

**Report of Commissioning and Market Management Team**

**Report to Head of Service One Adoption West Yorkshire**

**Date: 23<sup>rd</sup> March 2021**

**Subject: Variation to contract with Barnardo's for the delivery of an Interagency Adoption Placement Service DN477072**



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 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**

**1. Main issues**

- This report seeks approval to vary the contract with Barnardo's for the delivery of an Interagency Adoption Placement service on behalf of One Adoption West Yorkshire (OAWY). This variation does not involve any additional funding being awarded.
- A decision to award this contract following competitive procurement and subsequent negotiated procedure was published on 5<sup>th</sup> May 2020.
- The contract was awarded for 3 years, commencing on 25<sup>th</sup> May 2020 until 31 March 2023. There are no options to extend this contract.
- There is an element of advance payment for this contract. This report seeks approval to vary the contract in order to make additional advance payments to support the cash flow of the provider.

**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 – 2020/21 Best Council Plan priority make Leeds the best city for children and young people to grow up in.
- The Contractor is required to consider the environmental impact of their approach to service delivery. They are required to demonstrate how they will reduce their carbon footprint, including making best use of technology and sustainable transport in delivering the outcomes required.

### **3. Resource Implications**

- The estimated value of the contract is a maximum of £2,950,030 over three years.
- The value is based on the Interagency Fee, 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 a one child placement in 2020/21 is £32,063 and the minimum number of children to be placed is 90 over the life of the contract. Discounts apply for multiple child placements.
- One third of the fee for 30 placements is 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. The Chief Finance Officer approved partial payment in advance via a business case in December 2019. In year one of the contract, this equated to an advance payment of £320,630.
- It is proposed that a further advance payment of circa £64,000 is made to Barnardo's in April 2021, in order to address cash flow issues.

### **Recommendations**

- The Head of Service for One Adoption West Yorkshire is recommended to approve a variation to the contract with Barnardo's to deliver an Interagency Adoption Placement (DN477072) from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023. This variation will allow an additional advance payment of £64,000 to be made in April 2021. No additional value is to be added to the contract.

## **1. Purpose of this report**

- 1.1 This report seeks approval to vary the contract with Barnardo's for the delivery of an Interagency Adoption Placement service on behalf of One Adoption West Yorkshire (OAWY).

## **2. Background information**

- 2.1 The recruitment of adopters nationally is declining and the gap between the number of children waiting (increasing) and approved adopters waiting (decreasing) is widening.
- 2.2 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.
- 2.3 These figures are based on the date of placement.
- 2.4 As with other Regional Adoption Agencies and Local Authorities, OAWY prioritises internally recruited adopters because they are able to support families more locally. 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.
- 2.5 The ability of voluntary adoption agencies to find adopters children who wait longer 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.
- 2.6 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
- 2.7 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
- 2.8 To achieve this, OAWY awarded a contract to Barnardo's as the lead provider of a consortium, to provide a minimum of 90 placements over the life of the 3 year contract.

### **3. Main issues**

- 3.1 A decision to award this contract to Barnardo's following competitive procurement and subsequent negotiated procedure, in accordance with the Public Contracts Regulations 2015 (Regulation 32 (2) (a) on the grounds that no tenders have been submitted in response to an open procedure, was published on 5<sup>th</sup> May 2020. Barnardo's is the lead contractor of the Voluntary Adoption Agency consortia, a partnership of voluntary adoption agencies working in the West Yorkshire area.
- 3.2 The contract commenced on 25<sup>th</sup> May 2020 and runs until 31<sup>st</sup> March 2023, with no extension options. The maximum is £2,950,030 over three years.
- 3.3 Prior to awarding the contract, approval was obtained for an element of advance payment, equivalent to one third of the fee for 30 placements. This pays for adopter recruitment costs, helping the cash flow of agencies and our ability to place children locally in a timely manner. The remainder of the fee is then paid when the match is made.
- 3.4 To date, the contract has performed well and is on track to achieve 30 places by 31<sup>st</sup> March 21. The model has worked well and we are confident this will continue as we prepare to go into year two. Officers within OAWY and Barnardo's are continuing to work together to ensure the matching process is effective to ensure OAWY make the required number of referrals for the contract and this is very positive. However, within the consortia there are some issues with managing cash flow. The council raises all orders to Barnardo's, who invoice the council and allocate payments to partners within the consortia.
- 3.5 An additional advance payment for the remaining two thirds fee for 3 x children (circa £64k depending on 21/22 interagency fee) in April 2021 would give Barnardo's a float so they can pay consortia partners promptly when children are matched rather than after they have invoiced the council and received the payment. Barnardo's will invoice the council monthly for children matched as usual and so keep the float continually topped up.
- 3.6 The variation will be from 1<sup>st</sup> April 2021 until expiry of the contract on 31<sup>st</sup> March 2023. The advance payment of circa £64,000 will carry forward throughout the left of the contract, with all payments reconciled in March 2023.

