

CABINET

22 January 2019

Title: Participation in West London Alliance for Children's Care and Support Services	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Valerie Tomlinson-Palmer – Senior Commissioner– Children’s Care and Support	Contact Details: Tel: 020 8227 3549 E-mail: valerie.tomlinson-palmer@lbbd.gov.uk
Accountable Director: April Bald; Operational Director Children’s Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti – Director of People and Resilience	
Summary: This report seeks the authority for The London Borough of Barking and Dagenham to join an existing commissioning partnership - the West London Alliance (WLA). The WLA is a partnership between seven local authorities across West London, including Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hounslow and Hillingdon. One of the key pillars of collaboration in the alliance is the Children’s Programme which is supported by a Strategic Commissioning, Procurement and Contract Management Service that delivers against scale and sub-regional objectives to deliver a more efficient and effective approach to Children’s service delivery and market engagement. Joining the Partnership will enable LBBD to explore opportunities to engage in shared services and joint working to increase efficiencies, cash savings and service delivery. Savings will also be made by a reduction in administrative effort and cost for the contracting authority. In addition, the initial tendering process allows contracting authorities to identify competitive suppliers, who should offer more competitive prices based on an expected volume of business. The resulting contract/s will also give more choice and flexibility when sourcing placements for: <ul style="list-style-type: none">• Independent Fostering Agencies led by Barnet Council;• Children's Residential Homes led by Ealing Council.	
Recommendation(s) The Cabinet is recommended to:	

- (i) Approve the entering into of an Access Agreement with the West London Alliance (WLA) and call-off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council's Contract Rules and the strategy detailed in the report; and
- (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process when required.

Reason(s)

- To support the Council's vision to "protect the most vulnerable, keeping adults and children healthy and safe".
- To provide an appropriate, best-value service that delivers excellent outcomes for children and young people.
- To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person.

1. Introduction and Background

- 1.1 Section 22G of the Children Act 1989 requires local authorities to secure sufficient accommodation for looked after children (LAC) that meets their needs and is within the local area wherever this is reasonably practicable. The Council has a statutory duty to ensure that there is sufficient, good quality, and safe provision for the children in its care. This provision should represent value for money and be sourced in compliance with the Public Contracts Regulations 2015 (PCR 2015), and Council's Contract Rules to ensure best value for both the children and the Council.
- 1.2 This report is requesting permission from Senior Officers for LBBB to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicles for the following services:
 - Independent Fostering Agencies led by Barnet Council;
 - Children's Residential Homes led by Ealing Council.
- 1.3 To meet service demands, the Council has previously been reliant on securing placements through spot purchasing and individually brokered packages with providers, rather than procuring via framework arrangements. This practice is not sustainable, and it was recognised that the commissioning process needed to be reviewed with the objective of securing greater sufficiency of placements with improved value for money. The review subsequently identified opportunities for better cross-borough working, the use of digital solutions such as e-brokerage tools and improving the processes for making placements.
- 1.4 Children are placed in residential provisions for several reasons, some of which are unavoidable, but the council's preference is always to provide an alternative, more permanent and affordable placement which typically gives children and young people better outcomes, such as fostering.

