

Report to:	Cabinet	Date of Meeting:	3 September 2020
Subject:	Implementing the Children and Young People's Commissioning Strategy		
Report of:	Head of Children's Social Care	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Children, Schools and Safeguarding		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of this report is to seek approval to progress with the procurement of a Provider/Partner agreement (PPA) with residential and independent foster agencies within the Liverpool City Region (LCR). The procurement is being undertaken by Halton Council under the 'light touch regime' for social and other services as listed at Schedule 3 of the Public Contracts Regulations 2015 and will result in a Purchasing System being available.

The report also seeks approval to direct award children's residential placements on a block purchase basis using the previously approved Placements North West Purchasing System and if approved, any additional Providers included on the Partner Provider Agreement (PPA).

Recommendation(s):

- (1) Approve the involvement of Sefton in the procurement exercise and subsequent use of the Partner Provider Agreement (PPA), to be led by Liverpool City Region as part of regional joint working arrangements, which will encompass a Flexible Purchasing System (FPS) being implemented for the provision of Residential and Foster Services for children and young people;
- (2) Delegate decisions regarding the development of the Provider Partner Agreement (PPA) to Head of Children's Social Care in consultation with the Cabinet Member for Children, Schools and Safeguarding acknowledging that such decisions will be collective decisions by all participating authorities;
- (3) Following its establishment, authorise use of the Provider Partner Agreement (PPA) for the future procurement of Residential and Foster Services for children and young people, where an options appraisal, as described in this report, has determined it to be the most appropriate approach;
- (4) Delegate the awarding of any contracts called off the Provider Partner Agreement (PPA) to the Head of Children's Social Care and nominated Service Managers.

- (5) Approve the block contracting arrangement as described in paragraphs 5.5 of this report, via a direct award using the previously approved North West Flexible Purchasing System and delegate the awarding of any further block contracting arrangements from this purchasing system or the PPA when in place to the Head of Children's Social Care in consultation with the Cabinet Member for Cabinet Member for Children, Schools and Safeguarding.

Reasons for the Recommendation(s):

The Commissioning Strategy and Market Position Statement for children and young people in Sefton was agreed by Cabinet in January 2020 and included the need to: -

- a) identify new block contracts with the Independent Sector targeted at specific levels of need and complexity both for Residential and for Fostering Services
- b) make more efficient use of framework agreements – employing benefits realisation evaluations of current framework arrangements and agreement to continue or adopt other mechanisms. Including North West and Liverpool City Region.
- c) encourage and develop closer working relationships with local providers who can demonstrate good quality and value for money.
- d) commission and procure on both a local and regional footprint employing new ways of working and new models of service delivery

If approved the recommendations in this report will enable the Council to establish new commissioning and contractual arrangements for the provision of Residential and Fostering services, which will enhance existing arrangements, enable improved use of the local market, improve market sustainability and improve outcomes for children and young people by providing a greater number of opportunities for the child or young person to maintain local relationships.

Alternative Options Considered and Rejected: (including any Risk Implications)

1. **Maintaining the status quo** – this was not considered a viable option as there is a need to commission more local providers who are not part of the North West Placements Purchasing System.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs as a result of being involved with the procurement exercise. It is possible that through the purchasing system, there may be opportunity to either reduce weekly placement costs or avoid higher placement costs by finding care provision within the region. However this may be circumstantial and costs or savings cannot be estimated at this time.

(B) Capital Costs

There are no capital costs associated with this report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

No additional resource is required to implement the Commissioning Strategy.

Legal Implications:

Equality Implications:

The equality implications will be assessed as the procurement progresses and any changes are made to provision. Cabinet Member Children, Schools and Safeguarding will be kept informed of all equality implications, risks and mitigations.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

Stable placements improve the life chances of children and young people.

Facilitate confident and resilient communities:

Local, stable placements provide effective social and education support, building the confidence of our young people to enable them to transition into an independent adult life and building their resilience.

Commission, broker and provide core services:

Sufficient capacity within the market which will offer Value for Money and good quality. The Council needs services to shift their emphasis to being outcome focused and supportive of flexibility around the child's needs to: -

- prevent break down in placements
- to prevent escalation to more complex service provision and
- to ensure that placements are child-centred and localised where appropriate and possible.
- To encourage working partnerships between Providers to ensure that the most appropriate service is achieved for each individual child to maximise the best possible outcome for our children and young people.

