

CREATING OPPORTUNITIES AND TACKLING INEQUALITIES SCRUTINY COMMITTEE	Agenda Item No. 9
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Report of the Corporate Director for People and Communities		
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PROPOSAL TO DEVELOP A PERMANENCY SERVICE IN PETERBOROUGH: RECOMMENDATION TO AWARD CONTRACT

1. PURPOSE

- 1.1. This report provides an update to Scrutiny about the proposals to develop a Permanency Service in Peterborough, and specifically recommends the commissioning of the delivery of this service by an external partner organisation.
- 1.2. The report summarises the approach taken to developing the service specification, the tender documentation and the final outcome following the conclusion of the tender process.

2. RECOMMENDATIONS

- 2.1. Members are asked to note the content of this report, and in particular the positive involvement in the process by staff, foster carers and young people.
- 2.2. Members are asked to note the recommendation to award the contract for operating the new Permanency Service is awarded to The Adolescent and Children's Trust [known as TACT] – the largest dedicated fostering and adoption charity in the UK.
- 2.3. Members are asked to provide comment on this scrutiny report that can be taken into consideration by Cabinet, when the recommendation to award the contract is discussed on 26th September 2016.
- 2.4. Members are recommended:
 - To request a report on the progress of the delivery of the new service in 12 months' time.

3. LINKS TO CORPORATE PRIORITIES AND RELEVANT CABINET PORTFOLIO

- 3.1. This report relates to the corporate priority to support vulnerable people.
- 3.2. The report falls within the portfolio of the Cabinet Member for Children's Services.

4. BACKGROUND

- 4.1. Members will be aware of the proposal to develop a Permanency Service in Peterborough. These proposals were the subject of a report to the Creating Opportunities and Tackling Inequalities Scrutiny Committee on 16th November 2015. An update was also provided to Scrutiny on 18th January 2016. Under these proposals, organisations were to be invited to tender for the opportunity to deliver a range of services in the City, including:
- Fostering and adoption services;
 - Services to support children and carers living in families under Child Arrangement and Special Guardianship Orders;
 - The Family Group Conferencing Service;
 - Some limited social work services to children in 'permanent' in-house foster placements and leaving and after care support for this group of children and young people.
- 4.2. This approach is designed to enable us to support improved outcomes for children in care and on the edge of care by ensuring that as many as possible live in stable, loving, and legally permanent homes, improving support for foster carers and so improving placement stability for children and young people in care, while reducing the overall financial cost to the Council. Savings will be achieved through reduced reliance on high cost Independent Fostering Agency placements, with a proportion of savings re-invested into services for children and young people in the City.
- 4.3. The full service specification for the Permanency Service is set out in Appendix 1 to this report; the draft specification was shared with the Creating Opportunities and Tackling Inequalities Scrutiny Committee on 18th January 2016. Changes between the draft and the final specification reflected the outcome of continuing consultation with key stakeholders, including staff and foster carers, and of advice from colleagues in Legal and Human Resources services.
- 4.4. The proposal to develop the Permanency Service is highly innovative, and the first of its kind in the country. There is considerable interest at national level. This is coinciding with current increased concerns about the levels of profit being made from the provision of private sector fostering placements, and with the current focus of Government on improving outcomes for children and young people in care and on the edge of care.
- 4.5. Four organisations responded to the invitation to tender. Of these, three organisations submitted comprehensive bids, which were assessed against a number of evaluation questions and by representative panels of staff, foster carers and young people. TACT was the organisation that scored the highest marks overall. The other two organisations are referred to in this report as bidders A and B.
- 4.6. The evaluation questions and panel presentations were all designed to help us to assess the extent to which the organisations bidding for the contract could evidence their ability to meet the outcomes set out in the specification for the Permanency Service, the main elements of which are briefly summarised in the following sections.
- 4.7. In the event that the recommendation to award the contract to TACT is accepted, the contract will be for a period of 10 years, with an option to extend for a further 10 years. Any shorter contract would undermine the notion of this being a permanency service. There are the usual break clauses within the contract and, in the event of significant

failings, there is also a 'step-in' clause, by which the Council would be able to take back control of the service.

Overall Aims and Objectives

- 4.8. There are a number of key aims and objectives required from the Permanency Service, including:
- Increasing the capacity of 'in-house' foster placements and so reducing the reliance on much more expensive Independent Fostering Agency placements;
 - Maintaining the current very good performance of adoption services in Peterborough;
 - Improving the support offered to carers of children and young people under Child Arrangement and Special Guardianship Orders;
 - Investing in developing Family Group Conferencing Services;
 - Investing in improving support for the significant numbers of children and young people who leave care and return to their parents or former carers.
- 4.9. Together, these initiatives will result in improved outcomes for children and young people, with increased numbers being well supported in permanent family-based homes. At the same time, the approach will support reductions in overall spending by reducing the numbers of children and young people placed in higher cost care placements.
- 4.10. Although the Permanency Service will be delivered through a commissioning arrangement, the service specification sets out the intention for delivery to be through a genuine partnership between the Council and TACT, as described in the governance arrangements, below.