- 1.5 One of the largest areas of spend for LBBD is in residential placements, where we also have difficulty with sourcing and finding quality placements. The average weekly rate for a residential placement is £3,816.77.
- 1.6 LBBD is also currently trying to reduce the number of children and young people placed with agency foster-carers through spot purchasing. The average cost of a placement with an agency foster carer is £925.28 per week
- 1.7 The Direct Purchasing Vehicle (DPV) will replace the majority of current spot purchasing arrangements. The Council will also benefit from better contractual arrangements with agencies to ensure quality and the price of these placements; where necessary; are driven down as much as possible.
- 1.8 The DPV paperwork and contracts have been through 9 boroughs (3 lead boroughs) internal governance and legal teams across West London. Redbridge have also reviewed the contracts and agreed to join.
- 1.9 A DPS is not, in the view of WLA, conducive to meeting the needs and complexity of care provision. They work very well when purchasing things such as widgets with pre-defined criteria, but not so well for care provision. So the DPV is under the PCR 2015 light touch regime and takes the best aspects of a DPS and Framework arrangements.
- 1.10 The WLA coined the term DPV (Dynamic Purchasing Vehicle) as it is dynamic and open to providers all the time, however when the providers apply they set a ceiling price (a bit like a Framework). They cannot go above this when responding to a referral but can submit a lower price. These prices are fixed for a year and they can resubmit on a yearly basis. This is different to a pure DPS when prices are more fluid.
- 1.11 Another key distinction between a DPV from a DPS is that it allows for a human element when deciding which provider to go with. This is essential because social care teams need to agree the placement that best matches the need of a young person. Decisions about young people cannot be made entirely from predefined criteria.
- 1.12 Another key feature of the DPV is that providers can be approached based on their ability to deliver the type of care required (based on criteria that they agree). This is distinct from a Framework where you would ordinarily go to everyone on the list. This is essential because you wouldn't always want to go out to the entire market. For example, if you wanted a male only home within 20 miles of Harrow you wouldn't want female only homes in Cardiff to get the referral.
- 1.13 LBBD will be able to enter into block contracts as soon as LBBD join the WLA DPV by just entering for multiple placements on the system. This is a real benefit to Local Authorities as it can significantly streamline the procurement process.
- 1.14 The challenges and issues currently faced by LA's spot purchasing are:
 - Not compliant with PCR 2015
 - Widely seen as the most inefficient model of purchasing in terms of value for money

- Limited ability to manage/shape the market with any degree of success
- Currently difficult to link “Demand” (referrals to suppliers) with “Supply” (actual placements made and current available supply) to provide intelligence on unmet needs or gaps in supply to meet demand
- Length of time and resource required to tender for block contracts
- Cost pressures to LA’s and the management of market and inflationary pressures
- Risk to Council with no contracts to hold Provider’s accountable for when there are safeguarding issues within a placement

Background of Partnership

- 1.15 The WLA is a partnership between seven local authorities across West London, including Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hounslow and Hillingdon. One of the key pillars of collaboration in the alliance is the Children’s Programme, that extends to include Royal Borough of Kensington and Chelsea, Westminster and Redbridge. The Children’s Programme is supported by a Strategic Commissioning, Procurement and Contract Management Service that delivers against scale and sub-regional objectives to deliver a more efficient and effective approach to Children’s service delivery and market engagement.
- 1.16 The WLA service vision is to develop an environment where the needs of young people are met effectively by the market. The strategic commissioning approach seeks to achieve this by local authorities (LAs) collectively procuring, with a single system and consistent terms and conditions –which supports providers as well as LAs. WLA have developed an initial set of Dynamic Purchasing Vehicles (DPV) across fostering, residential care homes and will shortly extend to special educational needs placements which meet these requirements.
- 1.17 Dynamic Purchasing Vehicles (“DPV’s”) and Dynamic Purchasing Systems (“DPS”) differ from traditional framework agreements in that they allow suppliers who meet the selection criteria to join at any stage of the life cycle of the DPV which promotes continued competition. Procurement is delivered through digital platforms and electronic processes.
- 1.18 In practice, each DPV operates as a digital marketplace of pre-approved suppliers for specific categories of placements for children. The participating Councils advertise their placement requirements on the e-Brokerage system (CarePlace), which are then bid for by providers on that specific DPV. Once the bids have been assessed against the requirements, the authorised officer accepts the successful bid and issues a digital contract to secure the placement offer. The whole process is fully auditable and compliant with the PCR 2015 and the Councils Contract Rules.
- 1.19 The WLA service has the experience and capability to develop and deliver strategic commissioning projects at scale across multiple authorities. This unified position gives LAs access to fair rates. They assure this with a contract management approach, holding providers to account for quality and cost whilst understanding and combatting the barriers to meeting LA requirements.
- 1.20 This approach is underpinned by their CarePlace technology platform which provides eBrokering and eContracting functionality, this improves the process of

making placements but also gives real time information from their DPVs'. This supports daily purchasing decisions but also collates to support provider negotiations, and market management.