Place – leadership and influencer:

This work aims to encourage more diverse provider markets operating locally in order to stimulate quality, choice and greater value for money.

The Council is seeking to work with others to develop services, and to be in a position where placements are prioritised with good or outstanding providers.

Drivers of change and reform:

The Council will be looking for innovation and flexibility within the market place in order

to improve sustainability of placements, increase maintenance of children's networks and reduce dependency on models of care in later life.
Facilitate sustainable economic prosperity: This model of service will enable providers to encourage greater independence by supporting and encouraging young people to sustain school attendance which will enhance opportunities for ongoing learning and development including employment opportunities.
Greater income for social investment:
Cleaner Greener: By encouraging placements in our local area, enables Social Workers, friends, family and school, all being in close proximity to the young person and therefore the need to travel far distances has reduced, along with our carbon footprint.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6088/20.) and the Chief Legal and Democratic Officer (LD.4270/20) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Provider consultation has been undertaken on a Liverpool City Region basis. The consultation took place virtually using the CHEST which is the North West Procurement Portal, during the COVID 19 pandemic.

Implementation Date for the Decision

Immediately following the Committee meeting.

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Appendices:

The following appendices are attached to this report:

- The Pledge
- The Offer

Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

<https://www.sefton.gov.uk/media/1648273/cypp-market-positioning-document-final.pdf>

1. Background

- 1.1 The Council needs to have a range of residential placements available to allow placements to be matched to each child's individual needs. Stability of placement is complex and as well as physical placement stability, it also includes stability of relationships, educational stability and continuity of contact with family, relatives and friends. It is therefore essential that the Council has appropriate local provision as part of its commissioning arrangements that will help children and young people to achieve the best possible outcomes.
- 1.2 As has been regularly reported over the last two years, the cost of placements and packages of care is the largest risk to the Council's budget position, and it is expected that the position will be the subject of further change between now and the year end. The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.
- 1.3 The current level of expenditure is not sustainable and we will be actively exploring both individually as a council and collectively as members of the Liverpool City Region (LCR) ways of reducing the levels of fees charged whilst ensuring that the highest level of quality afforded to our Children and Young People - including the introduction of new block contracts with the Independent Sector targeted at specific levels of need and complexity both for Residential and for Fostering Services
- 1.4 Members will recall that the Children and Young People's Plan 2020 to 2025 and accompanying Commissioning Strategy were agreed in January 2020.
- 1.5 The Children and Young People's Plan Commissioning Strategy & Market Position Statement
 - a) gives clarity to the market and ensures that the Council can maximise in all ways what the market can offer.
 - b) identifies that some models of service delivery will be commissioned within 2020/21 and others over the coming three years, depending upon agreed priorities and the complexity of the commissioned models which the Council is seeking to introduce.
 - c) confirms that the Council will invite providers and stakeholders to express their thoughts and ideas and
 - d) commits that commissioning activity will build care and support offers that are outcome focused and support the needs of the individual child.
- 1.6 The Children and Young People's Plan Commissioning Strategy & Market Position Statement included planned activity that would introduce more local providers into Sefton's commissioning activity.

- 1.7 The Council is currently named on the following regional purchasing systems with the intention of maximising our buying power and shaping the market in our region:
- North West Foster Flexible Purchasing System
 - North West Residential Flexible Purchasing System
 - North West Leaving Care Dynamic Purchasing System
 - North West Care and Support Dynamic Purchasing System
- 1.8 The use of the Flexible/Dynamic Purchasing Systems has assisted the Council in understanding the market in a wide area and where the gaps of service can be found. It gives access to a wide geographical data set supplied through the use of these Flexible/Dynamic Purchasing Systems which allows the Council to review where our disparities need to be addressed and has subsequently led to the work in the Liverpool City Region (LCR) to endeavour to address these gaps in a specific geographical area.
- 1.9 As part of the work of the Liverpool City Region Market Reform Programme the Executive Directors of Children's Social Care are working together to ensure sustainable long term pricing and greater social value to our local communities.

