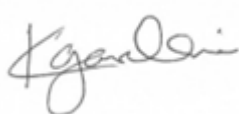


LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	Cabinet 11 January 2024	
Report Title	Children's Residential Care & Independent Foster Care Services	
Cabinet Portfolio	Councillor Kizzy Gardiner, Portfolio Lead Member for Children and Young People	
Report Author/ Contact details	Veronica Paul, Integrated Commissioning Manager, Resources, 020 8496 3282 Veronica.Paul@Walthamforest.gov.uk	
Wards affected	All	
Public Access	OPEN	
Appendices	Appendix 1: Equality Screener	

1. SUMMARY

- 1.1 This report sets out the proposal for Cabinet to agree for the London Borough of Waltham Forest (LBWF) to contract with the London Borough of Newham's Dynamic Purchasing System (DPS), which will provide access to a pool of pre-approved providers of Children's Residential Care Homes and Independent Fostering Agencies from the 1st February 2024 – 8th March 2026 (25 months). The Agreement will commence on the 1st February 2024 for an initial two year and one month period (25 months) until 8th March 2026 with the option to extend from 9th March 2026 for up to a further four (4) years until 8th March 2030.
- 1.2 It has been confirmed that Call-Off Contracts from the DPS can continue beyond the expiry date of the DPS and still be covered by the terms of the Call-Off Contract. Therefore, there is no limit on the term of Call-Off Contracts, provided the Call-Off Contract commences prior to DPS expiry. The aim of the DPS is to source placements that best meet the individual needs of the child or young person.
- 1.3 Access to the DPS will ensure a pool of good quality pre-approved providers for Children's Residential Care Homes and Independent Fostering Agencies for Waltham Forest's Looked After Children aged 0-16 (up to a maximum age of 25), which meets the needs of children

and young people, represents value for money and is compliant with Public Contract Regulations.

2. RECOMMENDATIONS

2.1 Cabinet is recommended to:

2.1.1 Grant approval to contract with the London Borough of Newham's Dynamic Purchasing System (DPS) which will provide a pool of pre-approved providers for Children's Residential Care Homes and Independent Fostering Agencies for an initial two year and one month period (2 years and 1 month) with effect from 1st February 2024 – 8th March 2026 with the option to extend by four (4) further years until 8th March 2030.

2.1.2 Delegate authority to contract with the London Borough of Newham's Dynamic Purchasing System (DPS) and contractual arrangements to the Corporate Director Children's Social Care.

3. PROPOSALS

3.1 Background

3.1.1 LBWF has a statutory duty to act as the Corporate Parent for children and young people in care. This duty requires the Local Authority to secure practicable and sufficient accommodation for all children in care either through a residential or foster care setting.

3.1.2 LBWF were previously in a contractual arrangement with London Care Services (LCS) for the provision of residential and foster care accommodation for over twenty years for children looked after (CLA).

These arrangements included:

- Access to a 24-hour web portal with secured provider details.
- Vetting of providers, verifying insurances, and negotiating prices to include annual increases.
- Sharing of information on providers and placements across member authorities.
- Provision of information on training and support material.
- Access to Ofsted Inspection Reports and website.
- Access to Out of Hours EDT numbers.

3.1.3 LBWF previously paid LCS an annual subscription of £14k for the delivery and maintenance of the above services.

3.1.4 On the 16th December 2022, LCS informed participating Local Authorities that as of 31st March 2023, they would no longer be providing the above services due to a substantial decline in the utilisation of their services. Following the ongoing decrease in subscriptions, the service had been running at a loss and was not

financially sustainable. In light of their financial position, London Councils Leaders' Committee agreed that LCS would cease to operate from 1st April 2023.

- 3.1.5 Following the disbandment of LCS, LBWF has in the interim been purchasing children's residential care and independent foster care placements through independent spot purchasing.
- 3.1.6 Joining the London Borough of Newham's Dynamic Purchasing System (DPS) will ensure LBWF is compliant with contract procurement rules and reduce the need to independently spot purchase services. LBWF will be able to access the Agreement and use the services on the terms set out in the Agreement and the relevant Services Contract.
- 3.1.7 If approved, it is anticipated that LBWF will join the framework for the duration of the contract or until LBWF's commissioning team working in conjunction with operational colleagues propose an alternative service model which could realise better quality or improved value for children in care.