- 1.21 This data from the CarePlace system fundamentally enables LAs to be intelligent customers and supports evidence-based commissioning. This facilitates effective market management and helps providers to fully meet the needs of LAs.
- 1.22 WLA have delivered significant financial cash and cost avoidance savings from their approach to the market and service delivery. In 2017/18 this equated to over £3m in benefit for West London; Their new wider approach is estimated to extend these benefits to £3.5m+ in 2018/19.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

Benefits of a Dynamic Purchasing Vehicle ("DPV")

- 2.1.1 The analysis of the available options demonstrated that a Dynamic Purchasing Vehicle ("DPV") provided significant advantages over more traditional procurement frameworks and the current spot purchasing arrangements in the following ways:
 - **Value for Money** –The DPV approach creates the opportunity to make use of the combined purchasing power of multiple local authorities and an established marketplace which facilitates participation from both existing and new providers throughout the duration of the DPV. This provides greater diversity of placement provision at capped rates and demonstrates significantly better value for money through cost management and unit cost reduction compared to existing spot purchase arrangements or alternatives that require both greater investment and ongoing management as a single authority.
 - **Market Management** – The WLA provides active market management across the DPVs, this includes supporting individual local authorities with negotiations and holding regular engagement events with providers operating with each category to encourage the development of local provision. The eBrokerage system and digital marketplace (CarePlace), provide significant business intelligence across each category which is used to inform and proactively identify and manage provider issues early. The digital platform also supports competition between providers as it identifies the reasons why a particular bid was not successful promoting providers to consider their future offers.
 - **Procurement** - Joining the DPV would eliminate the need for a Local Authority to invest their own time and resource in developing their own contracts.
 - **Quality** - All suppliers on the DPV must meet a set of qualifying criteria and then maintain them for the duration of the DPV. Placement/Brokerage Officers would also be able to see if any concerns have been raised about any provider on the DPV by other Councils.

- **Resource** – Using a e-Contracting module to automatically produce; securely send and sign-off of Individual Purchasing Agreement (IPA) negates the need for an administrator that costs in the region of £25,000.00 per year which would be required to manage several individual frameworks. In addition; the use of Careplace will assist the placements Officers (1FTE and 1 PTE) to meet the needs of the organisation more effectively. There are also efficiencies in using e-Brokerage to send packages to multiple suppliers simultaneously instead of officers having to individually call/email.
- **Contract Management** – CarePlace provides efficiencies through sub regional contract management as this will be picked up by a central team. LBBB will be able to reduce the required investment of approximately £60,000.00 per year in contract management costs which would be a necessity if these frameworks were independently procured and managed;

Benefits to LBBB

2.1.2 The WLA full commissioning service offer includes access to joined up commissioning across the group, using scale to influence the market at a macro level, access all existing DPVs and preferential rates for any future additions to the catalogue, contract management of providers on each DPV, as well as the full managed service technology solution and implementation.

- **Access to the suite of Dynamic Purchasing Vehicles (DPV)** Fostering, Residential Care and Independent Non-Maintained Special Educational Needs placements (SEN). This includes the ability to enter into block contracts via the DPV.
- **Contract management service.** This includes provider contract management meetings, targeting suppliers based on agreed criteria; scale, spend, risk etc, the monitoring of regulatory inspections and safeguarding alerts, coordination of the suspension and barring process, and reporting and MI.
- **CarePlace managed service.** The CarePlace system provides eBrokerage and eContracting functionality, and an option to activate the directory functionality. This managed service includes; license, hosting, maintenance, training, LA specific configuration, reporting, in hours help desk support and seven (7) site specific support days.
- **Implementation and onboarding.** This would include working with LBBB to identify local provision, engage providers and encourage and support them to join the DPV. This approach to engaging providers has been successful in their onboarding to date, with 80% of provider engagements resulting in successful application to the DPV.
- **Optional** – SEN placement service. This includes a central placement team for SEN referrals, working with LBBB to manage placements from referral, through market engagement and governance, to signed individual placement agreement.

