Contracts Regulations 2015 were fully complied with.

4.6 Risk management

- 4.6.1 If this contract is not approved then Leeds City Council will risk not fulfilling its statutory duties under The Children and Family Act 1989, 2004 and 2014.

- 4.6.2 A risk register is in place and has been maintained throughout the project.
- 4.6.3 Prices will be fixed for the first 12-months. The agreement will include the opportunity for tenderers, on an annual basis, to re-submit their base costs attributable to their provision of service. Price reviews will be subject to a robust assessment and only granted should the business case stand up to the appraisal. Negotiations with providers will be undertaken if necessary; then WRSCG will take the decision to approve price reviews.
- 4.6.4 All providers will have to pass the vetting process including financial, health and safety and quality threshold by the time of award. For providers with outstanding vetting, the award will be subject to providing the required information prior to appointment onto the EMP (Appendix 1 and Appendix 3).
- 4.6.5 Payment will not be made in advance under the EMP agreement and therefore in financial terms will represent a low risk.

Conclusions

- 5.1 The new electronic marketplace provides a streamline process for choosing the most appropriate residential placement for children and young people looked after. A new service specification clearly outlines expectations and quality standards that all providers across the region will be monitored against.
- 5.2 A robust procurement process has been completed in partnership with the WRSCG participating authorities, and the first tranche of EMP agreement are ready to be awarded. The EMP will go live in August following a training programme for placement teams and providers.

6 Recommendations

- 6.1 The Director, Children and Families is recommended to award White Rose Residential Electronic Market Place agreement to the initial successful applicants identified at Appendix 1 for a period of ten years from 1st August 2019 to 31st July 2029.
- 6.2 The Director of Children and Families is also recommended to all approve subsequent Electronic Market Place awards to new entrants to the same agreement during the term of this agreement from 1st August 2019 to 31st July 2029.

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.