



Report of Commissioning and Market Management team

Report to the Director of Children & Families

Date: 10th December 2019

Subject: Procurement of a contract to deliver an Interagency Adoption Placement Service

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 checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> Yes <input 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

1. Main issues

- One Adoption West Yorkshire (OAWY) placed approximately 150 children for adoption in 2017-18. Of these, approximately 60% were placed with internally recruited adopters and 40% with adopters recruited externally. Of the latter, 18 children were placed through voluntary adoption agencies.
- OAWY would like to see more children being placed locally where it is appropriate to do so. This means we look to place children within the West Yorkshire region or secondly in the wider regions surrounding the boundary of West Yorkshire, including the wider Yorkshire and Humber region.
- To achieve this, OAWY would like to award a single contract to provide a minimum of 30 placements per year, with payment for recruitment of 30 (one third of total fee) paid annually in advance.
- A key emphasis of this contract is ensuring children are adopted more locally, drawing on the expertise of voluntary adoption agencies to recruit adopters who would like to adopt older children and sibling groups.
- The value is based on the nationally agreed Interagency Fee. Therefore, this report is seeking permission to waive contract procedure rule 15.2 and for the tender evaluation criteria to be based on 100% quality rather than the standard approach of 60% quality and 40% price.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- This proposal provides strong support for the refreshed Children and Young Peoples Plan and the Council's ambition to be a Child Friendly City. The outcomes delivered through this contract will contribute to a number of the outcomes and priorities within the plan, including the outcome to ensure all young people are safe from harm and the priority to help children live in safe and supportive families.
- This proposal also supports the 2019-20 Best Council Plan priority make Leeds the best city for children and young people to grow up in.
- The Contractor will be required to consider the environmental impact of their approach to service delivery. They will be asked to demonstrate how they will reduce their carbon footprint, including making best use of technology and sustainable transport in delivering the outcomes required for this grant funding.

3. Resource Implications

- The estimated value of the contract to be procured is £2,845,800 over three years.
- The value is based on the Interagency Fee for 2019/20, which is a charge that is paid when a local authority places a child with an adopter approved by another adoption agency (this could be another local authority, a regional adoption agency, or a voluntary adoption agency). The total charge for one child in 2019/20 is £31,620. For 30 placements this equates to £948,600.
- One third of the fee for 30 placements will be paid as a block payment in advance at the beginning of each year of the contract to enable the Contractor to recruit and retain adopters to support local matches. Approval to make partial payments in advance is required from the Chief Finance Officer in order to comply with financial regulations and this will be sought via a clear business case.
- The remainder of the fee will be paid in line with the Interagency Fee rates and terms <https://www.cvaa.org.uk/interagency-fee>.
- The actual spend will depend on the number of placements made and the number of children each placement because there are discounts applied where more than one child is placed with a family.

Recommendations

- a) The Director of Children and Families is recommended to:
 - i. Provide permission to procure a contract for an Interagency Adoption Placement Service. The contract will be for three years; commencing on 16th March 2020, expiring on 31st March 2023. The estimated contract value will be £2,845,800.
 - ii. Approve the waiver of contract procedure rule 15.2 and for the tender evaluation criteria to be based on 100% quality rather than the standard approach of 60% quality and 40% price.
 - iii. Seek the approval of the Chief Officer Financial Services to the payment terms outlined in this report.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to procure a contract to deliver an Interagency Adoption Placement Service. The contract will be between 16th March 2020 and 31st March 2023 and the estimated value is £2,845,800. The report also seeks approval to use a 100% quality evaluation criteria and to make partial payments in advance.

2. Background information

Regionalisation reforms for adoption services

- 2.1 The Government's regionalisation reforms were introduced in 2017 to reduce the large number of agencies providing adoption services and create 25-30 Regional Adoption Agencies (RAAs) to pool resources and provide:
- More targeted and efficient recruitment of adopters
 - Speedier matching with a larger more diverse pool of adopters
 - An improved range of adoption support services and regulatory compliance
- 2.2 In the longer term RAAs are expected to provide
- Better outcomes for children and adopters
 - Reduced practice and performance inconsistencies
 - More effective strategic management of the service delivering efficiency savings
 - A culture of excellence in adoption practice through strong partnerships with the Voluntary Adoption Agency (VAA)
- 2.3 One Adoption West Yorkshire became the country's first Regional Adoption Agency when the regionalisation reforms were launched - bringing together all of the adoption services from Bradford, Calderdale, Kirklees, Leeds and Wakefield. Within its second year of operation the agency has already demonstrated that it is leading the way for newer regional agencies by winning two national awards.