- **Optional** – SEN fee negotiation service. This includes inflation management of off-DPV spend, through our fee management process.

2.2 Estimated Contract Value, including the value of any uplift or extension period

- 2.2.1 The service pricing for a single local authority joining the arrangement is £100,000 per annum for four years. The cost of implementation will be based on the number of unique providers. The total contract value over 4 years would be £400,000. In addition; there will be a one-off fee for implementation of approximately £12,000. (This fee will be based on the number of unique providers).

Breakdown	Commissioning, DPV and Contract Management				
	Year 1	Year 2	Year 3	Year 4	Total
Commissioning, DPV Access and Contract Management	£50, 000	£50, 000	£50, 000	£50, 000	£200, 000
Total 4 Year Cost					£200, 000
CarePlace (datahub, eBrokerage, eContracting)	£50, 000	£50, 000	£50, 000	£50, 000	£200, 000
Total 4 Year Cost					200, 000
Combined Total 4 Year Cost					400,000
Implementation			Price dependent on number of unique providers – c.£12,000		

- 2.2.2 The WLA offer local authorities joining together discounts, and a two LA discount would apply immediately as the London Borough of Redbridge and The London Borough of Havering are currently using the service. These discounts are outlined in the pricing schedule below and range from £7,500 to £46,500 over the 3 years. These discounts will be honoured when a new LA joins within a 12-month window. Current discount available to LBBD is £7,500 for the first year with greater savings when other Local Authorities join the Partnership

Discounting	
Contract Discount 2+ LAs	-£7,500
Contract Discount 4+ LAs	-£15,000
Contract Discount 6+ LAs	-£24,000
Contract Discount 8+ LAs	-£34,500
Contract Discount 10+ LAs	-£46,500

- 2.2.3 No commitment to expenditure by the Council will be stipulated within the WLA contract itself. Expenditure will only be incurred when referrals are made. The current expenditure for LB Barking and Dagenham is circa. £1,331,578.47 per annum for Residential accommodation and £1,630,939.52 per annum for IFA's . The total combined potential value of the contracts would, therefore, be circa. £11,850,072.00

2.3 Duration of the contract, including any options for extension

2.3.1 This report is seeking approval for LBBD to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle for a period of four (4) years commencing on 1st February 2019 until 31st January 2023.

2.3.1 Either the Council or the Participant can give notification to terminate the Service Agreement any time after the initial 12 months of the contract has elapsed. The termination must be given via a written notice and can end at the next renewal point as long as a minimum of six (6) months is given. The written notice must include the effective termination date.

2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?

2.4.1 Contracts are subject to the Public Contracts Regulations 2015 however the contracts with each provider are considered a 'light touch regime contract' under current procurement legislation.

2.4.2 The Lead LA's have given due consideration to the PCR2015 and have ensured the principles of transparency and equal treatment of suppliers are embedded in the establishment the 3 DPV's.

2.5 Recommended procurement procedure and reasons for the recommendation

2.5.1 It is recommended that permission is given for LBBD to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle.

2.5.2 The Direct Purchasing Vehicle (DPV) will replace the majority of current spot purchasing arrangements. The Council will also benefit from better contractual arrangements with agencies to ensure quality and the price of these placements; where necessary; are driven down as much as possible.

2.5.3 The DPV is live and seven local authorities across West London, including Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hounslow and Hillingdon are currently using the system. Redbridge has also recently joined. LBBD have not been named on the OJEU notice.

2.6 The contract delivery methodology and documentation to be adopted

2.6.1 Service to be delivered by external providers. The WLA will be responsible for contract procurement, management and monitoring functions.