3.2 Update on current provision.

- 3.2.1 As stated in 3.1.2., before disbanding on the 31st March 2023, LCS were responsible for maintaining a 24-hour web portal, sourcing, vetting and providing information on Children's Residential Care Homes and Independent Fostering Agency providers to London local authority members.
- 3.2.2 LBWF currently source all children's residential care and independent fostering agency placements through independent spot purchasing arrangements independently negotiated at varying prices. This is not compliant with public contract regulations.
- 3.2.3 Through the DPS, LBWF will be able to secure the following services:
 - Access to a pool of pre-approved provider list for children's residential care homes and independent fostering agencies at an annual membership cost of £6,300.00.
 - Access to joint contract monitoring of providers to ensure compliance in service delivery based on established key performance indicators (KPIs).
- 3.2.4 Additional services to be delivered to LBWF children and young people as part of the DPS will include the following:
 - Ensure young people are accommodated and supported in high quality and fully vetted alternative homes fulfilling the Council's Corporate Parenting responsibilities.

- Support delivery of the council's CLA and Care experienced adults' sufficiency strategy.

4. OPTIONS & ALTERNATIVES CONSIDERED

4.1 Option 1 - Do Nothing

Advantages

- LBWF will continue to spot purchase placements retaining full autonomy on packages of care it commissions.
- There will be no additional cost from membership of a DPS aside from annual provider uplift requests which will need to be considered on a case-by-case basis.

Disadvantages

- This will not be beneficial to the Council in terms of efficiencies/pricing as it will be an officer intensive activity, increasing chances of inconsistency in results from placement to placement.
- It will limit the supply and range of quality providers at the Council's disposal.
- This option is not compliant with public contract regulations.

This option is not recommended.

4.2 Option 2 - Join an existing Framework / Consortium

A) Join West London Commissioning Alliance framework.

The Commissioning Alliance provide a DPS for the delivery of Children's Residential Care, Independent Fostering Agencies, SEND Services and 16+ Semi Independent Accommodation Services. Joining the framework would require a three-year contractual commitment.

LBWF would only need to purchase elements relating to Residential and Independent Fostering Agency Services. Cost is as follows:

Service	Year 1	Year 2	Year 3	Total
CarePlace unlimited + Tech support Package + reporting	£69,000 (including one-off implementation costs)	£61,500	£61,500	£192,000
IFA & Children's Residential DPV wraparound Commissioning & Contract				

Management & Automated KPI's and QA Portal				
--	--	--	--	--

Advantages

- The Commissioning Alliance model achieves positive results with good technological functionality for the making and monitoring of placements.
- This would also be a relatively quick solution to implement.

Disadvantages

- Buying into the Commissioning Alliance model is significantly more expensive than either the LCS or the Newham DPS options.
- Commissioning Alliances' fees include some contract monitoring but at a strategic level and which is not responsive to emergency or individual level needs.
- The Commissioning Alliance Terms and Conditions also require participating Local Authorities join for a minimum of three years.

This option is not recommended.

B) Join London Borough of Newham's DPS

This framework is currently for the provision of Children's Residential Care, Independent Fostering Agencies, and 16+ Semi Independent Provisions. LBWF in June 2022 put in place a Framework for 16+ Semi Independent Accommodation and Support Services to run for a period of 2 years with an option to extend for a further 2 years and hence has not been considered for inclusion in the Newham DPS proposal at this stage.

If LBWF were to join Newham's DPS, this will be for the **Children's Residential Care Homes LOT 2 and Independent Fostering Agencies LOT 4 services**. The current DPS will run until 8th March 2026 with the option to extend for a further 4 years. Joining the Newham DPS will incur a fee and contribution towards quality assurance visits to providers. This will cost £3,150 per lot (Lots 2 and 4 for Children's Residential Care Homes and Independent Fostering Agencies) totalling £6,300 per annum.

Terms & Conditions - Termination Clause states that, either Party may terminate the DPS Access Agreement upon giving at least six months' notice to the other Party".

Advantages

- Joining Newham's DPS will be a relatively quick solution to mobilise.

- The commissioning team will be able to consider alternative children's placement models within the contractual timeframe of the Newham DPS whilst retaining flexibility to leave the Newham DPS with a minimal notice period of 6 months.
- Annual fees are significantly lower than the Commissioning Alliance model.
- LBWF will have access to a wider pool of children's placement providers.