Governance Arrangements

- 4.11. Subject to approval of the contract award to TACT, a Joint Governance Board will be established to include senior officers from the Council and TACT. This board will oversee the activities of the Permanency Service and ensure that key performance indicators are being achieved. This Board will be chaired by the Director of Children's Services – at least initially - thus ensuring that there is senior level oversight of the development and operation of the new service.
- 4.12. Day to day management of the service would be the responsibility of TACT, but there are further arrangements for ensuring that the service is delivering the outcomes required of it, including through a Strategic Management Board, which will be established to oversee the detailed work required to establish the service, and an Operational Management Board that will have responsibility for ensuring that day to day operations are delivering the required outcomes. The Strategic Management Board functions will be likely to be subsumed into the other two boards once the new service is fully operational..
- 4.13. TACT will also be required to provide regular reports to Scrutiny Committee detailing performance and impact on outcomes for children and young people.

Increasing capacity of 'In-House' fostering

- 4.14. The principal aim of the development of this service is to improve outcomes for children and young people in care and on the edge of care, while reducing the unit cost of placements for children looked after. This approach is possible because a proportion of the savings made as a result of the development of the Permanency Service will be re-

invested in the development of improved services to children and young people in care and on the edge of care.

- 4.15. The way in which savings will be made is to reduce the current reliance on expensive foster placements provided by largely private sector Independent Fostering Agencies, or IFAs. We currently spend some £4M per annum on IFA foster placements for around 100 children and young people – a weekly average of around £800. The average placement cost of an in-house fostering placement is around £300 per week.
- 4.16. Analysis of the profile of children and young people who are most likely to be placed in an IFA placement shows that they are typically older at the time of placement and are more likely to be displaying significantly challenging behaviour as a result of past life experiences and trauma.
- 4.17. There is no intrinsic difference between foster carers who foster for an IFA and our own carers – indeed our own carers are highly skilled and very motivated to provide loving and stable homes for Peterborough children and young people. However, what they have told us is that in order to feel confident to provide care for more challenging and older children and young people, they would need access to the same kinds of support that is available to IFA carers – namely 24/7 support including in the home if necessary, access to dedicated consultation with a psychologist, and a programme of training that is better able to equip them with the skills they need than that which is currently available.
- 4.18. These key requirements are built into the service specification. TACT is an organisation that has developed a very comprehensive training and support package for their foster carers, which they will bring to the new service. They also offer the key element of 24/7 support that includes practical in-home support when this is needed.
- 4.19. Alongside the need to provide improved support to existing foster carers, delivering the overall aims and objectives requires us to increase our success in attracting foster carers to foster Peterborough children and young people. We believe that the combination of the enhanced support available through the partnership with TACT and the fact that foster carers recruited will be fostering only for Peterborough City Council, places the new service in a very strong position to maximise recruitment.
- 4.20. In general, foster carers become carers for genuinely altruistic reasons. They want to provide loving and stable homes for vulnerable children and young people. They do not generally come into fostering because they want to contribute to the profits of large multi-national organisations, but they do want to feel confident in the support they will receive and, particularly those who may want to foster as an alternative to working in the care sector, understandably want to have confidence that the allowances they receive will be sufficient.
- 4.21. The Permanency Service offers carers the best of both worlds. Foster carers will be able to access the enhanced support available through TACT while only fostering Peterborough children and young people. They will have the potential to access higher rates of allowances than Peterborough currently provides should they wish to foster the most challenging of children and young people. Finally, and importantly, all carers will be part of an overall approach that will increase investment in children's services in Peterborough, as opposed to contributing to profit.
- 4.22. Improving our ability to recruit and retain foster carers is also important for children and young people in care. There are a number of reasons for this. We know our carers, and

are in a better position to feel confident about matching children and young people with our carers than we can be with carers supplied through IFAs. Because our carers only care for us, there is no possibility that a child or young person will be placed in a fostering household by another local authority, potentially de-stabilising the arrangements for the Peterborough child in placement. Our carers are located within or close to the City of Peterborough, while IFA carers are more likely to be further afield.