2.6.2 Joining the WLA and using the DPV will enable:

- **Open & easy to access.** Minimum criteria to be approved to supply – Ofsted registration, insurance and credit report. Service requirements defined at point of call off.
- **Any Local Authority.** DPVs are open to any LA nationally, to maximise the benefit of scale and investment
- **Block & individual placements.** Robust call off procedures setting out arrangements for placing individual children and calling off a block contract
- **E-Brokerage & E-Contracting.** Electronic brokering and contracting functionality within CarePlace
- **Automated Key Performance Indicators.** Responsibility on providers to report on KPIs, through an online system that automatically collates responses to be utilised as effective MI.
- **Safeguarding Alerts.** CarePlace allows for one LAs safeguarding alert to be visible to all LAs on the system.
- **Informed commissioning.** CarePlace real time data on the DPVs' journey LAs towards more informed commissioning
- **Central team.** Commissioning and contract management capability to maximise the opportunity of the DPVs for each LA and ensure compliance by providers.

2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract

London Borough Barking & Dagenham – DPV benefit analysis

Independent Fostering

- 2.7.1 Initial analysis has been completed on price and discounts; it is expected that the beneficial T&Cs will reduce costs to LBB. For IFA these include 28 day notice period for providers, tighter definition of solo placements also capped at 50%, no retainer for the first week and defined mileage rates. Placement costs are agreed for the life of the placement, so no inflation rises, and the WLA also require pre-agreed costs of additional staff and education to ensure no surprises.
- 2.7.2 In addition; the WLA will ensure and be stricter on obtaining discounts for placements. For all permanent placements in excess of 9 months a 5% discount will be applied to the core fee. Also, for sibling placements a 5% discount will be applied to all children in a sibling group placed with the same agency from the commencement of the placement.
- 2.7.3 The first comparison is based on our average cost against the DPV's average ceiling price minus discounts where appropriate i.e. where LBB have indicated a sibling placement or where a placement would attract a permanence discount, where the WLA have comparable data i.e. for those providers that overlap onto the DPV. This would indicate a saving of 1.57% which would equate to approximately c.£77k per annum assuming existing placement spend continued across a full year.

(Matched DPV) Average Cost Current	£859.27
(Matched DPV) Average DPV Cost (Inc Discounts)	£845.81
% Reduction	1.57

2.7.4 A number of our placements are long term and therefore are in some cases cheaper. The WLA have therefore outlined the potential opportunity to transfer LBBB's best price onto the DPV to make use of the ceiling price arrangement to ensure that we get the best of both prices. This would indicate a saving of 4.22% which would equate to c.£208k per annum assuming existing placement spend continued across a full year.

Negotiated current provision Average Cost	£822.97
% Reduction (Best prices on / off DPV)	4.22

2.7.5 If we further narrow down the analysis to recent placement costs, the benefit further increases as this likely illustrates the DPV's below inflation rate rises since 2013. This would indicate a saving of 6.02% which would equate to £297k per annum assuming existing placement spend continued across a full year.

2017/18 Only Average Price B&D Prices	£881.52
2017/18 Only Average DPV Prices (inc Discounts)	£828.46
% Reduction	6.02

2.7.6 It is also worth noting that the DPV already has 16 of LBBB's providers on their DPV (and have a further 15 at the application stage so this will increase). There are an additional 15 providers that we do not currently place with which highlights the potential to expand supply. The average price of these providers is £827 without discounts, and so if sibling and permanence discount applied the cost could reduce to £745.

Residential Care

2.7.7 Initial analysis has been completed on price and discounts, it is expected that the beneficial T&Cs will also reduce costs to LBBB. For Residential these include 50% cap on retainer fees, placement costs are agreed for the life of the placement, so no inflation rises, and the WLA require pre-agreed costs of additional staff and education to ensure no surprises.

2.7.8 For residential placements the WLA will ensure discounts are received on all permanent placements in excess of 9 months a 5% discount will be applied to the core fee.