Recruitment of adopters

- 2.4 The recruitment of adopters nationally is declining and the gap between the number of children waiting (increasing) and approved adopters waiting (decreasing) is widening.
- 2.5 One Adoption West Yorkshire (OAWY) placed approximately 150 children for adoption in 2017-18. Of these, approximately 60% were placed with internally recruited adopters and 40% with adopters recruited externally. Of the latter, 18 children were placed through voluntary adoption agencies.
- 2.6 These figures are based on the date of placement.
- 2.7 As with other Regional Adoption Agencies and Local Authorities, OAWY prioritises internally recruited adopters because they are lower cost. However, the value of other RAAs and voluntary adoption agencies in the region are recognised and it is often preferable to match with adopters externally.

- 2.8 The ability of voluntary adoption agencies to find adopters for harder to place children is also valued. OAWY does not have sufficient numbers of adopters and can struggle to find adopters for some groups of children such as older children and sibling groups.
- 2.9 OAWY would like to see more children being placed locally where it is appropriate to do so. This means we look to place children within the West Yorkshire region or secondly in the wider regions surrounding the boundary of West Yorkshire, including the wider Yorkshire and Humber region and Lancashire. We believe this can only be achieved through:
- More adopters being recruited by all agencies in the region
 - More adopters being recruited who see the benefits of and are prepared to wait for a local match
 - More adopters being recruited who would like to adopt older children and sibling group
- 2.10 OAWY would like to make greater use of voluntary adoption agencies through:
- Improved coordination and joint working – e.g. single referral point, effective communication & information sharing; and
 - Formalising of relationships and clarity over expectations, roles and responsibilities by establishing a contract

3. Main issues

- 3.1 OAWY places children for adoption through a number of voluntary adoption agencies that are established in the West Yorkshire region. Currently there are no contracts in place with these agencies.
- 3.2 OAWY would like to make greater use of voluntary adoption agencies through:
- Improved coordination and joint working – e.g. single referral point, effective communication & information sharing; and
 - Formalising of relationships and clarity over expectations, roles and responsibilities by establishing a contract.
- 3.3 To achieve this, OAWY would like to award a single contract to provide a minimum of 30 placements per year.
- 3.4 The market regionally and indeed nationally is very limited. A market sounding exercise was undertaken in August 2019, which resulted in one response from a partnership of voluntary agencies. This demonstrated there is sufficient interest and capability in the market to deliver this contract. The preferred option is to procure the contract by way of competitive tender to ensure a fair and transparent process is followed in line with Public Procurement Regulations.
- 3.5 A tender timetable has been produced, which shows that a contract can be awarded in March 2020 if the tender is published on 6th January 2020.
- 3.6 The opportunity will be advertised on the OJEU and published on the YORtender portal and corporate Leeds City Council tender documentation will be used.

3.7 A key emphasis of this contract is ensuring children are adopted locally, drawing on the expertise of voluntary adoption agencies to recruit adopters who see the benefits of and are prepared to wait for a local match and would like to adopt older children and sibling groups. The value is based on the fixed Interagency Fee and so it is not possible to seek any savings from providers on the cost per placement. Therefore, this report is seeking permission to waive contract procedure rule 15.2 and for the tender evaluation criteria to be based on 100% quality rather than the standard approach of 60% quality and 40% price.

3.8 The tender evaluation will comprise of:

- Selection questions
- Written tender questions

3.9 The evaluation panel will comprise of representatives from:

- One Adoption West Yorkshire
- Leeds City Council

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 The proposal to procure a contract has been agreed by all five Local Authority members of OAWY.

4.1.2 The Executive Member for Children and Families has been consulted about the decision to procure.

4.2 Equality and diversity / cohesion and integration

4.2.1 An Equality Impact Assessment Screening document has been completed and is attached at appendix 1. This demonstrates there is no impact on equality and diversity, cohesion and integration because this tender will formalise existing arrangements.

4.3 Council policies and the Best Council Plan

4.3.1 This proposal provides strong support for the refreshed Children and Young Peoples Plan and the Council's ambition to be a Child Friendly City. The outcomes delivered through this grant funding will contribute to a number of the outcomes and priorities within the plan, including the outcome to ensure all young people are safe from harm and the priority to help children live in safe and supportive families.