- 4.23. The combination of these factors means that placements are less likely to end in unplanned ways, and our children in care are more likely to retain links with their community, school and family because they are more likely to be placed in or close to Peterborough.
- 4.24. This is not to say that IFAs do not provide a valuable service – they do and will continue to do so – but we would like to see our reliance on this type of placement reduced as far as we are able.

Maintaining good adoption performance

- 4.25. Adoption performance in Peterborough is good, and there has been a less marked decline in the use of adoption to secure permanency for children than in some parts of the country.
- 4.26. TACT has many years of experience in adoption, including in identifying adopters for children who are harder to place, and brings this experience to the Permanency Service where it will complement our existing experience and expertise.
- 4.27. The Permanency Service will remain engaged with the development of regional approaches to adoption, but we have taken the view that we do not want to separate the functions of fostering and adoption locally. There is a strong tradition in Peterborough of recruiting adopters for children from other areas of the country as well as those in Peterborough. We expect this tradition to continue and indeed be made easier because we will be able to take advantage of the broader reach of TACT across the country.
- 4.28. The provision of high quality support to children and adults affected by adoption is also a high priority for the new Permanency Service, an area in which both TACT and our current service have a very good track record, and where the two organisations can both bring their skills and experience to the work.

Children subject to Child Arrangement and Special Guardianship Orders

- 4.29. There has been an increasing use of these orders, and of Special Guardianship Orders in particular. A Special Guardianship Order offers children and young people legal permanency with the approved adults in a similar way to an adoption order, except that it does not remove the legal rights of birth parents completely, as adoption does.
- 4.30. Special Guardianship Orders were initially intended to be used for older children and young people, where the permanent legal break with parents that takes place with adoption is likely to be less suitable.
- 4.31. However, Special Guardianship Orders have increasingly been used in respect of much younger children who have come into care and who may previously have been more likely to have been adopted. This means that more children are able to experience legal permanency while being placed within their extended family than was previously the case and for many children, this is a positive outcome.

- 4.32. Nevertheless, there are signs that this approach has brought additional risks in terms of long term outcomes for younger children placed through Special Guardianship Orders. There are indications that the risks of these placements breaking down are higher than those associated with adoption.
- 4.33. There are likely to be a number of reasons behind this. Until recently, Assessments of carers under a Special Guardianship Order were less much less comprehensive than those related to adopters. There has been a recent change of statutory guidance in this area, which is helpful, and assessments are now required to be more thorough, although they remain less thorough than those associated with adoption.
- 4.34. Carers under Child Arrangement and Special Guardianship Orders are not entitled to the same level of support as adopters. This is likely to mean that carers are more likely to try to struggle on as problems emerge, and may not seek support until difficulties have become entrenched.
- 4.35. For this reason, the Permanency Service will be required to develop support services so that these are equivalent to those provided for adoptive families. We want to act pro-actively and do all we can to support Child Arrangement and Special Guardianship Orders so that children and young people do not experience any break down in their care arrangements. This pro-active approach will include ensuring that the service remains in contact with carers, so that they know how they can seek support at an early stage should they need this.

Family group conferencing service

- 4.36. Family group conferences enable the wider family and friendship network to develop a family plan that supports parents and carers to provide appropriate care for their child or children. Family plans developed in this way can be very effective and are more sustainable in the long run than is the case where families are only supported by a range of services.
- 4.37. Typically, a family group conference is used where a child is subject to a child protection plan. The conference will usually also discuss contingency plans and it is in this context that extended family members who may be able to offer a child legal permanence through a Special Guardianship Order are first identified, should the risks to the child remaining with their parents not reduce.
- 4.38. This is one reason why it makes sense for the Family Group Conferencing service to transfer to the Permanency Service. There are also other advantages to this arrangement. Locating the service so that it is independent of Children's Social Care and of the Council means that families will correctly perceive it as being independent of the child protection system. Services that are perceived as being genuinely independent are often able to maintain the trust and confidence of families more effectively, and are therefore more likely to deliver positive results through effective partnership working.
- 4.39. Family group conferencing is also an area where there is a need for increased capacity in Peterborough. Increased investment in the service is another requirement of the Permanency Service, meaning that we can enable more children and families to benefit from the sustainable support plans that this approach can deliver.