2.7.9 There is not a large amount of overlap across LBBB current provision and the DPV, only 10% as it stands, The WLA will work with LBBB to bring our suppliers onto the DPV but the number illustrates an opportunity to expand the supply to LBBB in the future.

2.7.10 The WLA reviewed a number of our placements to establish how many would attract the permanence discount, when they applied the 3% discount on these

placements it was found that joining the DPV could save LBBD £119 on average per week.

2.7.11 In a similar analysis to the IFA DPV the WLA compared our average cost against the DPV average ceiling price minus permanence discounts where appropriate where the WLA have comparable data i.e. for those providers that overlap onto the DPV. This would indicate a saving of 3.54% which would equate to c.£270k per annum assuming existing placement spend continue across a full year.

(Matched DPV) Average Cost Current	£3,590.13
(Matched DPV) Average DPV Cost (Inc Discounts)	£3,462.90
% Reduction	3.54

2.7.12 Only one of our placements is cheaper than the ceiling rate on the DPV. We have the potential opportunity to transfer our best price onto the DPV to make use of the ceiling price arrangement to ensure LBBD get the best of both prices. This would indicate a saving of 7.15% which would equate to c.£544k per annum assuming existing placement spend continue across a full year.

Negotiated current provision Average Cost	£3,333.31
% Reduction (Best prices on / off DPV)	7.15

2.7.13 Two key categories of placement; Independent Fostering Agencies (IFAs); and Residential indicate significantly lower average weekly costs through the use of the WLA DPVs compared to the current average weekly cost of spot purchasing arrangements currently carried out by the Council. These are up to (4.22)% for IFAs and (3.54)% for Residential. The actual saving achieved depends on the individual needs of the child.

2.8 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 Suppliers will be asked to submit prices for each Lot they wish to supply as part of their application to be placed on the DPV. These will be evaluated as part of the overall evaluation.

2.8.2 They will also be required to provide costs for a menu of Additional Services. Placements can be enhanced with additional services which will be charged at the Contractors tendered rate.

2.8.3 Additional Services will be time limited, outcomes focused and reviewed regularly by the Placing Authority and Contractor with all arrangements being set out clearly in the Individual Agreement.

2.8.4 Call-Off procedures will be flexible to ensure that LA's are able to match the needs of children, incorporate parental preference where required and ensure placement sufficiency and best value.

- 2.8.5 All placement requests and responses from suppliers will be made via CarePlace. LBBB will be able to call off in 3 ways:
- Individual Placement Call-Off Procedure
 - Block Placement Call-Off Procedure
 - Direct Award Call-Off Procedure
- 2.8.6 Suppliers will be able to drop their prices at the point of responding to a referral to offer a placement to be more competitive to respond to specific needs of a child.
- 2.8.7 Using CarePlace will make Call offs simpler as all referrals made will be sent through CarePlace, Users will be able to utilise the enhanced Search Functionality so only relevant providers are contacted. CarePlace allows users to collate all options quickly and easily and Providers can be ranked in price order (i.e. cheapest first) or Identify best match. If two options fully meet needs of child, LBBB can choose the cheapest. Careplace will also confirm the placement with the provider and issue the IPA.
- 2.8.8 The key contract features are:
- Default IFA discounts of 5% for each sibling and 5% for placements of 9 months or more (i.e. 10% cumulatively). A 3% discount is also applied to all residential placements of 9 months or more.
 - Increased notice periods for IFAs to 28 days as default irrespective of how long the child has been there
 - Costs agreed within IPAs for residential and IFA are valid for the lifetime of the placement and there are no inflationary rises ever. Furthermore, there are no inflationary fee increases for SEN schools for at least 3 years.
 - No retainers paid for the first week (IFA) or capped to 50% (Residential)
 - Much tighter definition of solo fee and capped at 50% (IFA)
 - Mileage – 20 miles/2 hours a day (whichever greater)
 - Pre-agreed costs for additional staffing & education
 - IPA structure and Contract Management approach will work to ensure that any ‘add-ons’ are time-limited; agreed in writing prior to taking place and easily reported on.

