

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Sue Chandler, Cabinet Member for Integrated Children's Services

DECISION NO:

21/00077

For publication *[Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]*

Key decision: YES

Decision required because total value of contracts will exceed £1m and affects more than two Electoral Divisions.

Subject Matter / Title of Decision

External Fostering Placements Commissioning Strategy

Decision:

As Cabinet Member for Integrated Children's Services, I agree to:

- i) Directly award a two-month contract on existing terms and conditions to existing Framework Providers from 1 February 2022 to 31 March 2022.
- ii) Competitively tender a new Framework Agreement for Independent Fostering Providers, joint with Medway Council, effective from 1 April 2022.
- iii) Delegate decisions and necessary actions regarding the award of the contract to the Corporate Director for Children, Young People and Education, or other Officer as instructed by the Corporate Director for Children, Young People and Education

1. Reason(s) for decision:

- 1.1 Local Authorities as part of their Sufficiency Duty must take steps to secure, as far as reasonably practicable, sufficient accommodation within its areas to meet the needs of children they are looking after. The proposed decision directly relates to this duty by aiming to provide a sufficiency of foster care placements which meet demand and the needs of the children and young people and, helps support social workers in matching the requirements to providers and foster carers.
- 1.2 The proposed decision is regarding the commissioning of external fostering placements through a Framework Agreement with Independent Fostering Providers jointly with Medway Council, from April 2022. This will be done through completion of a competitive tender process, and this will support KCC in meeting its Sufficiency Duty.
- 1.3 It is proposed that a short contract will be awarded (effectively an extension) to the existing Framework Agreement taking the expiry date up to 31 March 2022. This will enable the new Framework Agreement once it has been tendered and awarded to be aligned to financial years which will greatly assist in the reporting of performance and financial data, and internal budget build processes.

2. Preferred option

2.1 Competitively tender for a new Framework Agreement

2.2 The proposed decision to competitively tender for a new Framework Agreement will cause the least disruption to KCC and to the market. It allows for clear pricing mechanisms linked to placement types and categories of need. Strong contract management arrangements ensure the service is delivered in accordance with agreed performance and quality levels. This type of arrangement makes it easier to maintain and develop strong supplier relationships. The local market has expressed a view that they favour this type of arrangement and there is a willingness to continue working and collaborating with KCC.

2.3 This is the preferred and recommended option which was presented to Children, Young People and Education Directorate Management Team and they agreed this recommendation.

3. Consultation

3.1 No formal public consultation was undertaken as we are not proposing any changes to this statutory service. However local consultation was undertaken with key partners including the VSK, Area Directors, Service Managers and Providers.

4. Equalities Assessment

4.1 An Equality Impact Assessment (EqIA) screening has been completed and has concluded that the proposed decision does not present any adverse equality impact.

5. Financial Implications

5.1 The majority of the funding for external fostering placements is in existing budgets within Integrated Children's Services, with some in Disabled Children and Young People's Services.

5.2 The spend per annum over the last 3 years on external fostering placements, including UASC, is: Financial Year 18/19 £11,253,664, 19/20 £12,069,419, 20/21 £11,090,868. This is reported within the following Key Service Lines in the budget: Looked After Children - Care & Support, Looked After Children (with Disability) - Care & Support, and Asylum. These budgets are funded by either the UASC Grant or the Council's revenue base budget, as appropriate.

5.3 As part of the tender, clear pricing for different age cohorts and placement types will be sought. The prices submitted will form part of the overall evaluation criteria and they will be firm for the length of the contract. Agreeing prices at the tender stage for a period of time gives certainty to the market. As part of the terms and conditions we shall link and control annual price increases to KCC's budget planning processes and, suggest the use of CPIH rather than CPI in this contract as a tool. This will help to stabilise and improve predictability of future price increases for placements purchased within the Framework and future budget pressures will be limited to agreed price uplifts as outlined in the contract, which are traditionally reflected in the Medium Term Financial Plan (this could range between £0.2m-£0.4m per year depending on inflation and demand).

Cabinet Committee recommendations and other consultation:

This decision will be considered at the meeting of the Children's, Young People and Education Cabinet Committee on 14th September 2021.

Any alternatives considered and rejected:

1. Do Nothing

Fostering placements would continue to be sourced via spot purchase arrangements. no additional staff resources would be required. There is likely to be a decline in availability of placements due to IFPs working closely with contracted local authorities, thereby limiting choice and availability for our children in care. In addition, this option does not comply with the Public Contract Regulations 2015.

2. Establish an alternative approach to a Framework, for instance a Qualified Provider List (QPL) or Dynamic Purchasing System (DPS)

Working with a QPL to source fostering placements will require additional work on negotiating individual placement costs based on child needs to be carried out by the Total Placement Service (TPS). For referrals not planned with sufficient time and of a more reactive nature there is the potential to be pushed into an "emergency" price.

Using a DPS would allow new providers to join the Framework, however it would also allow existing providers to leave and re-join with a different indicative pricing mechanism which would reduce any cost leverage with this market.

3. Agree a block contract arrangement with a select group of Providers

This type of arrangement lacks flexibility and does not take into account increases in demand and service pressures. Individual providers can feel they are being forced to take placements which may be unsuitable and there is a risk that matching a child's needs to the skills and expertise of individual foster carers becomes less important. Close monitoring would be required to ensure maximum use made of the block arrangement. Engagement with the market on different contracting models has shown that there is little appetite for block contract arrangements.

4. Join a Regional Arrangement

The Department for Education and relevant national bodies are generally supportive of regional arrangements as they bring consistency of approach to the market. However, it would be considerably harder to maintain and manage provider relationships in their current guise. It is difficult to evidence that combined buying power as part of a larger regional arrangement would bring savings.

Responsibilities in terms of contract management differ between models; this would either be carried out by the agency running the arrangement or each local authority would take responsibility on behalf of the region for provider inspections in their respective geographic boundary. For an Authority the size of Kent with a sizeable provider market, this could be a big commitment which would require dedicated resources.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer: None



18-10-21

signed

date