Supporting children and young people to return home from care

- 4.40. Children and young people returning home from care are the largest group of care leavers and nationally around 35% of care episodes end for this reason. It is obviously the aim for any child returning home to do so on a permanent basis. Sadly, however, as many as half of children and young people who leave care in this way subsequently return to the care system, often having experienced further trauma or abuse in the process.
- 4.41. The Permanency Service is required to develop new and innovative approaches to supporting children and young people to return home on a permanent basis. It will achieve this in a number of ways, including training and supporting foster carers so that they can play a greater role in helping and supporting parents to develop positive parenting skills while the child is in care and in placement.
- 4.42. This approach has been found to be effective elsewhere and TACT has experience in training and supporting carers to undertake this type of support to parents. During the consultation process with foster carers, a number said that they would really like to contribute to supporting families in this way, provided they had the necessary training and support to do so.
- 4.43. Clearly, increasing the proportion of children and young people who return home permanently is not only good in terms of their long term outcomes, but also means that overall numbers of children and young people in the care system reduce, reducing associated placement and social work costs.

Other areas of proposed service delivery

- 4.44. A group of children and young people are placed with foster carers on a 'permanent' basis. This is where the placement has been approved as a long term match for the child or young person. There is no legal basis to this permanency, but it does signal to the child and to the carers that the arrangement is one that should last throughout the child's childhood into adulthood and hopefully beyond.
- 4.45. Where children and young people are permanently placed in in-house [as opposed to IFA] fostering placements, it is proposed that the responsibility for providing social work support to the child will transfer to the Permanency Service. There are two main reasons behind this proposal. The first is that we believe that this will reduce any likelihood of there being any delays in decision making in respect of the day to day life of the child, supported by the ethos of the new service that children in care should experience life in families in a way that is as close to that experienced by all children as possible.
- 4.46. The second reason is that we hope that this arrangement will support foster carers to feel sufficiently confident in the support available through the Permanency Service to apply to make such arrangements legally permanent ones through Special Guardianship Orders. This links to the points made above in respect of improving support to all carers who have a Special Guardianship Order. Foster carers are more likely to apply for a Special Guardianship Order if they can feel confident that they can return and seek support at a later date, should this be needed.
- 4.47. Children and young people benefit from legally permanent arrangements by virtue of them enjoying much greater security. Carers and children benefit through such arrangements because they are able to live their lives and make decisions in the same way that any other family does, and without the need to refer to the Council. Life is more 'normal' and children feel more secure as a result. The benefit to the system is that such arrangements mean that the child or young person is no longer in care, saving on social work time.

- 4.48. This aspect of the service will be delivered in a child-focused way, however. We do not want to disrupt existing long-standing relationships with allocated social workers who will not transfer to the Permanency Service, for example.
- 4.49. The current Access to Resources Team will also transfer to the Permanency Service. This team of four officers is responsible for identifying all types of placements for children and young people in care and who are already in care, but who need to change placement for any reason. Where placements are made with external providers, the team is also responsible for making sure that the correct contracts are in place, and that these specify the outcomes required from the placement.
- 4.50. Given that the Permanency Service will be responsible for identifying all placements for children in care [see the section on Finance below for further details], this team must also be part of the Permanence Service.

Summary: Improving outcomes for children and young people

- 4.51. Although there are financial savings attached to this proposed contract, the approach to developing the proposed Permanency Service has been built on improving outcomes for vulnerable children and young people in Peterborough, as outlined in the sections above. To summarise, improved outcomes will be achieved as a result of:
- Increased placement choice for children and young people needing care or who are in care through an increased number of ‘in-house’ foster placements;
 - Better placement matching between children in care and foster carers whom we know well and who are local to Peterborough;
 - Increased placement stability as a result of improved levels of support and training for foster carers;
 - Increased capacity within the Family Group Conferencing Service, increasing the likelihood that children are able to remain with families on a sustainable basis or, where this fails, to remain within their extended family, benefiting from legal permanency as offered by a Child Arrangement or Special Guardianship Order;
 - Reduced risk of the breakdown of placements under the above orders coming to unplanned ends as a result of the development of improved support services that are in-line with adoption support;
 - The development of innovative programmes to help to support children and young people returning home to their families after a period in care, reducing the likelihood of a return to care, and all the associated negative consequences to relationships and long term outcome;
 - The continued strong performance in relation to adoption and adoption support as outlined in the service specification;
 - The capacity of a new charitable provider to draw in other charitable organisations and funding streams to support children, young people and their families in Peterborough.

Implications for staff

- 4.52. The current Peterborough City Council social work and support staff in the fostering and adoption, family group conferencing service and the access to resources teams will transfer to TACT under TUPE arrangements. One post in marketing and one in finance will also transfer to the new provider. TUPE provides protection for employees in relation to maintaining existing terms and conditions of employment.