Disadvantages

- LBWF will be bound by terms and conditions as presented in the DPS Access Agreement with either party able to terminate the Agreement by giving up to 6 months' notice to the other party. All call-off contracts already in place can however carry on beyond the expiry date or termination of the DPS.

Newham's experience of the DPS to date

a) Financial and quality

- Pre-agreed provider rates are set for the full financial year allowing better budgetary control.
- The use of pre-approved suppliers that meet council standards has resulted in improved outcomes for children and young people.
- The opportunity to work with pre-approved suppliers has allowed greater influence over the market through the use of a framework.
- The tender process has been successful in attracting a wider supply base. 30% of suppliers are new and were not part of the previous LCS framework.
- Having access to pre-agreed rates provides up to date benchmarking that has been helpful in fee negotiations.

b) Children's Residential Care Homes:

- 86 per cent of Children's Residential Care Homes on the DPS are currently rated by Ofsted as good or outstanding with 10 per cent of children in children's homes placed with DPS providers – an improvement on the rate previously placed under the LCS arrangements.
- The DPS has been successful in placing children with significant care needs with suitable providers. The increased range of providers has helped in this regard.
- There has been an increase in the number of providers able to provide emergency placements for children at risk of exploitation.

- Overall, Newham receives timely responses from providers and good offers of homes. Where there are issues with timeliness and responses these are addressed with individual providers.
- One children's home was suspended in the last year due to serious shortfalls and safeguarding concerns, but they worked with Newham Council's contracts team to raise standards and made good use of Newham's provider training offer. The suspension has now been lifted and they are now performing well.

c) Independent Fostering Agencies:

- 88 per cent of the Independent Fostering Agencies (IFAs) are rated by Ofsted as good or outstanding with 30 per cent of these suppliers being new to the DPS with the tender therefore attracting a wider supply base.
- There is a good utilisation rate with 45 per cent of new placements being made to DPS suppliers.
- No Independent Fostering Agency has been suspended but there have been three provider concern investigations to address issues ranging from data breaches to poor service delivery. The agencies have worked constructively with Newham in addressing any concerns.

This is the recommended option allowing the council to fulfil its Corporate Parenting duties promoting good quality at reasonable value.

4.3 Option 3 - Develop a LBWF Framework or DPS for Children's Residential Care Homes and Independent Foster Care Agencies

Advantages

- Having a Framework or DPS in place for both Children's Residential Care Homes and Independent Fostering Agencies will ensure compliance with contract procurement rules, alleviate the need to spot purchase and ensure access to a wider range of good quality providers.
- A DPS would offer flexibility, as new suppliers could join at any time, improving supply and could also be offered to other Local Authorities as a means to generate revenue.

Disadvantages

- The Children's Residential Care Homes and Independent Fostering Agency Markets are relatively small, limiting the negotiating power of a single local authority with this market.

- Conducting a full procurement exercise and contract management duties as a single Local Authority will have additional resource implications within procurement, commissioning, contract management and quality assurance functions. The cost of a dedicated LBWF Quality Assurance post (Monitoring Officer) at PO1 grade will be £33,909 at spinal point 27 going up to £38,607 spinal point 30 per annum (exclusive of on costs).
- A 'static' framework would not allow new suppliers to enter the framework throughout its lifetime something that is not applicable under the Newham DPS which is a dynamic model allowing new entrants.

This option is not recommended.

The services delivered via the Newham DPS will be regularly reviewed to ensure it is delivering the required service. If this should not be the case, then consideration will be made to explore other options including the creation of a LBWF DPS.

4.4 Option 4 - Carry out a collaborative procurement exercise with a neighbouring local authority in East London.

Advantages

- This could lead to a joint framework / approved list / DPS with shared prices, providers, and contract management across the East London footprint offering greater supply and quality.
- Resources could be shared in its implementation hence reducing the cost for each local authority. Revenue could also be generated if other Local Authorities wished to join in future.

Disadvantages

- Local Authorities would need to be identified to work on a collaborative procurement exercise.
- Having several Local Authorities involved could delay the procurement process due to multiple governance arrangements, as well as compliance with multiple ICT systems (which may in turn require development of a new compatible ICT solution).
- Investment cost and time taken to procure a common ICT solution or joining a new IT system.