This work includes:-

- how we engage with the providers and encourage providers to work alongside each other as well as the Local Authority, to better our understanding of the changing needs of our young people to ensure that our services also change to meet those needs to encourage stability.
- Better communication to ensure that providers share important details to support sufficiency within the Liverpool City Region (LCR) by providing live local vacancy details to Placement Teams.
- By providers working collectively to work together to step children down into foster homes from residential homes if and when it is appropriate to do so, allowing for a positive social impact on the child. This in turn may encourage Independent Foster Agencies to source more Foster Carers in the Liverpool City Region (LCR) area over other areas of the country which in turn will help to reduce the number of placements being made in a residential setting which therefore, could assist in bring the cost of residential placements down.
- Improving the quality and detail of the information that is shared with providers to ensure that the right placement is found for that child/young person at the earliest opportunity. Learning from the experience of our care leavers has enabled the Liverpool City Region (LCR) to develop a better understanding of how the content of information for providers should better describe the representation of the child's or young person's true nature and personality rather than a more professional description and will lead to a more personalised approach. This would

commence with the referral, however would be beneficial across the whole process.

- To reduce the number of breakdowns of placement which in turn leads to higher costs of subsequent placements and a detrimental effect to the child or young person wellbeing.
- Encouraging providers with the right values and ethos to work with Liverpool City Region (LCR) so ensure that the best possible outcomes for our children and young people are achieved.

1.10 To support the LCR in achieving these aims the use of the PPA will support effective commissioning from local providers and ensure sustainability across the Liverpool City Region (LCR) footprint. In the event that the PPA does not provide an appropriate placement option, the placement would be advertised using the established and approved North West Regional Purchasing Systems for the appropriate need.

2 Market Engagement

2.1 The Children and Young People's Plan Commissioning Strategy identified that consultations with providers would take place during February and March of 2020. This stalled slightly due to the impact of COVID 19 however progress has been made by undertaking the consultation, as a City Region, virtually using the CHEST.

The consultation included a pledge (annex A)

2.2 Providers were able to respond to the consultation via the CHEST or in some instances using software such as Teams. In total over 50 responses were received and the findings included

- 97% like "The Offer" which sets the basis for partnership working through the PPA
- 100% like "The Pledge" which commits a joint focus on achieving the best for LCR children and young people
- 100% feel the introduction of a single, shared LCR Referral Document will assist them in being able to make placement offers quicker and more effectively.

2.3 The Liverpool City Region (LCR), having considered the feedback agreed to move forward with the procurement of Provider Partner Agreement (PPA).

3 Progressing the Procurement

3.1 Members will recall from the Children and Young People's commissioning Strategy that tendering documentation was scheduled to be issued in June 2020, however, as mentioned earlier in the report, the timeline has been updated in light of the COVID 19 pandemic and the revised timeline is in the table below.

Stage	Dates
Publication of Invitation to Tender (ITT)	27.07.2020 (complete)
Closing Date for questions	17.08.2020 (complete)
Closing Date for Request to Participate	26.08.20 (complete)
Evaluation	26.08.2020 - 04.09.2020
Presentation	14.09.20 – 02.10.20
Contract Award	14.10.20
Contract Start	19.10.20

- 3.2 The procurement is being conducted under OJEU light-touch procurement arrangements and is being hosted by Halton Council. The Purchasing System will be open ended however will be reviewed every 2 years to ensure it still offers an effective route to the market which meets the needs of the LCR Authorities who are sited on it.
- 3.3 The LCR lead by Halton Council have developed the over arching contract and specification for the PPA, Sefton's Legal and Procurement Team have been involved in reviewing these documents.

4 Contractual Processes

- 4.1 Each local Authority who will be administering the PPA will call off from the PPA either through the mini competition or direct order (award) as outlined below: -
- a. administer a mini- competition between all providers in the relevant lot either residential or foster care, from which they want to place an Order; or
 - b. in exceptionally urgent circumstances a direct Order may be placed with a particular provider by the Purchasing Body; or
 - c. administer a mini competition between providers who have been preselected based on information submitted in their Provider Response. This may include, but shall not be limited to, circumstances involving emergency placements, home size, location, capacity, gender, and educational needs based on the needs of the child or young person.

Each Purchasing Body will issue the successful provider with an Order which makes clear that the requirement is procured under this Provider Partner Agreement (PPA).

Purchasing Bodies will set out the Service required in a referral document. The referral document will contain sufficient detail to allow providers to submit a fully costed proposal to the Purchasing Body for consideration. The Purchasing Bodies will expect the price submitted by the provider in response to a mini competition to be in-line with the prices submitted in their Provider Response. Where variations exist providers will need to evidence the reasons for variation.

4.2 **Mini Competition**

Where a mini competition is used all providers, or providers preselected, will be notified and invited to submit a proposal.

The Purchasing Body will set its own technical criteria at the point of mini competition. This may include 'pass /fail criteria and / or scored criteria. Examples of the criteria may include the following (this is not an exhaustive list).