- 4.53. In addition, the budget associated with up to two social worker posts and a 0.5 FTE personal assistant role will transfer to TACT in order to support the delivery of social work services to children and young people in permanent in-house foster placements. These posts are currently vacant.
- 4.54. Most members of staff remain positive about the proposals. Any change brings uncertainty with it, of course, and there seems to be a general keenness to get on with the process. Members of staff have managed the uncertainty that the process of developing these proposals has inevitably caused. They will now know the identity of the organisation that is being recommended, which will help to start bringing the changes into something more tangible.
- 4.55. Business support staff within the current Fostering and Adoption Service are currently employed by SERCO. These staff will also transfer to TACT under TUPE arrangements. SERCO and the staff concerned have been included in the discussions around the development of the service. SERCO staff will be formally consulted with about the transfer as is required under the TUPE transfer process.
- 4.56. Assuming the recommendation for the contract to be awarded is accepted, a detailed implementation plan will be developed to ensure that staff transfer smoothly to TACT. This plan will continue the established ethos throughout the process of the close involvement of our current staff in developing the new service.
- 4.57. A formal consultation process relating to the implementation of the new service and the transfer under TUPE arrangements will also take place, in line with existing procedures.

Implications for Foster Carers and Adopters

- 4.58. Foster carers are self-employed and can choose with whom they work. Assuming that the recommendation to award the contract to TACT is accepted, a programme of events where foster carers who care for TACT can meet our own carers so that carers can hear for themselves what TACT offers carers.
- 4.59. Registration of foster carers will gradually transfer to TACT, but Peterborough City Council will retain our registration as a fostering agency. Under the contract, TACT would be required to transfer carers back to the Council in the event that the contract comes to an unplanned end. This requirement would also apply to all new foster carers recruited as a result of this partnership.
- 4.60. The Council and TACT will work together to ensure that foster carers experience a genuine improvement in the support they are able to access in their role. TACT will also bring new opportunities for carers to expand the work that they do, for those carers who are interested in taking on new challenges. The outcome is therefore expected to be an environment within which carers feel better supported, have the opportunity to develop their role and skills still further, while having the security of only fostering Peterborough children, with all this brings in terms of developing relationships with Peterborough staff and managers.
- 4.61. The position for adopters should not change significantly. Those currently approved and awaiting a match will continue to do so and the Permanency Service will work with regional and national partners to ensure that we maintain our strong tradition of recruiting adopters for children needing permanency not only locally but nationally as well.

- 4.62. Potential adopters coming forward for approval should experience the same high quality service as they do at present. The partnership with TACT may improve the chances of adopters being matched with children since TACT is a charity with a national reach, including a significant presence in Scotland.

Financial arrangements

- 4.63. Under the terms of the contract, all budgets relating to the placement costs for children and young people in care, to the support of adoptive carers and carers under Special Guardianship or Child Arrangement Orders will transfer to the Permanency Service. The budget that will transfer is that which is sufficient to meet placement costs. The budget that will transfer is the equivalent budget for the cost of all placements as in the financial year 2015/16 - £11,666,309, and the full cost of staff transferring under TUPE [£1.5M for local authority staff and a further £76,000 for non-local authority staff], together with budgets associated with operating the service – mileage and so on. This budget will, however, reduce over the first two years of the contract as we expect TACT to have a quick impact on reducing the use of high cost placements. The table below shows how the budget is expected to reduce over the first four years of the contract:

Item	2016/17	2017/18	2018/19	2019/20	2020/21
Placements	£11.67M	£11.02M	£10.77M	£10.77M	£10.77M
Salaries	£1.61M	£1.61M	£1.61M	£1.61M	£1.61M
Other	£0.12M	£0.12M	£0.12M	£0.12M	£0.12M
Total	£13.4M	£12.75M	£12.5M	£12.5M	£12.5M

- 4.64. The saving targets were set at a time when we expected the service to go live during 2016/17, however. The delay to the go live until the beginning of the financial year 2017/18 will make the savings targets more challenging to achieve, at least in line with the above timeframes.
- 4.65. In the TACT bid, detailed evidence was provided as to how these savings would be achieved, although over a longer time frame. However, TACT will manage the delayed phasing of the savings, meaning that the Council will still make the savings identified, assuming that other factors such as the overall demand on the placement budget remains within the expected budget within the current financial year.
- 4.66. Any further surplus generated beyond the envisaged savings target will be subject to a savings share. This will mean that TACT will receive one third of any additional surplus to re-invest in services, while the Council will retain two thirds. Half of the money retained by the Council will contribute to the Council's savings targets, while the remaining half will be invested in prevention and early help services.
- 4.67. The full cost of staff, including on-costs, will transfer with the staff to TACT. There has been no attempt to 'asset strip' the service prior to transfer; we are committed to ensuring that TACT has the resources that it needs to deliver the improved outcomes that we want to see for our children and young people.
- 4.68. The service specification and contract allows for certain contingencies including an increase in placement costs due to increasing numbers of children and young people in care and/or an increase in demand for very high cost placements. Essentially, such pressures will be reported to the Joint Governance Board, which will look for ways of

meeting the shortfall within the Permanency Service and children's services as a whole, which is in line with current approaches to when there is an increase in demand.

