

**Contract(s) for children's external placements and services under a  
 Dynamic Purchasing System**

Councillor Sam Smith, Cabinet Member for Children's Services

April 2019

**Deadline date:** April 2019

Cabinet portfolio holder: Responsible Director:	Councillor Sam Smith, Cabinet Member for Children's Services Wendi Ogle-Welbourn - Executive Director - People and Communities
Is this a Key Decision?	YES If yes has it been included on the Forward Plan: NO Unique Key decision Reference from Forward Plan: KEY/12NOV18 /04
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

**R E C O M M E N D A T I O N S**

The Cabinet Member is recommended to authorise the Executive Director – People and Communities to award call-off contract(s) relating to;

- Independent Fostering Agency Placements.
- Residential Children's Homes
- Residential non maintained special school placements
- Out of School Tuition Services

from the Cambridgeshire County Council procured Dynamic Purchasing System for an initial period of 5 years from 1 April 2019 with an option to extend for an initial period of two years, then a further period of two years after a further review and then a final one year extension.

**1. PURPOSE OF THIS REPORT**

- 1.1 This report is for Councillor Sam Smith to consider exercising delegated authority under paragraph 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (c).

## 2. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	<b>N/A</b>
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## 3. **BACKGROUND AND KEY ISSUES**

- 3.1 There will always be a need to commission services from the external market to meet the range of needs associated with children in care and/or those children with an Education, Health and Care Plan.
- 3.2 The shared commissioning service identified the need to have a range of services under a procurement compliant framework/system that would support the development of strategic relationships with providers, encourage providers to invest in local delivery models and maximize the opportunity for cost and volume discounts.
- 3.3 In order to achieve the above and via the governance of the Joint Commissioning Board, a jointly commissioned arrangement between Peterborough and Cambridgeshire local authorities was agreed.
- 3.4 For the purpose of this activity Cambridgeshire County Council led as the commissioning entity supported through LGSS Law and Procurement. Both authority's key officers have been involved throughout, from agreeing the lots, to developing the service specifications and contractual documentation. The tender documentation expressly referenced the Council as a potential purchaser of the services
- 3.5 The Invitation to Tender included the following service lots:
- Independent Fostering Placements [IFA]
  - Residential Children's Homes Placements
  - Residential Special School Placements
  - Out of School Tuition Services
- 3.6 The route to market for this tendering exercise has been via a Dynamic Purchasing System [DPS] and this has been managed under the light touch regime of the Public Contracts Regulations 2015. The DPS will be for an initial five year term with an option to extend for an initial period of two years, then after a further review for another period of 2 years and then a final one year extension.
- 3.7 CCC submitted a notice in the Official Journal of the European Union under reference number 2019/S 002-002333, the tender opportunity was also advertised on Contracts Finder. CCC received 132 expressions of interest and 83 applied for the DPS.

The number of providers accepted in the first round onto the DPS for each lot is as follows:

Lot 1: Provision of Independent Fostering Agencies (IFA) – 39 providers

Lot 2: Provision of Residential Children's Homes – 27 providers

Lot 3: Provision of Independent Schools and Education providers (ISEP) – 18 providers

Lot 4: Provision of Out of School Tuition (OoST) – 5 providers

- 3.8 The published anticipated DPS value over the contract period is £470,184,791.00 [combined authority spend]. Peterborough's spend per annum is currently £13,261,422.00 made up of:

**Lot 1** - IFA £5,009,101

**Lot 2** -Residential (sole funded CSC) £2,619,090 + Joint Funded education element £2,232,407

**Lot 3** - Out of City Education (DSG) £2,110,945 + Joint funded Social Care element £1,292,879

**Lot 4** - Nil spend

3.9 The nature of the DPS system allows additional potential provider's to be added to the DPS subject to minimum requirements being met. Further rounds will be opened up at regular intervals at the discretion of CCC for new providers to submit applications.

3.10 The transfer of placement management services and associated budgets back to the local authority in the latter part of last year requires the Council to ensure all services commissioned with the external market are in compliance, and adherence with current procurement legislation. The DPS enables the Council to be compliant in this respect.

3.11 The nature of the DPS system allows additional potential provider's to be added to the DPS subject to minimum requirements being met. Further rounds will be opened up at regular intervals at the discretion of CCC for new providers to submit applications.

3.12 The Council will call-off contract(s) as and when required in accordance with the procedures set out in the DPS.

#### **4. CONSULTATION**

4.1 A Provider Event was held on 17 October 2018. All providers with whom the Council commissions services under the lots described above were invited to the event.

4.2 Feedback from providers was incorporated into the tender documents. We have arranged a post contract award follow -up event with the successful providers to launch the new model of securing services, discuss the 'you said, we did' and lessons learnt.

#### **5. ANTICIPATED OUTCOMES OR IMPACT**

5.1 The rationale for accessing the external market through the DPS model is one that will enable better strategic relationships to be developed, and support each authority to better manage highly pressurized placement budgets.

5.2 The placement management services in both authorities as well as the commissioning of services for children now sits under one Head of Service. This will afford greater market oversight and management than has previously been the case.

5.3 The DPS arrangement will also enable mini-competition to be facilitated where we identify new demand or the need to commission bespoke packages/services.

#### **6. REASON FOR THE RECOMMENDATION**

6.1 In order for the commissioning of placement services for vulnerable children and young people to be compliant, the authority has to have in place a framework or system that has been subject to OJEU and the necessary competition processes undertaken as part of the procurement process. The use of a DPS for this purpose ensures the authority is compliant in all responsibilities under procurement and contract law.

6.2 The use of a DPS will enable mini-competitions as we determine relevant service requirements [e.g - a remand fostering bed], as the authority has access to a number of 'on contract' providers, so can go directly to this market to satisfy procurement requirements.

- 6.3 The DPS will also facilitate greater opportunity for the firm establishment of strategic provider relationships, ensuring the Council's sufficiency requirement can be sustainably delivered.

## **7. ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 Other options considered included joining other regional consortia, however these were either due to expire, were cost prohibitive or were precluded for technical reasons. In order to ensure the commissioning of services were legislatively compliant, the best option was to ensure that the procurement being led by CCC for the services also permitted the Council to purchase from the DPS.

## **8. IMPLICATIONS**

### **Financial Implications**

- 8.1 By accessing a dynamic purchasing system PCC will ensure that value for money is assured for all placements accessed this way. Previously discounts and rates were set by consortia that required membership fees and investment which this system will not, but will still give the financial return of a competitive price and any relevant discounts.

### **Legal Implications**

- 8.2 The legal implications are set out within the report.

### **Equalities Implications**

- 8.3 None
- 8.4 Whilst the Council will always seek to place children in care [for whom a foster placement is identified as appropriate to meet assessed need] via the Council's existing contract for fostering services there will always be circumstances where for specific reasons a child or young person will need an alternative foster placement. The DPS will enable access to the market and provide choice based on need/circumstances.
- 8.5 Where children in care, with/without an Education, Health and Care Plan require a residential services provision registered by Ofsted, the only option the authority has is to commission this with the independent sector. The DPS will enable the authority to assure itself of the quality of provision as secured through the tendering/post tender processes.

## **9. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

- 9.1 None.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

- 10.1 None

## **11. APPENDICES**

- 11.1 None