

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 September 2019

TITLE	Children’s Residential Care Placements Framework		
Ward(s)	All		
Author: Bridget Atkins	Job title: Principal Commissioning Manager		
Cabinet lead: Helen Godwin	Executive Director lead: Jacqui Jensen		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
<p>Purpose of Report: To seek approval for Bristol City Council to purchase residential care placements, for children and young people, which will be secured from South Central Residential Children's Homes framework whenever possible, or may be spot purchased in the event that the framework is unable to meet the requirements. This approval is for the period of the framework contract: October 2019 to July 2021, plus any contract extensions agreed. The framework agreement contains provision for up to a three year extension to July 2024.</p>			
<p>Evidence Base:</p> <p>Bristol City Council has a statutory requirement to meet the Sufficiency Duty placed on local authorities under section 22 (G) of the Children Act 1989. Independently provided children’s residential care is a key means by which the Council complies with its duties under the Children and Young Persons Act 2008 to provide high quality care to looked after children.</p> <p>The number of children in residential settings fluctuates but has decreased over the past year from 51 in May 2018, to 45 in July 2019. The annual spend on residential placements is currently in the region of £8m.</p> <p>Bristol City Council commission residential care from a mixed market of internal and external providers. Residential placements are high cost and it is important the council plays a role in shaping the market to ensure placements are suitable, cost effective and deliver the agreed outcomes for children. Bristol City Council currently purchases external residential placements through the South West Consortium Framework Agreement, which expires in March 2020, however around 34% (24 out of 71) of our placements have been made off framework, due to the complexity of need of some of our young people that this framework cannot meet.</p> <p>In anticipation of the end of our current contract, we have joined the well-established Southampton City Council led South Central Framework which will enable us to meet our Sufficiency duty. The South Central Framework is a consortium of 19 local authorities, which gives the group significant purchasing power and therefore some ability to negotiate in a provider led market.</p> <p>Joining the South Central Framework is expected to bring the following benefits:</p> <ol style="list-style-type: none"> 1. Assurance of quality in the provision of children’s residential care and price stability in what will otherwise be a market characterised by variable and escalating costs over the coming years. 2. Commissioning as a larger consortium of authorities (with a significantly bigger market share than our current consortium) will allow us to meaningfully engage with and manage the market, whilst enabling us to achieve efficiencies in the purchasing and development of services. 3. Stronger relationships with providers. 			

4. Co-ordinated response and clear leadership following inadequate ratings.
5. A clear process for engaging and monitoring providers.
6. A more co-ordinated approach that collates information about need and usage would help us engage the market in terms of development of new homes / services.
7. Local authorities on the contract report significant reductions in the number of placements they need to spot purchase off framework.
8. There are three staff based at Bournemouth Council who deliver (on behalf of the participating local authorities) the core Contract Management and Framework Co-ordination outputs. They provide regular reports which are currently produced by our Placements team, thereby freeing up the Placement Team's time to undertake more pertinent work.

In order to join the framework agreement there is an initial £6,000 joining fee followed by annual maintenance payments, based on usage. Based on our previous year's usage this would be approximately £4,800. This cost is mitigated by the benefits that we expect to see. By way of comparison, an average residential placement costs approximately £4,000 per week. The framework will give us a better range and choice of placements. In doing so it is expected that this framework will reduce the need to spot purchase placements, although it is accepted some will still be required, and the anticipated efficiencies achieved would more than cover the cost of joining.

Further information is included in Appendix A

Cabinet Member / Officer Recommendations:

That cabinet:

1. Approve the purchase of residential care placements, for children and young people, from the South Central Residential Children's Home Framework, for the period October 2019 to July 2021 (including the period of any extension of the framework agreement up to July 2024 if required)
2. Approve the purchase of residential care placements, on a spot purchase basis for children and young people, outside of the framework agreement during this period, where the framework is not able to meet the needs of the Child or young person
3. Delegate authority to the Executive Director: People, in consultation with the Cabinet Member for Children and Young People, to take all necessary steps to join the framework.

Corporate Strategy alignment: The following objectives in the Corporate Strategy are relevant to this key decision:

1. Give our children the best start in life by protecting and developing children's centre services, being great corporate parents and protecting children from exploitation or harm.
2. Improve educational outcomes and reduce educational inequality, whilst ensuring there are enough school places to meet demand and a transparent admissions process.

City Benefits: Joining the South Central framework and being part of the subsequent tender process will benefit the city in the following ways:

1. Meet the needs of children in care in line with the Children Act 1989 and the Equalities Act 2010.
2. Allow for quality assurance of provisions to ensure they meet our high aspirations for all children and young people in our care, delivering the assessed needs to achieve agreed outcomes.
3. Ensure the Council achieves value for money through transparent pricing.
4. Develop partnership working between LAs and residential providers to meet the changing needs of our children/ young people in the care of the Local Authority.

Consultation Details: Consultation has been undertaken with relevant internal staff members, including Procurement and Children's Placement Services.

Background Documents: Residential Market Position Statement and Options Appraisal

Revenue Cost	The spend on residential placements is expected to be approximately £33m over the life of the framework contract (contained within annually approved budgets set by Council). The cost of joining the framework	Source of Revenue Funding	Children's Placement Budget
---------------------	---	----------------------------------	-----------------------------

	agreement is £6,000 plus the annual usage fee, which is expected to be in the region of £4,800.		
Capital Cost	£0	Source of Capital Funding	N/A
One off cost <input type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/>		Saving Proposal <input type="checkbox"/> Income generation proposal <input type="checkbox"/>	

Required information to be completed by Financial/Legal/ICT/ HR partners:		
1. Finance Advice: The cost of joining the framework and the estimated annual usage charge is of low value (£10k), and is comparable to the costs of the current framework arrangement. The framework is a part of the procurement process and doesn't commit to spend; expenditure on placements will still need to be contained within annually approved budgets set by Council. The placement costs commissioned as part of the framework agreement are significant but it is hoped that this framework will enable best value to be achieved.		
Finance Business Partner: Graham Booth – Finance Manager, Children & Education 25/07/2019		
2. Legal Advice: The spot purchasing that has been relatively frequent to date, whilst permitted by the Public Contracts Regulations 2015, it has caused issues with the necessity to waive our internal rules and joining this framework will assist in reducing the need for those waivers. Legal advice has been provided in relation to use of this framework and it is lawful for the Council to join.		
Legal Team Leader: Eric Andrews 26/07/2019		
3. Implications on IT: There are no identifiable IT implications in this report.		
IT Team Leader: Ian Gale, Head of IT 30/07/2019		
4. HR Advice: This report does not have any HR implications for Bristol City Council employees.		
HR Partner: Lorna Laing, People & Culture HR Business Partner – Adults, Children & Education 26/07/2019.		
EDM Sign-off	Jacqui Jensen	24 th July 2019
Cabinet Member sign-off	Helen Godwin	5 th August 2019
For Key Decisions - Mayor's Office sign-off	Mayor's Office	5 th August 2019

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO