

OFFICER KEY DECISION

The following decision was taken on 18th November 2022

Officer taking the decision Corporate Director of Children and Young People

Date notified to all Members 22nd November 2022

End of the call-in period is midnight on 29th November 2022

This decision can be implemented from 30th November 2022

Award report for Commissioning homes for Children looked after and care leavers, Round 1 Lot 4: Independent Fostering Agencies

LONDON BOROUGH OF NEWHAM

OFFICER DECISION RECORD

Is it an officer key decision, i.e. because;		
a. it has an estimated total value or impact over £500,000 but up to £1M <u>and/or</u>	Yes	
b. It is a key decision delegated by Cabinet to the officer to make	Yes	
And the community impact threshold has not been met (i.e. the decision does not have <u>significant</u> impact on 2 or more wards) – MARK THE NO BOX IF THIS IS THE CASE		No
Is it a non-key decision (i.e. it is a decision with a value up to £500,000)		No

Report Title	Award report for Commissioning homes for Children looked after and care leavers Round 1 Lot 4: Independent Fostering Agencies
Date of Decision	
Authority to take decision	Cabinet Meeting held 3rd November 2020

	Cabinet agreed to delegate authority to The Corporate Director of Children and Young People for approval of the admission of suppliers to the DPS throughout the life of the DPS including entering into the relevant contract documentation.	
Decision Maker & Position	Tim Aldridge Corporate Director of Children and Young People	
Exempt information & Grounds	Yes	Appendix 1 contains information considered to be exempt under paragraphs 3 of Schedule 12A of the Local Government Act 1972, as amended: (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).
Wards Affected	All	
Appendices (if any)	1. Appendix 1: Moderated Scores and Costs Lot 4 Independent Fostering Agencies (IFA)	

1 Executive Summary

- 1.1 This report seeks approval from the Corporate Director of Children and Young People's services, in consultation with the Director of Procurement and the Cabinet member Children's Social Care, to seek the acceptance on to the PDPS of suppliers listed in the report who have met the minimum entry requirements for Lot 4: Independent Fostering Agencies (IFA).

2 Recommendations

- 2.1 For the reasons set out in the report and its appendices, Tim Aldridge the Corporate Director of Children and Young People's Services is recommended to agree admission on to the Dynamic Purchasing System (DPS) of the 27 successful fostering agencies (listed within the table at paragraph 3.9) who have met the minimum criteria for Lot 4: Independent Fostering Agencies.
- 2.2 The contract will run until 8th March 2026, with the option to extend for a further four years. The estimated contract value for Lot 4 over a four-year contract period is £32,400,000.

3 Background

- 3.1 Section 22G of The Children Act 1989 requires councils to provide, as far as is reasonably practicable, accommodation for children looked after in their local area which meets the needs of those children.
- 3.2 Prior to the establishment of DPS, all placements for children in care was made on spot purchase basis. For residential and IFA placements, Newham is part of London Care Services (LCS) which negotiates prices on behalf of London Care Services members. The LCS contract however is not a tender process so all placements are on spot purchase basis. This means that there is limited influence and control over the quality and shape of the market.

- 3.3 The DPS has been established and approved by Cabinet to ensure all placements are procured through a quality assured and tendered process. This is the third lot to be approved for admission onto the DPS with Round 1 for Lot 1 and Lot 2 endorsed in February 2022.
- 3.4 The PDPS does not commit the council to any given level of expenditure and there is no guaranteed level of spend with any of the suppliers admitted to the PDPS.
- 3.5 Tenders were evaluated based on 60% quality and 40% price. Suppliers must achieve a qualitative evaluation score of no less than the 36% out of a total of 60% to be admitted onto the DPS.
- 3.6 The Quality scores for Lot 4 were evaluated by using the Suppliers latest Ofsted inspection report overall judgement. Following evaluation, 27 registered IFAs are proposed to be accepted on the DPS. This will offer 2382 places and help to meet the demand.
- 3.7 There are 3 sub lots which include:
- 4a. Core Fostering Placements
 - 4b. Specialist Fostering Placements
 - 4c. Parent and Child Foster Placements without assessment
- 3.8 Lot 4b is further divided into the below sub-categories:
- 4b i) Children and young people with significant challenging behaviour (for e.g. Autism, conduct disorder)
 - 4b ii) Children and young people with risk taking behaviours to themselves and others
 - 4b iii) Children and young people with offending or highly sexualised behaviours
 - 4b iv) Children and young people with multiple and profound disabilities with complex medical needs and high level of medical appointments
 - 4b v) Children and young people with significant mental health and emotional needs for e.g. suicidal ideation
 - 4b vi) Children and young people with serious sexual and criminal gang exploitation risks
- 3.9 Table 1 shows the Suppliers that have been successful per lot. A full breakdown with submitted prices per week and final evaluated scores can be found in the Appendix, Item 1.

Fostering Agencies	4a	4b (i)	4b (ii)	4b (iii)	4b (iv)	4b (v)	4b (vi)	4 c
Barnardos South East	Y	Y	Y	Y		Y	Y	Y
Capstone Foster Care South East	Y	Y	Y	Y	Y			Y
Fostering Support Group Limited	Y					Y	Y	Y

Caring Hearts	Y							Y
Family First	Y	Y	Y	Y	Y	Y	Y	Y
Family Works	Y	Y	Y	Y	Y	Y	Y	Y
FCA South East	Y	Y	Y	Y	Y	Y	Y	Y
Five Rivers - London & East	Y				Y			Y
Fostering Innovations	Y	Y	Y	Y	Y	Y	Y	Y
Fusion Fostering North East	Y	Y	Y	Y	Y	Y	Y	Y
Fusion Fostering North West	Y	Y	Y	Y	Y	Y	Y	Y
Fusion Fostering South Central	Y	Y	Y	Y	Y	Y	Y	Y
Fusion Fostering South East	Y	Y	Y	Y	Y	Y	Y	Y
Fusion Fostering - The Midlands	Y	Y	Y	Y	Y	Y	Y	Y
Fostering Hearts	Y	Y	Y	Y		Y	Y	Y
Greater London Fostering	Y	Y	Y	Y		Y	Y	Y
South Coast Fostering	Y	Y	Y	Y		Y	Y	Y
HATOLS	Y					Y		Y
Homefinding	Y	Y	Y					Y
Infinity	Y	Y	Y	Y	Y	Y	Y	Y
ISP Enfield	Y	Y	Y	Y	Y	Y	Y	Y
LiKa	Y							
Orange Grove - London and Essex	Y	Y	Y	Y	Y	Y	Y	Y
Ryancare Fostering Ltd	Y	Y	Y	Y	Y	Y	Y	Y
Sunbeam Fostering Agency - London & South	Y	Y	Y	Y	Y	Y	Y	Y
TACT - East London	Y							Y
NFA – London	Y	Y	Y	Y	Y	Y	Y	Y

4 Proposals (including the reasons for the proposed decisions)

- 4.1 To ensure that Newham Council delivers its statutory duty and achieves good value and quality when placing children in care.
- 4.2 To ensure that Newham Council is compliant with public contract regulations.
- 4.3 To bring IFA placements in line with residential and semi-independent provision and ensuring all placements are made through a tendered process.
- 4.4 Some suppliers have submitted applications for more than one agency. Applications were received for 23 suppliers with 28 IFAs. One (1) tender is not compliant and will not be admitted onto the DPS.
- 4.5 27 agencies have been successful and are proposed to be admitted onto the PDPS. Of this, there is an outstanding LADO investigation for one Supplier under a spot placement arrangement. This Supplier has met the minimum criteria and under Legal advice, are recommended entry onto the DPS. No placements will be made with the Supplier until the investigation is complete and the Council is satisfied that the Safeguarding processes are sufficient.
- 4.6 89 per cent of the successful Suppliers admitted to the PDPS are rated as

'Good' or 'Outstanding' with Ofsted. The remaining are rated as 'Requires improvement' or have yet to be inspected. These agencies will require a risk assessment completed and signed off by a senior manager before they are used. Priority will be given to the good and outstanding homes.

- 4.7 Ofsted ratings will continue to be monitored throughout the life of the DPS to reflect the latest the ratings.
- 4.8 The tender process has been successful in attracting a wider supply base. 30% of suppliers are new and not part of the LCS.
- 4.9 Of those remaining agencies who are part of the LCS, over 50% have opted to not submit their LCS prices.

5. Delivering Council Policy and Priorities

5.1 These services will contribute to the Towards a Better Newham Strategy:

- **Pillar 2:** The Council will ensure every resident under 25 is safe, happy and cared for, with positive activity to secure their long-term wellbeing
- **Pillar 3:** The Council will take action to ensure all residents are supported and enabled to access work and other opportunities in the new economy
- **Pillar 4:** The Council will make sure our residents are healthy, happy, safe and cared for, to enable them to thrive during times of recession and in the new economy
- **Pillar 8:** The Council will only welcome investment that secures a Fair Deal and Good Growth for Newham

6 Alternative options considered and rejected

6.1 The following alternative options have been considered.

6.1.1 Do nothing: Suppliers could continue to be spot purchased without a DPS, but there would be a lack of purchasing control and the element of competition to drive cost efficiencies would not influence the price of provision. Spot purchasing does not go far enough in securing better value for money and is time inefficient.

