

From: Peter Oakford, Cabinet Member for Specialist Children's Services
Andrew Ireland, Corporate Director of Social Care Health and Wellbeing

To: Children's Social Care and Health Cabinet Committee – 23 March 2017

Decision No: 17/00023

Subject: **FUTURE COMMISSIONING ARRANGEMENTS FOR EXTERNAL FOSTERING PLACEMENTS**

Classification: Unrestricted

Past Pathway of Paper: Specialist Children's Services Divisional Management Team
Social Care, Health and Wellbeing Directorate Management Team

Future Pathway of Paper: Cabinet Member decision

Electoral Division: All

Summary: The current commissioning arrangements for external fostering placements are due to expire in September 2017.

A detailed diagnostic of the current commissioning arrangements, along with market engagement has taken place in preparation for the new commissioning process. The result of this work has been used to inform the planned implementation of new commissioning and procurement arrangements for external fostering placements for children and young people aged 0–18 years. This report outlines the key findings from the work and the planned approach.

Recommendation(s): The Children's Social Care and Health Cabinet Committee is asked to **CONSIDER** and **ENDORSE**, or make a **RECOMMENDATION** to the Cabinet Member on the proposed decision (attached as Appendix A) to:

- a) **APPROVE** the approach to the future commissioning of external fostering placements for children and young people aged 0–18 years; and
- b) **DELEGATE** authority to the Corporate Director of Social Care, Health and Wellbeing, or other nominated officer, to undertake the necessary actions to award the contract and implement the decision

1. Introduction

- 1.1 This paper provides an overview of the planned future commissioning and procurement arrangements for external fostering placements for children and young people aged 0–18 years.
- 1.2 The proposed decision links to two of Kent County Council's strategic outcomes:
 - Children and young people in Kent get the best start in life
 - Kent communities feel the benefits of economic growth by being in work, healthy and enjoying a good quality of life.

2. Background

- 2.1 Local Authorities as part of their Sufficiency Duty must take steps to secure, as far as reasonably practicable, sufficient accommodation within its area to meet the needs of children they are looking after.
- 2.2 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.
- 2.3 The council already has a comprehensive in-house fostering service. However, there are times when the needs of individual children cannot be met by the foster carers that are available.
- 2.4 The council also has contractual arrangements in place with Independent Fostering Providers, to ensure it meets its Sufficient Duty and is able to achieve the required outcomes for each child and young person.
- 2.5 During the financial year 2012/13 Kent County Council and Medway Council collaboratively procured a framework agreement for Independent Fostering Provision. Following a competitive tendering process a framework agreement with 33 Independent Fostering Providers became operational in June 2013.
- 2.6 The framework agreement was awarded as a four year arrangement with a two year review break clause in June 2015. The council utilised the option to extend the framework agreement for a further two years.

3. Commissioning Approach

- 3.1 With the framework agreement due to expire in September 2017, the council's Children's Commissioning team were tasked with carrying out a full analysis of the current commissioning arrangement and to use the findings to inform the future commissioning plan for external fostering placements. The review covered
 - Efficiency (demand and utilisation)
 - Effectiveness (quality and the framework in practice) and
 - Resources (spend and benchmarking).

- 3.2 The Access to Resource Team (ART) team has been sourcing and managing placements for Looked After Children from the framework agreement since June 2013. This has enabled the Children's Commissioning Team to capture more accurate demand data for externally sourced fostering placements in Kent than has previously been the case. In addition by working more closely with our commissioned fostering providers, improved market intelligence had been gathered.
- 3.3 The key findings from the analysis were as follows:
- Demand for placements is falling, but there will still need to be an arrangement in place in order to meet the council's Sufficiency Duty
 - Placements made through the fostering framework are made with providers judged to be of good quality
 - The placement making processes could be simplified to support the work of Specialist Children's Services (SCS) and the ART in making timely, good quality placements
 - The current framework arrangements are too complex, but there are opportunities for simplifying the approach in any future commissioning arrangements

4. Consultation

- 4.1 Kent County Council and Medway Council have hosted engagement events held with the market in order to outline future demand, requirements, and updates on service developments.
- 4.2 Keys results from the engagement events included:-
- The primary reason why the council's still spot purchasing was due to lack of suitability of foster carers and the difficulty in recruiting foster carers especially for child age ranges of 11-15 years and 16-18 years
 - 83% of those taking part in the interactive session said that the council's business only represented between 0-25% of their overall income
 - 55% agreed with the proposed placement types
 - 46% agreed the council could make efficiencies with cost and volume arrangements

5. Commissioning Approach

- 5.1 The results from the Diagnostic Report together with the consultation carried out with the market and in-house service, have assisted in identifying what needs to be commissioned in terms of external fostering placements.
- 5.2 To complement the council's in-house fostering service and to continue meeting the needs of our children and young people, core placements, placements for disabled children, sibling groups and parent and child placements will need to be externally commissioned.
- 5.3 These types of placements will be for the age ranges of 5-10 years, 11-15 years and 16-18 years. The intention going forward is that external placements for

those aged 5-10 years will reduce over time as the in-house fostering recruitment strategy is rolled-out.