- Location
- Best match
- Compatibility
- Quality
- Price
- Service offer

The provider offering best value for money will be notified and the Purchasing Body will issue the successful provider with an Order which makes clear that the requirement is procured under this PPA Agreement. *Unsuccessful providers will be notified by the Purchasing Body/Bodies, together with the reasons why they were unsuccessful as required in the public contract regulations.*

4.3 **Direct Award**

Where an Order needs to be placed quickly and a placement identified in an extreme emergency or at very short notice then the Purchasing Body may make a direct award to a provider best able to meet the needs identified by the Purchasing Body.

The Purchasing Body may at a later date review the Order and open the requirement to further competition or the Order may remain with the same provider subject to review

4.4 **Orders**

An Order will be issued by the Purchasing Body to the provider selected following the completion of one of the processes detailed above.

The Order must be signed by the Provider and returned to the Purchasing Body in accordance with any instructions provided by the Purchasing Body. In the case of emergencies, where this is not possible, the Parties shall agree appropriate timescales for the issuing and signature of an Order.

4.5 **Individual Placement Agreement (IPA)**

- a. When a child or young person is initially placed in residential or foster care the Social Worker must approve the specific terms and conditions of the placement, which must be included in the contract, this is known as an Individual Placement Agreement (IPA). The Placement Officer will send a contract to the provider to complete and return in advance of the meeting

along with a request for any relevant updated documents, policies, procedures, insurances etc, if not already on file. The Placement Officer will also request service area feedback regarding any issues they have with the placement or provider.

- b. The child or young person's Social Worker is responsible for quality assuring the placement and the associated IPA in parallel to managing the Care Plan. The IPA should be reviewed on a regular basis. The updated IPA for child or young person will be put in place jointly by the Social Worker and Commissioning Officer
- c. Over time the needs of the child or young person can change and this will require the IPA and contractual records to be updated. The same process will be undertaken as in point 4.1 above.
- d. When a placement ends this does not mean that the contract automatically ceases as well. The contract remains in force until either it terminates (under the relevant clause) or it is terminated for any other reason.
- e. Cabinet is asked to approve the use of the Liverpool City Region, Provider Partner Agreement (PPA) and that delegate responsibility of provided to Head of Children's Social Care and Cabinet Member Children, Schools and Safeguarding for any contracts awarded using the PPA.

5. North West Residential Flexible Purchasing System Direct Award

5.1 The Children and Young People's Plan Commissioning Strategy identified the need for new block contracts with the Independent Sector targeted at specific levels of need and complexity both for Residential and Fostering Services.

5.2 The use of the North West Residential Flexible Purchasing System enables purchasing bodies to undertake direct awards.

This can be found under Lot 7, Cohort Purchases - This category is for organisations who are interested in bidding for services to meet the needs of a number of young people. This might be for named young people or could be for future business for predicted need.

5.3 Members will recall Sefton Council is named on the Purchasing System and this was approved 9th March 2017.

5.4 Cabinet is asked to approve the delegation of awarding contracts through a direct award process and are called off from the North West Flexible Purchasing System and/or the Liverpool City Region PPA, to the Head of Children's Social Care.

5.5 There is currently an immediate need to establish two direct award block purchasing arrangements using the North West Residential Flexible Purchasing System based on the establishment of services to meet the

needs of (A) Male Adolescents and (B) Children and young people with physical and learning disabilities.

Care Assist, male adolescent placement – The average weekly cost, per bed without a discount is currently at £2,149. This would reduce to an average weekly cost per bed to £1,988. This would be an annual reduction in costs of £33,488 per year should all 4 beds be used.

Family Care Group, children and young people with physical and learning disabilities – The average weekly cost without a discount is currently at £3,170.65 per bed. This would reduce to an annual weekly cost per bed to £2,809 based on a staffing ratio of 3 staff to 4 children for all 4 beds, which would be an annual reduction in costs of £75,223.20 per year.

Each contract would be for a period of 3 years with an option of 2, one-year extensions.

In both arrangements, should a Sefton child vacate a placement and we are unable to place another young person into that vacancy, we would highlight the vacancy to our Liverpool City Region (LCR) colleagues to promote the ethos of local placements for local children as well as avoiding a financial loss.

- 5.6 Cabinet is asked to approve the direct awards detailed above in 5.5 and any future awards delegated to Head of Children's Social Care and Cabinet Member Children, Schools and Safeguarding.