

Appendix L

Third Party Spend Foster Care Placement – Benchmark

PURPOSE: For reference

Third party spend Project – Top 100 Workstream IFA (Independent Fostering Agency). BCC's Foster care placement framework has identified providers which fall within BCC top 100 third party spend.

The Strategic Supplier Relations Service have carried out a financial analysis.

DATE: 09 June 2021

Supplier Name	Contract Ref number	Category Area	Directorate / Service Area	Opportunity Rating	Annual Spend 19/20	ABW Invoices Paid 20/21
Amicus Foster Care	DN258207	CSI	People	High Priority	691,214	904,953.29
Foster Care Associates Ltd	DN258207	CSI	People	High Priority	723,842	490,966.01
The Adolescent & Children'S Trust	DN258207	CSI	People	High Priority	634,979	789,735.08
The National Fostering Agency Ltd	DN258207	CSI	People	High Priority	843,074	854,964.68
TOTAL					£2,893,109	£3,040,619.06

Table 1. Data retrieved from ABW

SSRS have been tasked to review opportunities and risks within this workstream and to ensure that spend with a provider is as efficient and effective as possible, identifying and planning to address savings, *if possible*. Recommendations have been listed within this report.

Highlighted below illustrates placement categories provided by the Children's finance tracker. For the purposes of the benchmarking exercise fees associated with standard placements have been compared 'Current vs New'. The Children's finance tracker records details of the placements made during 20/21 eg. age, price paid, duration etc. for the purposes of the benchmark where there has been no indication of placement duration 52 weeks has been used.

- **Standard Placement**
- **Standard – UASC – Placement (if known)**
- **Complex Placement** – any child placed with additional services e.g. enhanced carer fee, support worker, additional respite, transport etc (these additional costs can range dependent on how many services they require)
- **Solo Placement** – child placed on own and not with any other children
- **Staying Put Placement** – child placed post 18 to remain with existing foster carer

Due to the complex nature of the service the benchmark does not compare fees for solo placements, complex placements or staying put.

It is also important to note that there is an assumption that additional savings can be achieved from availability of further discounts on the new framework which consist of sibling discount, short term/ long term discounts.

South Central framework have rates for short term placements and long-term placements, generally the rate for long term placement is lower. Therefore, to support a like for like comparison based on the information provided within the Children's placement dataset the long-term rate has been used.

Table 2: Demonstrates anticipated savings from transferring services to the new framework (South Central Framework). This data assumes the same volume of placements made in 20/21 are made off the new framework and offered to one of the top three ranked bidders. This is for illustration purposes only as its very unlikely all placements will be made with the listed below.

Column A Provider	Column B Current Spend	Column C Provider	Column D Anticipated Spend	Column E Potential Savings	Column F	Column G Anticipated Spend	Column H Potential Savings	Column I Provider	Column J	Column K Saving
Amicus Foster Care	£530,854.56	Asphaleia	£401,846.43	£129,008.13	SWIIS	£440,530.80	£90,323.76	Sun-beam	£457,462.14	£73,392.42
Foster Care Associates	£273,687.52	Asphaleia	£221,258.57	£52,428.95	SWIIS	£242,978.88	£30,708.64	Sun-beam	£254,992.86	£18,694.66
TACT	£653,464.19	Asphaleia	£556,441.43	£97,022.76	SWIIS	£613,041.40	£40,422.79	Sun-beam	£632,707.14	£20,757.05
NFA	£789,480.83	Asphaleia	£672,223.57	£117,257.26	SWIIS	£745,107.40	£44,373.43	Sun-beam	£770,467.86	£19,012.97
Total	£2,247,487.10		£1,851,770	£395,717.10		£2,041,658.48	£205,828.62		£2,115,630	£131,857.1

Additional Costs vs Savings

To join the South-Central framework the following costs are to be applied.

Proposed Costs 2022 – 2026

Procurement Phased Costs -

- o £7,431.66 – one-off

Annual Lead Contract Management Costs –

- £15,602.38 per year x 4yrs £62,409.52

Additional Lead Partner Costs –

- £1,368.75

New placements made from the new framework will be a driver for cost avoidance. Table 3 demonstrates an average price reduction for the following placements by age group. This data was a comparison using the average weekly rate for each of the four currently used providers and compared with approx. 19 out of the 54 providers on the SC framework. These 19 providers were used in the comparison because they offer a lower weekly rate. Please also note the providers offer additional discounts which are to be applied therefor this could push the anticipated cost saving using a min/max tolerance up to 6% - 10%

Placement Age	Current	vs	New	Cost Saving
0-4yrs	£747.75		£688.52	8%
5-10yrs	£780.85		£733.20	6%
11yrs +	£796.31		£751.78	6%
There will be an increased need for the future framework and BCC should achieve a 6% - 8% cost avoidance saving.				

Table 3.