2.9 **How the procurement will address and implement the Council’s Social Value policies**

- 2.9.1 The Council continues to be committed to promoting the welfare of and protecting the most vulnerable children and young people in Barking and Dagenham. It will meet the Council’s Social Value policies and the Social Value Act 2012 by:
- **Promoting employment and economic sustainability:** tackle unemployment and facilitate the development of skills amongst providers
 - **Building the capacity and sustainability of the private and voluntary sector:** enabling companies to provide the service and encourage volunteering and employment of local residents where applicable
 - **Creating opportunities for SME’s and social enterprises:** Enabling the development of local businesses in the provision of this service.

2.10 **Contract Management methodology to be adopted**

2.10.1 For participating LA's the West London Alliance will:

- Hold regular Provider Review Meetings
- Have oversight of provider activity, compliance and performance and be a source for strategic market intelligence
- Act as mediator to support both Las and Providers
- Be available for contract advice and queries
- Undertake KPIs & monitoring (e.g. OFSTED) and placing of Safeguarding Alerts on CarePlace
- Will ensure that all issues of concern are escalated, and decisions made about suspension/barring
- Ensure non-compliant organisations are suspended/banned - Suspended providers will be unable to receive referrals via the DPV
- Undertake Quality Assurance and spot checks
- Mediate complaints/disputes
- Provide Feedback & qualitative information

3. **Options Appraisal**

3.1 **Option 1: Do nothing**

Current agreements with providers have varying quality standards and pricing which together with the administration of spot purchasing governance and documentation has resulted in an inefficient process that does not deliver proven value for money. If we do nothing this will continue to add pressure to service budgets and provide an inconsistent service to our young people.

3.2 **Option 2: Procure as a single borough service**

Going out to market on our own would not offer the same opportunities for economies of scale (thereby maximising value for money) that joining the WLA will offer.

3.3 **Option 3: (Preferred Option) Join the West London Alliance**

For the reasons set out in this report; for LBBD to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicles for the following services:

- Independent Fostering Agencies led by Barnet Council;
- Children's Residential Homes led by Ealing Council.

4. **Waiver**

4.1 Not Applicable

5. **Consultation**

5.1 The proposals in this report were endorsed by the Council's Procurement Board on 19 November 2018.

6. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 6.1 The process outlined in the report is to access the market through a DPS, which is flexible in a volatile market, in addition the DPS allows for new providers to be added, which ensures volumes should be maintained to provide the requirements to the Council.
- 6.2 The evaluation ratios are acceptable for this type of service and should deliver against the Councils priorities for ensuring a quality service for a representative cost.
- 6.3 The process for competition will be conducted by the West London Alliance (WLA) and as such their terms and conditions will be used, and the direct supplier contract management will also be performed by the WLA.
- 6.4 I do not see any reason why the recommendations in this report should not be approved

7. Financial Implications

Implications completed by: Olufunke Adediran, Group Accountant

- 7.1 This report seeks approval for LBBB to enter into partnership with 7 other boroughs under the West London Alliance (WLA) to procure Independent Foster care and children's residential homes. It is expected that this arrangement whilst increasing efficiencies and delivering cash savings, will give LBBB access to a wider range of quality placements.
- 7.2 The cost of the 4-year contract which is expected to commence in February 2019 is £100,000 per annum with an implementation cost of £12,000 in year 1. There is a possibility that LBBB will be offered a discount of £7,500 in the first year based on another LA joining within a 12-month window.
- 7.3 The LBBB average cost of a residential placement and an agency foster carer is £3,816.77 and £925.88 per week respectively. The 2018/19 annual budget on these two placement types is £6.355m and current outturn projections reflects an overspend of £2.167m.
- 7.4 The proposal will see a replacement to the current spot purchasing arrangements with the dynamic purchasing vehicle, with the benefits of tapping into the cash savings and cost avoidance the WLA will deliver due to economies of scale. The providers prices will also be fixed for a year as against the fluid prices of the current arrangement. Overall it is anticipated that the partnership would generate savings which would go towards reducing projected overspends against the existing budget envelope.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Senior Contracts and Procurement Solicitor