### **4 Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 The proposal to vary the contract has been agreed by all five Local Authority members of OAWY and Barnardo's.

#### **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 – 2020/21 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 is required to consider the environmental impact of their approach to service delivery. They are required to demonstrate how they will reduce their carbon footprint, including making best use of technology and sustainable transport in delivering the outcomes required.

### **4.4 Resources, procurement and value for money**

- 4.4.1 The contract was awarded for 3 years, commencing on 25<sup>th</sup> May 2020 until 31 March 2023. There will be no options to extend this contract. The estimated value of the contract is £2,950,030 over the 3 years.
- 4.4.2 The value is based on the Interagency Fee for 2020/21, 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 a one child placement in 2020/21 is £32,063 and the minimum number of children to be placed is 90 over the life of the contract. Discounts apply for multiple child placements.
- 4.4.3 One third of the fee for 30 placements is 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 was obtained from the Chief Finance Officer in order to comply with financial regulations and this was sought via a clear business case prior to procurement. In year one of the contract, this equated to an advance payment of £320,630. The remainder of the fee is currently paid at the point of match.
- 4.4.4 There has been ongoing and regular reconciliation of payments versus placements, with a meeting held in March 2021 to agree final reconciliation for end of year. No claw back was necessary as the target number of placements was met.
- 4.4.5 It is proposed that a further advance payment of circa £64,000 is made to Barnardo's in April 2021, in order to address cash flow issues as explained in paragraphs 3.5 and 3.6. Approval for this advance payment was given by the Chief Finance Officer on 15<sup>th</sup> March 2021.
- 4.4.6 Performance is 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 is £2,950,030. A key decision gave permission to procure this contract on 11 December 2019 and a significant operational decision was taken to award the contract as a direct consequence of the key decision.
- 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 was given from the Chief Finance Officer as part of the permission to procure process.
- 4.5.3 The variation to the contract is sought by way of a significant operational decision. There is no additional cost implication but it involves a further advance payment. This decision will be published but is not subject to call in. Approval for this advance payment was given by the Chief Finance Officer on 15<sup>th</sup> March 2021.

## **4.6 Risk management**

- 4.6.1 The ambition is to place 90 children over the life of the contract. This may not be achieved and there is a financial risk in paying the recruitment fees annually in advance but progress towards the target is being closely monitored and the contract allows for clawback after years two or three. The contract is based on some element of shared financial risk in order to enable agencies to invest in recruitment to support OAWY in making 30 adoption placements locally per year. In the first year of the contract, the model has worked well and the target has been met.

## **4 Conclusions**

- 5.1 This report seeks approval to vary the contract with Barnardo's for the delivery of an Interagency Adoption Placements Service (DN477072).
- 5.2 This contract helps enable OAWY place more children for adoption and place more children locally. This supports 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 Head of Service for One Adoption West Yorkshire is recommended to approve a variation to the contract with Barnardo's to deliver an Interagency Adoption Placement (DN477072) from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023. This variation will allow an additional advance payment of £64,000 to be made in April 2021. No additional value is to be added to the contract.

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

- 7.1 N/A

## **8 Appendices**

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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.

8.1 Appendix 1 – Equality Screening