

From: Roger Gough, Cabinet Member for Children, Young People and Education
Matt Dunkley, Corporate Director of Children, Young People and Education

To: Children's, Young People and Education Cabinet Committee – 8th March 2018

Decision No: 17/00023

Subject: Award Report: Mobilisation Of A Framework For The Provision Of Externally Commissioned (Independent) Foster Care Placements

Classification: Unrestricted

Key Decision: Expenditure of over £1m

Past Pathway of Paper: Cabinet Member Decision - 17/00023 - Future Commissioning Arrangement for Fostering Placements

Future Pathway of Paper: Members to Note the report

Electoral Division: All

Summary: This report summarises the activity taken to commission and mobilise a framework for the provision of External Fostering Placements for Kent working in a multiple supplier collaboration with Medway Council.

The contracts commenced on the 1st February 2018 for a term of four years, for the services delivered within Kent and Medway for new placements. Legacy placements will continue under their previous existing terms.

A cabinet member decision was recorded on the 23 March 2017 (decision number 17/00023), and the Cabinet Member for Specialist Children's Services took the following decisions:

- a) **APPROVE** the approach to commissioning 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.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to **NOTE** the new arrangements for the provision of external fostering placements.

1. Introduction

- 1.1 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. The proposed award directly relates to this duty to provide a sufficiency of foster care placements through complimenting and adding capacity to KCC's internal fostering service, ensuring that we meet demand and the needs of the children and young people.
- 1.2 KCC has a comprehensive in-house fostering service which is seeking to develop its capacity to meet complex needs. A comprehensive recruitment strategy is in place to ensure the continued success of the in-house foster team, who compared to our statistical neighbours meet a greater percentage of all KCC foster care placements as identified above.
- 1.3 There are priority groups identified through the analysis of the existing arrangement that the external market will support. KCC's policy is that delivery of fostering placements will be prioritised through the in-house service, but there is also a requirement to work with the independent market in order to be able to offer the most appropriate placements. In Kent, in-house fostering represents 80% of the council's placements, with external providers used for the remaining 20%.
- 1.4 Kent County Council, working in collaboration with Medway Council have awarded, and mobilised a multiple supplier framework for the provision of externally provided foster care placements. This framework began on 1st February 2018.

2. Background

- 2.1 KCC and Medway Council have successfully operated a jointly-procured Framework agreement since 2013 with 33 Independent Fostering Providers. This Framework arrangement ceased in early 2018 and both councils agreed to join resources to procure a new arrangement with the independent market.
- 2.2 Work to develop new arrangements has been extensive following the delivery of a clear evidence base (diagnostic). The commissioning plan and procurement plan that followed were built around the provision that commissioning activity would focus on:
 - a) Leveraging the benefit of working with a reduced number of IFPs and securing economies of scale to meet needs and requirements. Reducing levels of competition and duplication between in-house fostering and the external market
 - b) Working in Partnership with Medway Council to purchase these services across Kent, especially with the drive from central government who are encouraging this type of regional partnership working.
 - c) Flexible arrangements supported by a cost model which will provide greater transparency of the breakdown of the cost for fostering placements and enable a clear understanding of the costs in respect of individual placements.
 - d) Purchasing placements for the following groups going forward:
 - Age banks (5-10, 11-15, 16-18)

- Placement types (Core, Sibling, Parent & Child & Disabled Children)
- Categories of need (Standard & Enhanced)

3. Consultation and Stakeholder Engagement

3.1 The Commissioning Team have worked with the Participation Officer and the Children in Care Council's to gauge their views of what a good foster carer is and the top ten qualities of foster carers and providers they identified have been incorporated into the service specification. A quality question was incorporated into the tender evaluation.

3.2 Figure 1: Voice of the Child work with Children in Foster Care



3.3 In developing the Specification we consulted widely with:

- The In-house Fostering Service
- The Access to Resources Function
- Children in Care Social Work Teams
- Disabled Children's Social Work Teams

Medway Council also consulted widely with their relevant stakeholders.

We held a market engagement event with Providers on two occasions to understand their views around development of the service specification going forward.

4. Developing Service Outcomes

4.1 We have developed within the service specification a range of service outcomes based on the New Economics Foundation model which was developed as part of the South East Together project funded by the DfE Innovation Programme.

4.2 The 2-Lot Framework Agreement utilised the recently updated service specification and terms and conditions relating to KCC Standard Terms and Conditions; the National Fostering Contract Terms and Conditions, and the South East Together (SET) Project Outcomes Framework.

5. Procurement Approach

- 5.1 A competitive bidding process was undertaken to establish a framework of providers, that allows the legitimate awards of call-off contracts under EU Regs. (PCR2015), affording Medway and Kent flexible options for commissioning placements, contained within the 4-year framework. The lots and approach taken was as follows
- a) A framework contract for Call-off placements (Lot 1) – This provides the flexibility to be able to “call-off “without competition being required.
 - b) Flexible block-contracts (Lot 2) – This provides for the opportunity to enter into partnerships with providers where the councils are willing to commit to a level of spend over an agreed time period, at a certain level with individual providers. This provides them with certainty to underpin their businesses, and maintain sustainability in return for reciprocal discounts. The contracts will be managed through supplier relationship management principles using supplier development and product development with providers, in order to manage demand through placement planning and reducing the number of providers used for economies of scale and better value for money.
- 5.2 The councils have reserved the right in the framework agreement to run mini-competitions as and when required to eliminate further competitive procurement processes outside of the framework.
- 5.2 The new contractual arrangements have clear requirements regarding the measurement and aggregated reporting of outcomes achieved for all placements.

6. Financial Implications

- 6.1 The new ‘lot 2’ arrangement described above, will support the further development of improved relationships with providers, which will enable KCC to manage demand through effective placement planning and will ensure we secure best value, by avoiding the spot purchasing of placements and their associated costs.
- 6.2 The approximate total value of the new service for the whole contract term (a maximum of 48 months), is £7,520,000 per annum, and therefore estimated at £30,080,000 for the full 4-year term for Kent County Council.
- 6.3 This is a collaborative arrangement with Medway Council and this brings the approximate total value for the full 4-year term to an estimated total spend of £50,000,000.
- 6.4 Medway Council’s expenditure in the market is lower than KCC’s at approximately £4.5m pa. This new arrangement enables Medway to influence the market and provide a higher demand for the providers.

7. Legal implications

- 7.1 There are no legal implications as a competitive procurement process has been undertaken, and we have awarded legitimate call-off contracts under EU Regs (PCR2015)
- 7.2 KCC 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.

8. Equalities implications

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

9. Other corporate implications

- 9.1 The services which will be covered by this new contract fully complement the current activity delivered by the in-house fostering service.

10. Governance

- 10.1 Regular updates on the implementation and effectiveness of these new commissioning arrangements will be made to the Corporate Director for Children Young People and Education.
- 10.2 Robust governance arrangements are in place to ensure the effective delivery of fostering services for Children in Care, including robust contract and performance management arrangements that take into account the need to ensure that children are effectively safeguarded, and that Kent County Council ensures that we achieve best value.

11. Conclusions

- 11.1 Kent County Council are pleased to be working in collaboration with Medway Council to deliver a sufficiency of foster care placements that are of good quality and are secured in a timely manner to meet the needs of our children and young people in care.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to **ENDORSE** the award and mobilisation of the new commissioning arrangements for the delivery of foster care placements for our children in care.

Background Documents

Decision: 17/00023

Contact details

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