5.4 The commissioning arrangement will also cover the following:-

- Long term or permanent placements (as per care or placement plan; 12 months and over)
- Short term placements
- Emergency placements (same day, out of hours and/or within 24 hours of referral)
- Solo placements (with no other children within the foster household)

5.5 It is clear that demand has previously been spread too thinly across the marketplace. To resolve this, the intention is to work more intensively with fewer providers. This will improve the quality of the provision and also strengthen the council's negotiations with providers.

5.6 The council's Children's Commissioning and Strategic Procurement Teams are working together on further market engagement in order to:-

- Unlock access to placements
- Build better relationships with suppliers we want to work with
- Build a small Kent based supply structure

5.7 Next steps are to determine the preferred procurement option, an alternative plan/option, further collaboration with Medway Council and seek Strategic Commissioning Board approval to commence procurement.

5.8 It is anticipated that we shall go out to the market with this opportunity in April 2017.

6. Procurement Approach

6.1 Following completion of the analysis and market engagement, an options appraisal was carried out that sought to determine the advantages and disadvantages of each option giving the greatest likelihood of achieving the outcomes sought, balanced against levels of risk.

The options were:

- Single Source Justification
- Kent County Council Be-spoke Arrangement
- Joint Arrangement with Medway Council

6.2 The Specialist Children's Services Divisional Management Team endorsed the approach of continuing to work in partnership with Medway Council. Medway Council have also considered these options, and they too are supporting working jointly with Kent County Council in this regard.

7. Financial Implications

7.1 The Director for Specialist Children's Services budget lines for external fostering for the year 2017/18 are:

- Specialist Children's Services £6,576,000
- Disabled Children's Services £944,000

7.2 Following the transformation of the in-house service and the implementation of a Recruitment Strategy for in-house foster carers, it is anticipated that spend with the external market will reduce throughout the lifetime of the new arrangement.

8. Contract and Delegated Authority Requirements

8.1 The Children's Social Care and Health Cabinet Committee is asked to endorse the proposed decision to give delegated authority to the Corporate Director of Social Care, Health and Wellbeing to award the contract following a competitive procurement process.

8.2 The Children's Social Care and Health Cabinet Committee will be presented with an award report on the outcome of the procurement process upon completion.

8.3 Due to the approximate value of the new arrangement it does mean that the contract will require Sealing by the council's legal department.

9. Legal Implications

9.1 It is anticipated that there will be no legal implications as a competitive procurement process will be undertaken.

9.2 The council is obliged to fulfil its statutory responsibilities regarding fostering as set out in The Children Act 1989, the Sufficiency Duty and other regulations and guidance such as the National Minimum Standards for Fostering Services.

10. Equality Implications

10.1 An Equality Impact Assessment has been carried out which indicated a low impact. A copy is available on request.

11. Conclusions

11.1 The current commissioning arrangements which, the council has run in partnership with Medway Council for external fostering placements are due to expire in September 2017. Following the completion of a Diagnostic Report on the Framework Agreement it has been determined that demand is falling but there is still a need for arrangements to be in place in order to meet the council's Sufficiency Duty. However, the Framework Agreement was overly complex and there is now an opportunity to simplify arrangements and processes when purchasing external fostering placements.

11.2 Going forward the preferred option is to continue working in partnership with Medway Council as this has worked well but also provides new opportunities to share resources, and our collective demand is more attractive to the market. Following consultation with the market and the results of the diagnostic we have

identified the types of placements we need to commission to meet future demand.

11.3 The Specialist Children's Services Commissioning Team are now working with the Strategic Procurement Team on producing a procurement plan with the aim of going to the market in April 2017.

11.4 Following completion of a procurement exercise delegated authority will be sought to give to the Corporate Director of Social Care Health and Wellbeing to award the contract.

12. Recommendation(s)

12.1 Recommendation(s): The Children's Social Care and Health Cabinet Committee is asked to **CONSIDER** and **ENDORSE**, or make a **RECOMMENDATION** to the Cabinet Member on the proposed decision (attached as Appendix A) to:

- a) **APPROVE** the approach to commissioning external fostering placements for children and young people aged 0 – 18 years;
- b) **DELEGATE** authority to the Corporate Director of Social Care, Health and Wellbeing, or other nominated officer, to undertake the necessary actions to award the contract and implement the decision

13. Background Documents

None

14. Contact details

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