4.3.2 This proposal also supports the 2019-20 Best Council Plan priority make Leeds the best city for children and young people to grow up in.

Climate Emergency

4.3.3 The Contractor will be required to consider the environmental impact of their approach to service delivery. They will be asked to demonstrate how they will reduce their carbon footprint, including making best use of technology and sustainable transport in delivering the outcomes required for this grant funded provision.

4.4 Resources, procurement and value for money

- 4.4.1 This report relates to a procurement for an Interagency Adoption Placement Service. The estimated value over three years is £2,845,800. The value is based on the Interagency Fee for 2019/20, which is a charge that is paid when a local authority places a child with an adopter approved by another adoption agency (this could be another local authority, a regional adoption agency, or a voluntary adoption agency). The total charge for one child in 2019/20 is £31,620. For 30 placements this equates to £948,600.
- 4.4.2 Procuring this contract will help ensure best value by fixing the fee per placement based on the current Interagency Fee. The Interagency Fee is set to increase yearly in line with Consumer price inflation including owner occupiers' housing costs (CPIH) for the previous calendar year, as published by the Office for National Statistics. In return for this 'discount', the Contractor will benefit from being paid one third of the fee for 30 placements in advance, committing the Council to placing a minimum of 30 children per year through the contract.
- 4.4.3 One third of the fee for 30 placements will be paid as a block payment in advance at the beginning of each year of the contract to enable the Contractor to recruit and retain adopters to support local matches. Approval to make payments in advance is required from the Chief Finance Officer in order to comply with financial regulations and this will be sought by way of a clear business case.
- 4.4.4 The remainder of the fee will be paid in line with the Interagency Fee rates and terms <https://www.cvaa.org.uk/interagency-fee>.
- 4.4.5 The actual spend will depend on the number of placements made and the number of children each placement because there are discounts applied where more than one child is placed with a family.
- 4.4.6 The budget has been confirmed by OAWY finance.
- 4.4.7 The budget is managed by Leeds on behalf of all Local Authority members of OAWY.
- 4.4.8 Performance will be overseen by the OAWY team based within Leeds City Council. Support for contract management will be provided by the Leeds City Council Commissioning and Market Management team as required

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

- 4.5.1 The total estimated value of the contract will be £2,845,800 and so approval to procure is a key decision. This decision is subject to call in and was published on the list of forthcoming key decisions on 19 November 2019.
- 4.5.2 Corporate financial regulations stipulate that payments should be made in arrears. Approval to waive Financial Regulation 13 and make partial payment in advance is required from the Chief Finance Officer.

4.6 Risk management

- 4.6.1 A risk register has been produced and will be monitored and updated throughout the procurement process and contract mobilisation.
- 4.6.2 The timescales are very tight and there will be no mobilisation period between contract award and service commencement. However, the Contractor will need to be an experienced and established adoption agency and so should be able to commence recruiting adopters soon after the start of the contract. The contract team will work closely with the Contractor to implement their delivery plan and ensure sufficient numbers of adopters are recruited in year one.
- 4.6.3 The value of the contract can only be estimated at this stage because the number of actual placements to be made is not known. Although the ambition is to place 30 children per year, this may not be achieved and there is a financial risk in paying the recruitment fees for all 30 placements in advance. Progress towards the target will be closely monitored and the contract will allow for a review of placements against payments and some element of clawback after year two or three. The aim is to share the financial risk in order to enable agencies to invest in recruitment to support OAWY in making 30 adoption placements locally per year.

5 Conclusions

- 5.1 This report seeks approval to procure a contract for delivery of an Interagency Adoption Placements Service.
- 5.2 This contract will help enable OAWY place more children for adoption and place more children locally. This will support the Leeds Children and Young People's Plan outcome to ensure all young people are safe from harm and the priority to help children live in safe and supportive families.

6 Recommendations

- 6.1 The Director of Children and Families is recommended to
 - 6.1.1 Provide permission to procure a contract for an Interagency Adoption Placement Service. The contract will be for three years; commencing on 16th March 2020, expiring on 31st March 2023. The maximum contract value will be £2,845,800.
 - 6.1.2 Approve the waiver of contract procedure rule 15.2 and for the tender evaluation criteria to be based on 100% quality rather than the standard approach of 60% quality and 40% price.
 - 6.1.3 Seek the approval of the Chief Officer Financial Services to the payment terms outlined in this report.

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.