The tender and evaluation process

- 4.69. Prior to the formal invitation to tender, we undertook a period of soft market testing, using the draft service specification as a framework. Organisations that were potentially interested in submitting a bid were given the opportunity to discuss the proposals with senior officers from the Council. The purpose of this process was two-fold – for us to gauge whether there was sufficient interest in our proposals, and to help us to identify any obvious flaws in our ideas, and to enable potential bidders to have the opportunity to begin formulating their proposals in advance of any formal tender process.
- 4.70. Tenders were formally invited from interested bidders on 18th March 2016. The tender period closed on 20th May 2016. The deadline for submissions of completed bids was extended by three weeks owing to the large volume of clarification questions received from the bidding organisations. Completed bids were received from three organisations: TACT, together with bidders A and B. Of these bidders, TACT and Bidder A were both charitable organisations, while Bidder B was a for-profit organisation but one that had satisfied the requirements to deliver the service through a not for profit vehicle.
- 4.71. All bidders were also required to agree to the requirement that the contract would be subject to open book accounting. They were also required to agree that they would be open to audits of practice by the Council's quality assurance service, and that they would provide a wide range of key performance monitoring information to the Council at regular periods or as requested.
- 4.72. Considerable time has been taken to ensure that we have engaged with stakeholders throughout the process, including in the evaluation of the bids. Prior to the invitation for tenders going live, staff, foster carers and young people all contributed to the development of the questions on which the bids would be evaluated.
- 4.73. As part of the evaluation process itself, bidders were required to present to separate panels of staff, foster carer and young people representatives.
- 4.74. Bidders were also required to answer a range of evaluated questions on how they would deliver the service in the event that they were awarded the contract. These answers were evaluated by a panel of senior officers of the Council.
- 4.75. Finally, bidders were required to provide information about how they would manage the financial elements of the service specification, including how they would deliver the savings required.
- 4.76. Scores for each element of these stages were then combined, and a weighting applied as set out in the invitation to tender.
- 4.77. Given the uniqueness of proposal to develop the Permanency Service, all three of the bidders submitted impressive bids. No single bidder was ahead in all areas, however TACT succeeded in scoring highly in all the main areas of the bid, and scored highest overall.
- 4.78. The table below sets out the position of each bid in each area of the evaluation:

Element of Process	Weighting	TACT	A	B
Evaluation of Method Statements	60%	44.39%	40.79%	41.73%
Young People Panel	5%	4.25%	1.75%	4.25%
Staff Panel	5%	3.75%	4.00%	1.25%
Foster Carers' Panel	5%	3.50%	2.00%	2.25%
Senior Panel	5%	2.00%	2.75%	2.00%
Price	10%	9.87%	10%	8.33%
Pricing Assumptions	10%	7.00%	9.00%	6.00%
Total	100%	74.78%	70.29%	65.81%

4.79. Overall, TACT achieved a final score of 75%; Bidder A achieved 70% and Bidder B 66%.

4.80. In terms of the staff panel, TACT came just behind bidder A [with a difference in score of one mark] but was well ahead of bidder B. Foster carers rated TACT as the strongest bidder of the three. The panel of children in care placed TACT and bidder B as equal first, with bidder A placed significantly behind.

4.81. In terms of the evaluation of the methodology statements, TACT was particularly strong in the following areas:

- In how the organisation proposes to deliver the service;
- The description of the support and training available to carers;
- Ideas on and evidence of success in recruiting foster and adoptive carers;
- The importance of and success in achieving genuine participation of children and young people at both an individual and a strategic level;
- The child-centeredness of the bid overall;
- The credibility of the financial modelling to deliver the savings required, even if over a slightly longer timeframe [although with no impact to the Council];
- Its ability to draw in the support from other charitable organisations in order to build capacity in the City;
- The track record of the organisation in delivering good outcomes for children and young people and including in relation to securing legal permanency for those placed in foster placements.

Protection for Children, Carers, members of Staff and the Council

4.82. This is a contract that covers the delivery of services to vulnerable children and young people, for many of whom the Council is also corporate parent. It is essential therefore that there are appropriate checks and balances to ensure that the service promotes and safeguards the welfare of the children, foster cares and staff, as well as that the Council is safeguarded from risks to its reputation that would arise from any failings of the Permanency Service.

