KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:	DECISION NUMBER:
Paul Webb, Cabinet Member for Children's Services	26/00067

Executive Decision – Key

26/00067 – Commissioning a Contract for the Provision of Privately Owned Children's Residential Homes

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Decision:

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

Approve the proposal to procure a strategic contractual arrangement for the provision of placements for children within privately owned Children's Residential Homes.

Delegate authority for decisions and necessary actions, including the award and the implementation of any contract and subsequent call-off contracts, manage the resulting contracts, permitted contract extensions, re-openings of the contract, variations novation's and disaggregation arrangements allowable within the terms and conditions of the contract, to the Corporate Director for Children, Young People and Education, or other Officer authorised by the Corporate Director for Children, Young People and Education, in consultation with the Cabinet Member.

Reasons for decision:

Kent County Council (KCC) currently relies on spot purchasing for privately owned Children's Residential Home placements for children. In order to improve purchasing leverage and increase the Council's ability to procure suitable local provision for children with complex needs, a contractual arrangement is required to improve sufficiency, placement planning, quality oversight, cost consistency and value for money, while supporting KCC's statutory duties to looked-after children. There are opportunities to establish a contractual structure for children with different needs and potentially other Ofsted registered provision such as Supported Accommodation. Further, the proposed arrangements have been designed to provide flexibility should future local government reorganisation be implemented across Kent and Medway. Providing stability for both existing and any successor authorities, and providers, with zero guaranteed spend for call-off arrangements with an option to utilise block arrangements.

How the proposed decision supports the Council's Strategic Statement:

The proposal supports Reforming Kent 2025-2028, Aim 3: support residents who need help. It supports KCC's role as Corporate Parent by improving access to safe, high-quality and suitable local homes, helping children remain close to families, schools and communities where appropriate, and promoting stability, wellbeing and preparation for adulthood.

Financial implications:

The proposed contract will have an initial term of four years, with options to extend for up to a further four years, comprising two additional two-year periods. The contract will have zero guaranteed spend to any provider. Based on 2025/26 expenditure of £69.9m for the relevant services, the estimated maximum contract value is £279.6m over the initial four-year term and £559.2m if both extension options are used, excluding inflation and demand growth.

Funding would be met from existing CYPE Children in Care placement base budgets split across Operational Integrated Children's Services and the Strengthening Independence Service. The commissioning model is intended to deliver cost avoidance, cost containment and greater price consistency. Cashable savings would be achieved through carefully moving children closer to home alongside the recommendations from Social Workers. This approach estimates an ongoing potential saving of approximately £1.4m to £1.8m per year once fully implemented, subject to provider participation, contract utilisation, placement suitability, demand and child-specific costs. The aim is to implement this contract by October 2027.

Key financial risks include increasing demand, placement complexity, inflation, provider pricing, limited suitable capacity, uncertain NHS contributions.

Legal implications:

Sections 22 and 22G of the Children Act 1989 require the Council to safeguard and promote the welfare of looked-after children and, so far as reasonably practicable, secure sufficient accommodation within its area that meets their needs. The procurement must comply with the requirements set out in the Procurement Act 2023.

Key legal and contractual risks will be mitigated through readiness for Local Government Reorganisation or regional commissioning changes, such as the Regional Care Cooperatives with appropriate break, variation and novation provisions, and contract design capable of disaggregation or transfer.

Equalities implications:

An Equality Impact Assessment (EqIA) screening has been completed. This shall be kept under constant review as this project continues.

No significant adverse impacts have been identified for most protected characteristics. The most significant equality consideration relates to disability, where

existing market and sufficiency challenges can disproportionately affect disabled children. The approach includes specific actions to address these risks through dedicated specialist commissioning, market shaping activity and improved access to local provision.

Data Protection implications:

A Data Protection Implications Assessment (DPIA) screening is being completed. The commissioning model will involve the controlled sharing and processing of personal and special category information needed to match, place and support children. Safeguards will be incorporated to support compliance with UK GDPR and the Data Protection Act 2018.

Cabinet Committee recommendations and other consultation:

The proposed decision will be considered by the CYPE Cabinet Committee on 26 November 2026.

Any alternatives considered and rejected:

- Continue with the current purchasing arrangement - discarded as it maintains weak market influence, inconsistent pricing, reactive placement sourcing and is not compliant with the Procurement Act 2023 or Spending the Council's Money.
- Large-scale in-house delivery – not viable as the sole solution as it would require substantial capital investment, workforce capacity and operational infrastructure. Existing in-house developments will continue as part of a mixed economy.
- Closed framework - not preferred as the provider market and Ofsted registration landscape change over time.
- Dynamic Market - not preferred at this stage as it may create disproportionate administrative burden.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

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Signed Date