

7 February 2018		ITEM: 10 Decision 0110459
Cabinet		
Children Looked After Placement Commissioning		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Sue Little, Portfolio Holder for Social Services		
Accountable Assistant Director: Sue Green, Strategic Leader Children's Commissioning and Service Transformation		
Accountable Director: Rory Patterson, Corporate Director of Children's Services		
This report is Public – with the exception of the Stage 1 'Approval to Proceed to Tender' procurement report (appended), which should be exempt since it contains commercially sensitive information regarding the tender.		

Executive Summary

The provision of quality care through safe and stable placements for children and young people who are looked after is a key statutory function of all local authorities. In Thurrock this accommodation and associated support is provided through a range of providers on differing contractual arrangements and there is the opportunity to simplify this and to continue to improve outcomes for children and young people by ensuring providers contribute to, and support holistic wrap around services. .

This report presents the proposed commissioning exercise that, subject to agreement, brings together the procurement of placements for children looked after. It also sets out the rationale for a new approach which aims to establish a mechanism to ensure that the best quality placements are commissioned and that more children and young people are placed in or near to the local authority area. This will enable vulnerable looked after children great access to high quality education and health provision within Thurrock.

The proposed contract cost is £10.3 million per year and covers a six year period across the following placement groups:

- External Independent Foster Care Agencies (IFA's)
- Children's residential placements
- Post 16 supported accommodation

- Family assessment placements

This change of commissioning will mean that we withdraw from the current regional arrangements to provide a local arrangement based on the needs of Thurrock children and young people.

1. Recommendation(s)

1.1 That Members agree the proposal to simplify and improve the commissioning of placement provision, in particular to withdraw from the current Eastern Regional contract when it ends in December 2018.

1.2 That Members approve officers proceeding to tender for placements for children looked after for: Independent Foster Care Agencies, residential accommodation, supported accommodation and family assessment placements.

1.3 To seek approval for delegated authority for the Corporate Director of Children's Services, in conjunction with the Portfolio holder for Children's and Adult Social Care to:

- **Award contracts following completion of the tender process**
- **Should demand increase, approval will be sought from the Corporate Director of Children's Services, in conjunction with the Director of Finance and the Portfolio Holder for Children's Social Care.**

1.4 That, due to the nature of the services being purchased Members agree the recommendation that the Corporate Director of Children's Services is not required to competitively tender contracts for children's placements where:

- **The placement cannot be made on the contract to be awarded under this exercise;**
- **The purchase is required in order that the Council may meet its statutory obligations and;**
- **the application of the Contract Procedure Rules contained within the Thurrock Council Constitution would prevent the statutory discharge of those statutory obligations.**

2. Introduction and Background

2.1 Every local authority has a statutory duty to ensure there are sufficient placements of good quality for looked after children and young people, this includes the requirement to take steps that secure, so far as is reasonably

practical, enough accommodation within the local authority area that meets the needs of children in the care of the local authority.

- 2.2 This report outlines the proposed exercise to ensure that the Council meets this duty. These plans also aim to help the Council better address one of the areas for improvement identified in our inspection of children's social care when it was noted that the majority of children in care were placed outside of Thurrock. This is a barrier for some children in accessing the high quality school provision in the authority, and highly inefficient in terms of the use of resources including social work time. By placing more children in or near to Thurrock this will enable them to access the high quality wrap around provision which can address
- 2.3 The proposed procurement exercise will focus on three key aspects: quality of provision, distance, and effective use of resources. All three aspects will be of importance but the weighting will be considered in the light of current need. For example, for supported accommodation, as this is unregulated there is need to place a higher weighting on quality however the scoring will reflect the other two aspects to ensure these are secured.

3. Issues, Options and Analysis of Options

- 3.1 The current annual commitment for placement provision is approximately £9.85m with a predicted future spend of £10.3m per annum. This expenditure is across a range of providers including Independent Fostering Agencies, residential placements and supported accommodation. In addition care is provided by a number of in-house foster carers; this type of provision is outside of the scope of this report however members will be aware that there are clear plans to increase the number of in- house carers. The number of care placements fluctuates daily due to children and young people entering and leaving the care system however data collected in September 2017 showed that there were 313 children and young people aged 0-18 years requiring placement provision. This provision is currently provided as follows:

Type of placement	Number of children and young people (as at September 2017)
Independent Fostering Agencies	118
In house foster care*	134
Residential	24
Supported Accommodation	35
Mother and baby placement	2

*outside of the scope of this report

- 3.2 The provision for children and young people aged 0-16 years provided through Independent Fostering Agencies (IFA) is currently procured through the regional framework arrangements. For young people aged 16-18 years the majority are currently accommodated through semi-independent provision to reflect the transition into adulthood.