4.83. There are a number of ways in which it will be ensured that all key parties are safeguarded. The contract is very detailed in terms of the monitoring information required from the provider, and of the safeguarding approach required in relation to all activities. As noted above, the contract has the usual break clauses and also contains a 'step-in' clause that would enable the Council to regain control of the service in the event of any serious failings.

- 4.84. The successful bidder – TACT – has evidenced their ability to provide the service through an extensive evaluation process. It is a well-established charity, with a demonstrable track record in delivering positive outcomes for children and young people.
- 4.85. These factors will be supported by the governance arrangements that will be put in place to oversee the operation of the new service. As noted elsewhere, although this is a formal contract that involves the transfer of staff, carers and resources, the service specification and arrangements for performance monitoring set out how the service will operate as a partnership between the Council and TACT.
- 4.86. The governance arrangements emphasise a shared problem solving approach to issues that may arise. There is provision within the contract, for example, to address issues that may follow an unexpected increase in numbers of children in care or in the use of high cost placements. Should such circumstances apply, the Council and TACT will look for solutions together to meet such pressures. Demand led budgets such as placement budgets are always volatile, however, and the contract acknowledges that there may be circumstances where the Council is asked for additional funds to cover unpredicted expenditure – as would be the case were the service to remain delivered as they are currently.
- 4.87. Alongside statistical performance monitoring information, the new service will be required to allow auditors from the Council's Quality Assurance and Safeguarding Service access to all client records, and audits will be carried out in the same way as they are carried out across the remainder of children's services. Audit findings will be published and any improvements required identified. TACT will be required to develop an action plan to address recommendations. These arrangements are again the same as are in place across the remainder of children's services.
- 4.88. Other forms of 'softer' information will also be monitored, including rates of staff turnover, sickness, and rates of foster carer resignations and terminations. Independent Reviewing Officers, who chair reviews for children and young people in care, will also continue to use the case alert and other escalation mechanisms to raise any concerns about the progress of care plans or the quality of children's placements – just as they do now.
- 4.89. We are currently in the process of improving mechanisms to secure increased participation of children and young people in care. We have increased capacity in our participation team, and invested in new technology to make it easier for children and young people to make their views known.
- 4.90. As noted above, TACT has established a strong ethos of participation by children and young people throughout the organisation. We will work together to ensure that children and young people in care can help to shape the permanency service and ensure that it is child-centred in its operation. This will include making sure that we continue to respond to any concerns and complaints made by children and young people. Children and young people will continue to be able to access independent advocacy where they have any concerns. All comments and complaints will be monitored and used to help to improve services – again as is the case at the moment.
- 4.91. The partnership approach means that all information about the operation of the permanency service and the impact on outcomes will be shared through the governance arrangements. Any developing issues will be identified early as a result, and early action taken to address these. However, the contract also includes break clauses for the Council at the end of years 3, 7 and 10, where we would need to provide 12 months' notice, and

for TACT at the end of years 4 and 10, when 18 months' notice would be required. There is also a 'walk-in' clause that enables the Council to take immediate control in the event of any serious failure being identified.

- 4.92. Finally, and importantly, all decision making about individual children and young people remains with the Council. This includes the decision about whether a child or young person should come into the care system, agreement as to the suitability of the match between the placement identified and the needs of the child, and all decisions relating to care planning for individual children and young people.
- 4.93. Taken together, these elements of the contract and the approach to governance and performance monitoring will ensure that any issues that may have an impact on outcomes for children or on financial stability are identified early, enabling appropriate action to be taken.

5. KEY ISSUES

5.1. Key issues arising from the above include:

- This is a highly innovative approach to tackling the issue of over-reliance on high cost placements for children in care, which will result in improved outcomes for vulnerable children and young people in Peterborough while delivering savings for the Council;
- Staff, foster carers and, at an appropriate level, children and young people, have been fully involved in the development of the proposals from the outset. They have contributed to the identification of the outcomes required from the new service and to the development of the service specification. Staff, foster carers and young people also participated in the selection process, setting questions for the providers that representative groups evaluated at panels;
- TACT was the organisation that scored the highest overall, with an overall score of 75%. Bidder A was close to TACT in terms of overall score at 70%, with bidder B scoring 66%. Given the uniqueness of the proposals to develop the Permanency Service, these are high scores overall and all bidders submitted good quality bids;
- Assuming that Cabinet accepts the recommendation and the contract is awarded to TACT, detailed discussions between all stakeholders will commence on developing a comprehensive implementation plan that will result in the service being implemented on 1st April 2017. These discussions will also include the necessary formal consultations with staff in connection with their transfer to a new employer under TUPE;
- The contact will be operated under a partnership model. This reflects the innovative nature of the proposals and the need to ensure the approach delivers the best possible outcomes for children, young people and their families;
- The range of safeguards built in to the service specification, the range of performance indicators that will be monitored and the retention by the local authority of decision making as this relates to individual children and young people will all ensure that the services delivered are of a good quality, cost effective, child-centred and safe.

