

Report of the Director of Children's Services to the meeting of Children's Overview and Scrutiny Committee to be held on Wednesday 13 December

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Subject:

Purchase of Independent Fostering Agency placements under the regional White Rose framework procured by Leeds City Council

Summary statement:

For information – decision by Director of Children's Services to utilise the regional White Rose framework in order to purchase placements with Independent Fostering Agencies for looked after children. A new framework will be advertised by Leeds City Council, in order to replace the current framework that ends on 31st March 2018.

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Overview & Scrutiny Area:

Children's Services

1. SUMMARY

- 1.1. Decision to be taken by the Director of Children's Services to utilise the regional White Rose framework in order to purchase placements with Independent Fostering Agencies for looked after children. A new framework will be advertised by Leeds City Council, in order to replace the current framework that ends on 31st March 2018.

2. BACKGROUND

- 2.1. The Yorkshire & Humber regional commissioning arrangement for placements is through The White Rose group. In June 2011 the Association of West Yorkshire CEO's directed officers to collaborate to achieve savings in the purchase of external placements. The local authorities of Bradford, Calderdale, Leeds, Kirklees, Wakefield and Doncaster agreed to join this collaborative approach. The membership of this group has increased to include local authorities from across the region; there are currently 14 local authorities involved. The overall aim of the project was to deliver a contractual basis for each Local Authority to purchase IFA and Residential Care placements from Framework Agreements in line with the demand for LAC (Looked After Children) placements. Leeds City Council led the overall procurement of regional Framework agreements.
- 2.2. The introduction of the framework removed the plethora of different purchasing arrangements across the member Authorities that had resulted in the pricing tariffs across providers varying considerably. The development of the framework agreements was undertaken to support the improvements in quality and price of external placements across the region.
- 2.3. A Strategic Commissioning Group (SCG) is in place for the White Rose project with representatives for the local authorities overseeing the commissioning that takes place. The SCG reports back to the regional Directors of Children's Services group. Underneath the SCG is a Contract Monitoring and Management Group. The role of the Contract Management and Monitoring Group (CMMG) is to manage and quality-assure the provision on the frameworks. It also provides a forum for operational difficulties or successes in the purchasing of placements to be discussed. Contract management responsibilities are shared amongst the local authorities that purchase through the Framework Agreements, with a lead local authority identified for each provider. The lead local authority undertakes the contract monitoring on behalf of all the local authorities, with mechanisms to share the information with the other local authorities.
- 2.4. The current framework for purchase of placements with Independent Fostering Agencies will end on the 31st March 2018. The White Rose group are advertising a new framework to commence on the 1st April 2018. The framework will run for 3 years, until 31st March 2021, with an option to extend for a further year. Leeds City Council is undertaking the procurement required to put a new framework in place, with input from all the local authorities in to the requirements and operating arrangements for the framework.

3. OTHER CONSIDERATIONS

- 3.1. Bradford is committed to working with regional colleagues in order to achieve best value in the purchase of external placement packages. Use of a regional IFA framework is part of the overarching commitment to the White Rose consortium.
- 3.2. Residential Care in England - Report of Sir Martin Narey's independent review of children's residential care was published in July 2016. It included a number of recommendations for LA commissioning of residential provision, one of the recommendations would also apply to the commissioning of IFA placements, and this is: *Recommendation 1: An early priority for the Department for Education must be to facilitate the improvement of local and regional commissioning skills. Simultaneously, DfE must require local authorities to come together into large consortia for the purpose of obtaining significant discounts from private and voluntary sector providers.*
- 3.3. It has been recognised across the White Rose consortium that there are occasions where local authorities purchase IFA placements outside of the current framework agreement, as suitable provision is not available within the framework. The approach to the new framework is designed to encourage providers to be part of the framework, whilst ensuring provision within the framework is good quality. This will be achieved by having a small number of questions as part of the evaluation that will test provider's ability to demonstrate how they will deliver quality placements to vulnerable children and young people. The evaluation process will include a presentation to a group of looked after young people which will be scored.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1. The level of spend with Independent Fostering Agencies is approx. £1.8m per year, this varies with changes to the numbers of children in care and the use of IFA provision compared to other placement options. The estimated value over the 3 year framework is £5.4m, rising to £6.9m if the option to extend the framework is utilised.
- 4.2. The cost of IFA placements is comparable with the cost of Council Fostering provision. The priority is that children and young people are in the best provision to meet their needs, through ensuring systems to identify good quality placements that we're confident about the quality of and meet individual needs identified. The preference is for family placements through fostering where possible, which will include the use of IFA provision. This means a purchasing arrangement for IFA provision is required.
- 4.3. Use of a regional framework reduced the level of resource required in Children's Services to undertake procurement activities as resource is shared across the local authorities in the region.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1. Contract Standing Orders are not clear on the process for approval of use of a framework agreement held by another local authority. The CSOs include the following requirements:

“4 Pre-Contract Requirements for all Contracts

4.1 The procurement of works, goods or services should be done through existing approved arrangements where they exist. These include:

- In-house provision*
- Corporate contracts, framework agreements or DPS*

4.2 Other arrangements should be considered and used where it can be evidenced that they provide best value for money:

- Contracts, framework agreements or DPS established by central purchasing bodies (Crown Commercial Services, YPO etc.) or other public body*
- Collaborative or shared service arrangements with another public body*
- Alternative delivery vehicles such as Controlled Entities (Teckal) or Public Service Mutuals*
- Sheltered workshops*
- Other approved e-procurement solutions (e.g. purchasing cards)”*

4.6 “Before inviting tenders or quotations, the Authorised Officer must:

4.6.1 for contracts with a total estimated contract value in excess of £2m, report details to the relevant Overview and Scrutiny Committee using the standard Committee report template.”

- 5.2. In purchasing from a regional framework Children’s Services are following CSO 4.2, we are not inviting tenders so it is unclear whether CSO 4.6 applies. The advice from procurement is:
- you would need to seek the same approvals and go through the same processes as you would when commissioning any new service, albeit that the procurement elements will be led by a lead authority, in this case Leeds.*

6. LEGAL APPRAISAL

- 6.1. The framework being advertised by Leeds City Council is being done so in line with Public Contract Regulations – see Section 5 for advice from procurement.

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The IFA framework being procured on a regional basis ensures more consistent availability of provision, enabling suitable placements in Fostering to be available to meet in the individual needs of Bradford children and young people.

7.2 SUSTAINABILITY IMPLICATIONS

The continued purchase from a regional framework will provide savings as opposed to spot purchasing being undertaken for Bradford Council on its own.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

No issues or implications

7.4 COMMUNITY SAFETY IMPLICATIONS

No issues or implications

7.5 HUMAN RIGHTS ACT

None

7.6 TRADE UNION

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

Options considered by Director of Children's Services were:

Option 1 – CBMDC is named as a purchasing organisation in the IFA framework advertised by Leeds City Council. We purchase IFA placements from this framework, utilising a competitive process where placement requirements are advertised to all providers on the framework and the placements that best meets need is purchased. This option ensures we have suitable contracting arrangements in place for purchase of placements from Independent Fostering Agencies in line with Public Contract Regulation requirements.

Option 2 – CBMDC withdraws for the regional arrangement for purchase of IFA placements. We would need to undertake a competitive tender process to identify providers who are able to fulfil our requirements for purchase of IFA placements. This would require significant resource to be able to advertise new arrangements and ensure contracts are in place for the 1st April 2018.

10. RECOMMENDATIONS

10.1 That the Committee note the decision of the Strategic Director of Children's Services, that CBMDC is named as a purchasing organisation in the IFA framework advertised by Leeds City council, and that. Children's Services purchase IFA placements from this framework, utilising a competitive process where placement requirements are advertised to all providers on the framework and the placement that best meets need is purchased.

11. APPENDICES

None

12. BACKGROUND DOCUMENTS

None