- 3.3 There are currently a number of different commissioning arrangements in place with the largest being the regional arrangements for Independent Foster Care providers. Individual purchasing arrangements have also been used where specialist providers are required to meet individual children's needs, where demand for a type of specialist provision is low or where there is a fluctuating demand that is difficult to predict such as for supported accommodation. Whilst any new commissioning arrangements need to maintain the flexibility of the current system, it is recognised that this can also be built into local contracts to minimise individual purchasing and better meet local demand.
- 3.4 The different commissioning arrangements currently in place each come with different contractual and quality monitoring requirements that are both time consuming and difficult to moderate. The monitoring arrangements put in place locally for supported accommodation are working well and these were prioritised as this type of provision is not regulated by Ofsted. Officers have recognised that the implementation of a consistent monitoring process will strengthen the current arrangements and ensure that a consistent approach is taken across each type of provider. The current regional arrangements for Independent Fostering Agencies do not provide this consistent approach as monitoring is undertaken by a number of different local authorities.
- 3.5 The main driver of any regional arrangement has been the purchasing power that this gives however, many Councils are now entering into sole contractual arrangements with a pricing structure that mirrors the regional one. As the regional arrangements for Independent Fostering Agencies are not always able to meet the bespoke needs of Thurrock children and do not have sufficient local providers there is a need to address this in any new procurement exercise. The current contract can operate to a final end date of 31 December 2018, however can be terminated with one month's notice. The need to implement a consistent monitoring approach along with the need to stimulate the local market and increase local providers leads to the recommendation that in line with many Council's in the region, we do not remain a part of the Eastern Region contract.
- 3.6 Residential placements are used where a child or young person has significant and specialist needs. These are the most expensive placement type to reflect the high level of support and wrap around service that is needed and currently all residential placements are individually commissioned. Whilst this arrangement reflects the specialist nature of the provision and the limited number of providers for some specific needs there is an opportunity to improve how this is commissioned whilst recognising that it is likely that individual arrangements will also be needed in some cases.
- 3.7 The main consideration of any commissioning exercise will always be the quality of the provision for the child or young person and ensuring that good services are in place to meet all of the child's identified needs. However there is also scope to consider improving the more effective use of resources from commissioned placements by improving our approach. The proposed new

procurement exercise will reduce the need to individually spot purchase whilst also bringing together different types of care through one procurement exercise. This will be managed by the use of different lots and will support providers who offer more than one type of care by reducing the number of tenders. It is recommended that we also maintain the flexibility to purchase individual placements in exceptional circumstances.

- 3.8 The majority of provision for young people age 16-18 years in supported accommodation is secured through individual purchasing due to the growth in demand and need for emergency placements. As this provision is unregulated by Ofsted the monitoring arrangements have recently been reviewed to include more frequent visits and also finance checks. The use of a procurement select list will reduce the need for individual purchasing to emergency situations and set clear expectations for the standards expected. In addition moving away from individual purchasing should also ensure the most effective use of resources..
- 3.9 The need to continue to spot purchase placements where there is a specialist need or in an emergency must be retained. To support this, it is recommended that the Corporate Director of Children's Services is not required to competitively tender contracts for children's placements where the purchase is required in order that the Council may meet its statutory obligations and the application of these Contract Procedure Rules contained within the Thurrock Council Constitution would prevent the statutory discharge of those statutory obligations.
- 3.10 The Corporate Director shall nevertheless make arrangements to ensure that evidence exists to show that all such purchases are systematically reviewed to ensure that they appropriately meet the needs of the child or young person and that they provide value for money in relation to national and local cost indicators.
- 3.11 For all placement types placements will be made following the criteria below:
- In Thurrock
 - In a specific area (agreed by the Council)
 - Within 10 miles of Thurrock Council Civic Offices (RM17 6SL)
 - Within 20 miles of Thurrock Council Civic Offices (RM17 6SL)
 - Other locations
- 3.12 In developing the requirements we need providers to meet, we have consulted with young people currently in placements to ensure that their views of what is important are taken into account. The key areas they identified are shown below and will be included in the requirements for providers:
- Stability of Placement
 - Trust
 - Listening

- Structure
- Communication
- Helping
- Transparency
- Supporting
- Understanding
- Knowledge

3.13 If agreed, the procurement exercise will commence by March 2018 with new contractual arrangements in place in the autumn, prior to the expiry of the current Eastern Region framework at the end of December 2018.

4. Reasons for Recommendation

4.1 An overarching placement commissioning exercise is needed to ensure that provision is of the required quality and standard, while at the same time reducing the need for spot purchasing of placements. . This approach will also enable officers to develop the local market with the aim of securing more placements in or near the local area which will enable children and young people to access the good schools, emotional wellbeing provision, and other high quality services available in Thurrock

4.2 The recommended delegated authority with regards to purchasing and spend to the Corporate Director of Children’s Services and Portfolio Holder will provide the flexibility needed to meet the complex demands of providing suitable placements for children and young people who are looked after.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 The Children in Care Council have been involved and their views have been included in the specification for the procurement. Overview and Scrutiny were consulted in July 2017 and the Corporate Parenting Committee considered the proposals in December 2017. Colleagues from other services such as School Improvement have been consulted with to ensure that the requirement for robust education offer is included in the requirements for providers.

6. Impact on corporate policies, priorities, performance and community impact

6.1 The recommendations included in this report will impact on the following corporate priorities:

Create a great place for learning and opportunity

Encourage and promote job creation and economic prosperity

Build pride, responsibility and respect

Improve health and well-being

7. Implications

7.1 Financial

Implications verified by: **Nilufa Begum**
Management Accountant

The current spend on placement provision is one of the highest elements of expenditure in the Children's Services Corporate Directorate. Improved commissioning will support the achievement of value for money whilst developing quality standards to meet children's needs.

7.2 Legal

Implications verified by: **Lindsay Marks**
Principal Solicitor Children's Safeguarding

Section 22G of the Children Act 1989 requires local authorities to take strategic action in respect of those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area, In those circumstances section 22G required local authorities, so far as is reasonably practical to ensure that there is sufficient accommodation for those children that meets their needs and is within the local area.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

Ensuring that placement provision is of high quality will ensure that the diverse needs of children and young people are met; it will also ensure that there is equality of access. By involving young people in the development of specifications it will ensure their needs are understood and reflected in the placements procured to support them.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- **Appendix 1 – Exempt report:** Stage 1 'Approval to Proceed to Tender' procurement report (appended) is exempt since it contains commercially sensitive information regarding the tender.

Report Author:

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Strategic Leader Children's Commissioning and Service Transformation