

Cabinet – 24 October 2018

West Midlands Children’s Residential Care Flexible Contracting Agreement

Portfolio: Councillor Wilson

Related portfolios: Councillor Towe

Service: Children’s Services

Wards: All

Key decision: No

Forward plan: No

1. Summary

- 1.1 With oversight from the WM Directors of Children’s Services, the 14 West Midlands Regional Authorities continue to commission children’s residential home and foster home placements jointly through a framework arrangement. These are placements purchased from private providers who are regulated by Ofsted. The current residential framework arrangements were procured by Sandwell Council on behalf of the 14 WM regional authorities; these contracts have been extended and the framework will expire in December 2018.
- 1.2 Work has been progressed collectively in the West Midlands region to embed learning from the current residential framework in response to the changing market for children’s residential care. Birmingham Children’s Trust is now leading this new tender for West Midlands Flexible Contracting Arrangement (FCA) for the provision of placements in residential children’s homes to be in place for December 2018.

2. Recommendations

- 2.1 Note the development of the West Midlands Regional Residential Flexible Contracting Arrangement which will operate in a similar manor to a Dynamic Purchasing System (DPS) enabling providers to join throughout the life of the contract.
- 2.2 That Cabinet approve award of spot purchase call off contracts under the West Midlands Regional Children’s Residential Flexible Contracting Arrangement, for an initial term of three years, to commence service delivery from December 2018, with the option to extend the initial term by up to three additional years, from December 2021.

2.3 That Cabinet delegate authority to the Executive Director of Children Services, in consultation with the Portfolio Holder of Children Services, to enter into spot purchase call-off contracts with providers under the West Midlands Regional Residential Flexible Contracting Arrangement for the provision of children's residential placements, by using the most appropriate procedures and to subsequently authorise contracts or other related documents for such service.

3. Report detail

3.1 There are 629¹ children and young people looked after in a range of placements. Approximately 8% of children and young people have needs requiring support in a residential environment. These needs can be met either by our own internal residential services or through placements with independent sector children's home providers.

3.2 Regional Framework arrangements have been in place since 2014 and has ensured that these placements are made with providers who have been through due diligence, Ofsted monitoring and with whom we have agreed prices and terms and conditions.

3.3 These Framework arrangements have been successful in standardising terms and conditions and measuring performance with providers. However the market has become very competitive with fewer providers able to meet the complex needs of children and young people. This new FCA will address this issue.

3.4 There have been changes during the life of the current framework with some providers withdrawing from the current framework leading to a decrease of providers remaining. This has led to some negotiating of additional costs due to the increasing needs of young people who require additional staffing leading to an increase in cost.

3.5 There has been an increase in spot 'off framework' purchased placements; of the 42 new residential placements made with external residential providers in 2017/18 a total of 18 were made with framework providers and 24 were spot purchases.

3.6 The Flexible Contracting Arrangements has been developed to respond to changes when new providers enter the market. Suppliers will be permitted to join at any time during the contracting period as long as the supplier meets the qualifying criteria at the time of application.

3.7 The Contracting Authorities will review prices regularly during the life of the contract and never less than annually which may result in proposals for lower prices.

3.2 The FCA will have provision for the following types of residential placements:

- Category 1 – Provision of placements in residential children's homes for children with emotional and behavioral difficulties (EBD)

¹ Performance Team Weekly Report 31/08/2018

- Category 2 – Provision of placements in residential children’s homes for children with autistic spectrum condition (ASC) and challenging behavior
- Category 3 – Provision of placements in residential children’s homes for children with complex health needs
- Category 4 – Provision of placements in residential children’s homes for children who require specialist mental health services

4. Council Corporate Plan priorities

Children have the best start and are safe from harm, happy, healthy and learning well.

- 4.1 The sourcing of residential placements through this flexible contracting arrangement supports this strategic priority by securing placements which have been evaluated for high quality and best cost with the aim of keeping children and young people as local to Walsall as possible.

5. Risk management

- 5.1 The development of the Flexible Contracting Arrangement will mitigate the risks associated with spot purchasing ‘off framework’ placements. This will ensure placements are made against a consistent set of agreed prices and terms and conditions with providers who have been subject to due diligence and assessment of quality.
- 5.2 The risks relating to both the procurement and implementation of the Framework have been actively assessed and managed as part of the tendering process with Birmingham City Council.

6. Financial implications

- 6.1 There are no new financial implications associated with the decision to implement the proposed contracting arrangement. Costs for external residential placements for a full year are currently forecast at circa £5.36m and continue to be placed via the existing frameworks where appropriate against a set of agreed prices to ensure VFM wherever possible.

7. Legal implications

- 7.1 All contractual arrangements have been procured in compliance with the Public Contracts Regulations 2015 and in accordance with the Council’s own Contract Rules.
- 7.2 All new residential contracts in place via the Flexible Contracting Arrangements will be evidenced by a written call-off contract and Individual Placement Agreements, as approved by the Head of Legal and Democratic Services and shall be made under the Council’s seal.

8. Procurement implications/Social Value

- 8.1 This procurement is being led by Birmingham City Council requires providers to adhere to their social value charter.

9. Property implications

- 9.1 Providers on the Flexible Contracting Arrangement will provide all required premises from which to deliver their residential care services. There are no property implications as these services are delivered by contracted providers external to any Local Authority owned property.

10. Health and wellbeing implications

- 10.1 The Council has a statutory responsibility to promote the health and wellbeing of its population. This procurement supports the Corporate Plan priorities for the Council by ensuring that these services protect and promote the health and wellbeing of all vulnerable Children in Care. The quality of the service to be provided will contribute to reducing health and wellbeing inequalities by providing children in care and other children with healthy, stable life experiences, an explicit objective of the Joint Strategic Needs Assessment and Health and Wellbeing Strategy.
- 10.2 The Flexible Contracting Arrangement will also adhere to the objectives of the Marmot Review:
- **Give every child the best start in life** – by providing care and support
 - **Enable all children, young people to maximise their capabilities and have control over their lives** – by providing stable care and support and transition to adulthood
 - **Create fair employment and good work for all** – by providing local work opportunities, where appropriate, in those regions where fostered

11. Staffing implications

- 11.1 No staffing implications have been identified.

12. Reducing inequalities

- 12.1 Outcomes developed for the individual child placements aim to reduce and mitigate the impact of their early life experiences to reduce the inequalities they face.

13. Consultation

- 13.1 A regional engagement event was held with Children's Residential Providers on 7 June 2018. This was well attended and enabled providers and commissioners to discuss the needs of children and young people, the changing market place and an opportunity to shape the service specification and tender process.

Background papers

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Sally Rowe
Executive Director
12 October 2018



Councillor Wilson
Portfolio Holder
12 October 2018