
Report to: Cabinet

Date of Meeting: 8th December 2011

Subject: Merseyside and Partners Residential Framework Agreement

Report of: Director of Young People and Families

Wards Affected: All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** No – Rule 15
Consent obtained

Exempt/Confidential No

Purpose/Summary

As part of the overarching strategy for commissioning placements for looked after children, 'Turning the Taps', the maximisation of independent foster and residential placements is a key priority in terms of Sefton's ability to manage the placement market and achieve cost efficiency. The Authority joined the North West Framework Agreement for fostering in April 2011, thereby increasing access to the number of foster care providers, whilst ensuring high quality and cost efficiency.

Sefton has led on the Procurement of Residential Services for Looked After Children and Young People Merseyside, Cheshire and Wigan on behalf of 10 Local Authorities.

- Cheshire East
- Cheshire West and Chester
- Halton
- Knowsley
- Liverpool City Council
- St Helens
- Sefton
- Warrington Council
- Wigan
- Wirral Metropolitan Borough Council

This was agreed by the Strategic Safeguarding leads in the 10 Local Authorities earlier this year. The Procurement process has been concluded and agreement is sought to award the contracts to the successful providers in the three service categories:

1. Mainstream Residential
2. Specialist/Therapeutic residential
3. Respite/Short Breaks

This is the first collaborative procurement of Children's Social Care and has proved Sefton as a leader in Commissioning and Procurement as a result.

Recommendation(s)

- (1) The robust residential pricing framework that has been procured following a fair and transparent tendering process be noted;
- (2) The use of the pricing framework be approved;

(3) The contracts be awarded to the successful providers; and

(4) It be noted that the proposal was a Key Decision but, unfortunately, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Children's Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the timescales involved and the need to agree the new procurement arrangements in collaboration with other local authorities as soon as possible.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity	√		
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities	√		
7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

Reasons for the Recommendation:

To enable contracts to be awarded. The Council's Constitution states that all contracts to be awarded the value of which exceeds £500k are approved by Cabinet. The cumulative value exceeds this amount estimated for Sefton at £3 million.

What will it cost and how will it be financed?

(A) Revenue Costs

These costs will be met within the existing budget provided for this purpose. The cost of the contracts will be met from existing looked after children budgets and the contracts themselves will contribute towards the achievement of revenue savings in future years

(B) Capital Costs

There are no capital costs associated with this contract.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal None
Human Resources None
Equality 1. No Equality Implication <input checked="" type="checkbox"/> 2. Equality Implications identified and mitigated <input type="checkbox"/> 3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact on Service Delivery:

There will be no impact on current service delivery as this is approval for a new contract for new placements under the Framework Agreement.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1162) and Head of Corporate Legal Services (LD 522/11) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet meeting

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Background Papers:

The following papers are available for inspection by contacting the above officer.

The Invitation to Tender (ITT) paperwork and the formal contract

The analysis and notes of the meetings to agree this process

Implementation documents

1. Introduction/Background

1.1 The current arrangements for purchasing placements for Children and Young People in Sefton is on an individual basis and the price are negotiated at the point of commission.

1.2 In order to establish and manage risk and quality the Council undertakes a range of checks prior to placement unless it is an emergency. This is labour intensive and limits the range of provision available to us contractually because of the extensive pre placement checks that take place before a placement is made..

1.3 It was identified that there was a potential saving to be made by collaborating and increasing the volume across Merseyside, Cheshire and Wigan following the success of the Greater Manchester Residential Framework Agreement.

1.4 Discussions took place between the Strategic leads for Safeguarding to consider a similar piece of collaborative Commissioning and Procurement in Merseyside which they agreed to undertake.

1.5 Placements Northwest who is funded by 21 North West Authorities took the lead in coordinating Commissioning Managers within Merseyside to decide who would lead and to seek agreement around the process, as a result the project team was formed and led by Sefton.

1.6 A provider day was held on the 27th May 2011 where the process rationale and timetable about the procurement process was shared with all contracted and prospective providers in the Merseyside area.

1.7The following Local Authorities are included in the Merseyside and Partners Framework Agreement:

- Cheshire East
- Cheshire West and Chester
- Halton
- Knowsley
- Liverpool City Council
- St Helens
- Sefton
- Warrington Council
- Wigan
- Wirral Metropolitan Borough Council

2.0 Procurement method

2.1 This procurement was undertaken using an “open procedure” this process was used in order to maximise interest using a framework agreement on a call off basis as required. The framework agreement will be awarded to a number of providers based on demand for new placements across the participating Local Authorities. This contract is for the provision of Children’s residential care placements across 3 distinct service categories summarized below:

Service Category Number	Service Category Name
R1	Mainstream Residential Care
R2	Specialist Residential Care
RSB	Short-break / Respite Residential Care

2.2 Central Purchasing Unit used the North West Centre of Excellence (NWCE) Chest Portal for prospective contractors to register their interest in the tender process. As this is an open procedure there was no Pre Qualification Questionnaire (PQQ). There were 112 expressions of interest and subsequently 52 providers submitted a response to the Invitation to Tender (ITT).

2.3 The tenders have been evaluated based on a 'Quality' score for each contractor representing 40% of available points, and the 'Cost' element representing 60% of available points. The evaluation process involved officers from all of the Local Authorities to ensure there was an ownership of the process for determining the approved Providers. All contractors awarded work within this framework agreement become 'Approved Providers' within the agreed and accepted Terms & Conditions. This means that all new placements will be offered to these Providers dependent upon the individual needs of the Child or Young Person at the set price under this agreement. The framework agreement provides no guarantees that Providers will receive placements through this contract. To mitigate this risk for Providers there is a capacity limit on the contract at the forecast number of placements required, this is designed to create competition and reduce prices. This provides increased security that all contracted Providers will be best positioned to secure future placements from the Contracted Local Authorities. This risk mitigation should assist Providers in managing higher occupancy levels in their Homes and in turn deliver competitive weekly costs.

	R1	R2	RSB	Overall
Forecast Number of Placements Required in 12 month period	134	43	8	185

2.4 The proposal is to award to the successful Providers as follows:

- 19 Providers in R1 Mainstream Residential Care
- 5 providers in Specialist Residential care
- 2 Providers in RSB Short-break / Respite Residential Care

3.0 **Financial Implications**

3.1 As a result of this piece of work Sefton should with its partner Local Authorities are able to manage the market more effectively in terms of access to provision, quality assurance and cost efficiency. This will contribute towards the existing cost efficiency target of £1.2 million for 2014/15 (£396K for 2012/13; £792K 2013/14, £1.2mil 2014/15)