- 8.1 This report is seeking approval to enter into an access agreement with the West London Alliance to access the Dynamic Purchasing System (DPS) set up and also call off from the said DPS.
- 8.2 Contract Rule 16.1 encourages the notion that Officers of the Council should actively seek opportunities to collaborate and procure jointly with other bodies where this is likely to be of benefit to the Council.
- 8.3 It is anticipated that the proposed joint procurement exercise will be led by the London Borough of Barnet in relation to Independent Fostering Agencies and the London Borough of Ealing in relation to Children's Residential Homes with support from LBBD in terms of preparation of common specifications and contract documents.
- 8.4 The requirements for competitive tendering, as contained within the Council's Contracts Rules, are met as Rule 5.1 (b) advises that it is not necessary for officers to embark upon a separate procurement exercise where a procurement is made by another local authority acting for the Council, providing the Public Contracts Regulations 2015 (the Regulations) and standing orders of the lead authority have been followed.
- 8.5 This report states that the DPS will be set up as a DPV by adopting a more flexible approach under the Light Touch Regime (LTR) within the regulations. The LTR allows contracting authorities to determine the procedures that are to be applied in connection with the award of contracts under the regime and may take into account the specificities of the services in question. The procedures must however be at least sufficient to ensure compliance with the principles of transparency and equal treatment of operators.
- 8.6 This report states that, in compliance with the Regulations, the system is to run as a completely electronic process and, once awarded, will remain open to any contractor who satisfies the selection criteria throughout the duration of the contract.
- 8.7 When calling off from the DPS the Council must ensure that it follows the procedure as set out in the contract documents.
- 8.8 Contract Rule 28.7 of the Council's Contract Rules requires that all procurements of contracts above £500,000 in value must be submitted to Cabinet for approval. In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contracts following the procurement process with the approval of Corporate Finance.
- 8.9 The Responsible Directorate and report author are requested to keep the Law and Governance Team fully advised on the progress of this procurement who will be available to assist and advise throughout the process.

9. Other Implications

- 9.1 **Risk and Risk Management** - The West London Alliance Contract Management Team will periodically review the Call-Off process to ensure that all partners (Contracting Bodies and Providers) are adhering to the agreed processes.

Each of the DPVs will be overseen by a Commissioning Board, and it will have oversight of any key risks/issues that are identified. The West London Alliance will work closely with key stakeholders (i.e. suppliers, sector representative bodies and care leavers) to ensure any potential issues are swiftly identified and can be resolved.

- 9.2 **TUPE, other staffing and trade union implications** – Joining the WLA and the use of Careplace will assist the placements Officers (1FTE and 1 PTE) to meet the needs of the organisation more effectively. There are also efficiencies in using e-Brokerage to send packages to multiple suppliers simultaneously instead of officers having to individually call/email.

- 9.3 **Corporate Policy and Equality Impact** - The service will impact on LAC. The service will contribute towards reduced levels of placement disruption for those children in care.

Wellbeing of children in the borough: and ensuring that potentially vulnerable children and young people are safely housed and supported based on their needs, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.

The services will enable children and young people to be safeguarded while being housed and allows them to experience services within the community in a safe way, thereby, contributing to positive life chances, educational and social development.

- 9.4 **Safeguarding Adults and Children** - Referrals will be made by the Placements Team via CarePlace. The Team manager will work closely with the WLA throughout the contract life to ensure close communications and sharing of relevant information.
- 9.5 **Health Issues** - The wellbeing of children in the borough is a fundamental responsibility of the council and this service which will contribute to positive health outcomes for the children and young people.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None