This option is not recommended.

LBWF will explore the option of creating its own DPS during the initial contractual period with Newham's DPS.

5. COUNCIL STRATEGIC PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)

- 5.1 The Council will produce a Children Looked After and Care Experienced Young Adults Placements Sufficiency Strategy, which sets out the need to create more sustainable alternative homes locally. The contents of this report support this aim. LBWF's new Sufficiency Strategy will be presented to the Corporate Parenting Board early in 2024 with the aim of this being launched in April 2024.

6. CONSULTATION

- 6.1 The London Borough of Newham carried out a Market Testing Event on the 24th November 2020 to ensure there was a market to deliver services being tendered for. The event was well attended with 193 attendees from 274 bookings. The response received from providers in joining the DPS has demonstrated that there is a market to deliver these services.

7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

- 7.1.1 The DPS is a route to procuring contracts currently in the region of £10,760,000 per annum, including spot purchases. Any reduction in spend will be cost avoidance rather than base budget savings. The cost of this DPS contract is £6,300 pa. The previous contract with London Care Services cost £14,000 pa. The framework also provides the opportunity for the council to derive better value from the placements it makes in this area.

7.2 Legal

- 7.2.1 The Council has the general duty under section 17 Children Act 1989 to safeguard and promote the welfare of children within their area who are in need, by providing a range and level of services appropriate to those children's needs. The Council also has specific duties and powers under the said Act, including the provision of accommodation.
- 7.2.2 A Dynamic Purchasing System is a permitted route to procurement under regulation 34 of the Public Contracts Regulations 2015.
- 7.2.3 Under rule 11 of the Council's Contract Procedure Rules the Council may award a contract using a Dynamic Purchasing System established by another public body where the Council has the right to use the DPS and the DPS is legally compliant and offers value for money.

7.3 Equalities and Diversity

- 7.3.1 An Equality Screening was carried out and determined access to Newham's DPS will provide LBWF with a range of high-quality assured providers capable of providing accommodation and support to young people within Waltham Forest as well as in neighbouring boroughs,

based on LBWF's equality aims by eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations.

7.3.2 Further positive equality impact because of LBWF joining Newham's DPS are as follows:

- LBWF will ensure all LBWF young people live in suitable accommodation and are supported according to their individual needs.
- LBWF young people will be able to live within their local council area or within a community suitable to their needs.
- LBWF will meet its sufficiency needs in relation to young people's accommodation and support.
- LBWF will have confidence in the approved providers on Newham's DPS for service provision and delivery.

7.3.3 The full Equality Screener is appended.

7.3.4 **Care Leavers**

The Council adopted care leavers as a protected characteristic in April 2023. LBWF are working towards ensuring every directorate of the Council is engaged in meeting the needs of care experienced young people, by promoting the needs of this cohort with relevant departments, e.g., Housing, Benefits and Revenues etc.

7.4 **Sustainability (including climate change, health, crime and disorder)**

7.4.1 The Council, with its partners, are committed to improving the health and wellbeing of all Looked After Children of Waltham Forest accommodated and supported by providers on Newham's DPS. Implementing a financially sustainable approach to supporting CLA through LBWF joining the London Borough of Newham's DPS will positively impact on local sustainability.

7.4.2 Opportunities to imbed sustainability into contracts procured through Newham's DPS will include but not be limited to requirements for any staff travel to be undertaken via sustainable modes of transport (e.g., electric vehicles, measures/ incentives to promote active travel) as well as reducing mileage where possible, which will help to improve local air quality. Criteria around improving energy efficiency in buildings (where relevant) and reducing waste to landfill through contract delivery will form part of Key Performance Indicators.

7.4.3 Looked After Children are disproportionately impacted by crime because of adverse childhood experiences (ACEs). High quality provision provided in a choice of locations can be a vital element of support in reducing the risk to children and young people.

7.4.4 Requirements will be detailed as part of the contract terms and conditions and the DPS specifications of service in joint working with

the Council's strategic commissioning, procurement, legal and families' services.

7.5 Council Infrastructure

- 7.5.1 The proposals contained in this report are put forward to enable needs to be met and will require the engagement of all Council services to secure the outcomes set out.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None