6. IMPLICATIONS

6.1. As noted elsewhere, there are a number of implications arising from the recommendation to award the contract to TACT.

- 6.2. Staff will formally transfer employment to TACT under the provisions of TUPE, meaning that current terms and conditions will be protected. There are formal consultation processes in relation to this aspect of the proposals, which will include unions and other representatives.
- 6.3. Current Peterborough foster carers will transfer registration to TACT, but remain ring-fenced to Peterborough children and young people in care to Peterborough;
- 6.4. Subject to Cabinet approving the recommendation to award the contract to TACT, a period of mobilisation will take place. This will enable TACT, foster carers, members of staff and senior Council officers to establish detailed processes to support effective delivery of the service.

Human Resources implications

- 6.5. In summary, all Human Resources considerations have been taken into account during the planning of the tender, the tender itself, and will be incorporated into the mobilisation and transfer planning.
- 6.6. Employees engaged in the work transferring will have their terms and conditions of employment protected under TUPE regulations. The recommended bidder has also confirmed their commitment to providing continued access to the Local Government Pension Scheme [LGPS] via Admitted Body Status to the LGPS.
- 6.7. Ongoing informal consultation has been undertaken with affected staff of the Council and those from our strategic partner, SERCO, also affected by the transfer, as well as with the trades unions. Affected staff have had the continuing opportunity to discuss any concerns and confirm their understanding through the programme of regular briefings. Other Council staff have also been kept informed through regular communications.
- 6.8. Assuming Cabinet accepts the recommendation to award the contract, the Council's Human Resources service will liaise with the Human Resources service within TACT to co-ordinate joint formal consultation with affected staff and trades unions, and will ensure that all necessary due diligence is completed.

Legal implications

- 6.9. The tender was undertaken in accordance with regulation 74 of the Public Contracts Regulations 2015.
- 6.10. The Permanency Service is required to adhere to the following legislation in relation to the provision of the services;
 - The Children Act 1989;
 - The Care Planning, Placement and Case Review (England) Regulations 2010, as amended by:
 - The Care Planning, Placement and Case Review and Fostering Services (Miscellaneous Amendments) Regulations, 2013;
 - Adoption and Care Planning (Miscellaneous Amendments) Regulations 2014;
 - The Care Planning and Fostering (Miscellaneous Amendments) Regulations 2015.
 - The Fostering Services Regulations 2011 and the Fostering Services National Minimum Standards 2011;
 - The Children (Leaving Care) Act 2000;

- The Adoption and Children Act 2002;
- The Adoption Agencies Regulations 2005 [as amended by the Adoption and Care Planning (Miscellaneous Amendments) Regulations 2015];
- The Children and Young Person's Act 2008 including the Children and Young Person's Act 2008 (Relevant Care Functions) (England) Regulations 2014;
- The Children and Families' Act 2014;
- The Special Guardianship Regulations 2005.

7. CONSULTATION

- 7.1. As noted throughout this report, there has been a wide-ranging and on-going consultative process with members of staff, foster carers and, at an appropriate level, children and young people throughout the process from developing the service specification, through to evaluating the submitted tenders.
- 7.2. Assuming Cabinet agrees to the recommendation to award the contract, further extensive consultation will take place with staff, foster carers, young people and other stakeholders. This consultation will be on both an informal and formal basis. Extensive informal consultation involving all relevant stakeholders will take place in order to inform the final shaping of the service, while formal consultation will take place in relation to the transfer of members of staff to TACT under TUPE arrangements. These formal processes will apply to both Council and SERCO members of staff.

8. NEXT STEPS

- 8.1. Assuming Cabinet accepts the recommendation to award the contract to TACT, the next principal steps will be:
- Provision of feedback to all bidders about the strengths and weaknesses of the bids;
 - Award of the contract, expected to be completed by the middle of November 2016, allowing time for any challenge;
 - Commencement of formal mobilisation period, during which the fine details of the operation of the service will be agreed, with full consultation with staff, foster carers, children and young people as appropriate, and relevant stakeholders;
 - The mobilisation period will also include the formal transfer of staff under TUPE, including the formal consultation required for both Council and SERCO staff affected;
- 8.2. The aim is for the new service to be fully operational from April 2017

9. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985:

- 9.1. None

10. APPENDICES

- 10.1. Appendix 1: Permanency Service: Final Service Specification.