6.1.2 Operate a standard framework without the use of a DPS: This would be a 'static' framework, which would not allow new suppliers to enter the framework throughout its lifetime and would therefore reduce the flexibility available in the current and proposed systems.

6.1.3 Join another DPS: LBN has considered joining a framework or consortium with other local authorities for a framework or DPS. There is an established Dynamic Purchasing Vehicle (DPV) through the Commissioning Alliance, the

cost to joining this DPV is £936k over the lifetime of the DPV and it introduces a new IT system solution. The fee includes some contract monitoring but at a strategic level which is not responsive to emergency or individual level need and so Newham Council is not assured that it will meet our needs. The unit costs for the Commissioning Alliance DPV are not submitted upfront so it would be more challenging when planning spend. Furthermore the DPS is not Real Living wage compliant. Newham Council has invested in Fusion as a procurement solution and it is available at no additional IT cost. As suppliers find using multiple platforms prohibitive, Newham Council will continue to use secure emails for the referral process. The Newham PDPS is also open for other local authorities to join

- 6.1.4 Procure jointly with East London Authorities: Establishing a joint DPS with our neighbouring authorities can be challenging to organise as it means multiple authorities investing in the same ICT solution or joining a new IT system. Newham Council has invested in Fusion as a procurement solution and it will be available at no additional IT cost. A standalone DPS IT solution which is used in Newham Council for other services is available at a cost of £340k for the life of the DPS. This cost is prohibitive when compared to Fusion that is at a zero cost.

Establishing a Newham PDPS offers flexibility as unlimited suppliers may join and is also open to other local authorities to join. The PDPS includes the submission of pre-agreed pricing structures linked to the Real Living Wage. Suppliers have submitted core prices and additional placement costs and we anticipate control over additional placement costs and more certainty of additional costs based on bidder's submissions.

7 Consultation (see also Consultation sheet)

- 7.1 In accordance with the delegation given reports have been shared for consultation.
- 7.2 **Name of Lead Member consulted:** Councillor Sarah Ruiz, Lead Member for Children and Young People
- 7.3 **Name of officers consulted,** Steve Atherton, Director of Procurement

8 Implications

8.1 Financial Implications

- 8.1.1 It is anticipated that reductions in costs will come from more alternative placement options available on the PDPS, including the use of block contract purchasing. This means buying a pre-agreed number of beds from a supplier,

will potentially mean the rates will be at a lower cost to the Council.

- 8.1.2 It is expected that the PDPS will enable the Council to provide a consistent approach to purchasing placements at prices stated by suppliers in applications to join the PDPS.
- 8.1.3 From the bids received, a range of unit costs were submitted with a number of new suppliers submitting rates lower than current average. The average of rates submitted is 5% higher than the current average however the current average included some rates have not been reviewed for since 2016.
- 8.1.4 The PDPS does not commit the council to any given level of expenditure and there is no guaranteed level of spend with any of the suppliers admitted to the PDPS. The new rates will only apply to new placements therefore the financial implications cannot be forecast at this stage however the unit costs and total spend will be closely monitored as part of the monthly budget monitoring process. An annual report will be submitted to CMT to capture the volume and spend going through the PDPS as per Cabinet report on 3rd November 2020. The first annual report will be submitted in February 2023.

8.2 Legal Implications

- 8.2.1 The Council's statutory duties to provide care and support to those who meet the relevant criteria are already set out in the body of this report. Children's Social Care seek to provide these services in compliance with such duties.
- 8.2.2 The procurement process was conducted in accordance with the Public Contracts Regulations 2015 and was subject to the light touch regime under Regulations 74 - 76.
- 8.2.3 The Council published a contract notice on Find a Tender Service (FTS) and Contracts Finder and complied with the relevant provisions of the Council's Contract Standing Orders.
- 8.2.4 This report seeks authority to admit all candidates (listed at paragraph 3.9) who satisfied the selection criteria. There is no limit under the Regulations as to the number of candidates and the Council can admit any supplier at any time during the DPS period of validity.
- 8.2.5 There is no requirement to submit award notices when new suppliers are admitted to the DPS. However, in accordance with Regulation 50(5), the Council must publish contract award notices for specific contracts awarded under the DPS. The Council may choose to group DPS contract award notices on a quarterly basis, which must be sent within 30 days after the end of each quarter.
- 8.2.6 To award a contract/ make a placement under the DPS, the Council will need to follow the rules of the restricted procedure.

8.3 Equalities Implications

- 8.3.1 The proposed procurement process aims to place children in the most

appropriate setting for their specific needs taking into consideration any specific need relating to age, disability, transgender, pregnancy and maternity, race, religion/belief, sexual orientation, sex, marriage/Civil partnership, reducing negative outcomes which result from class or socio-economic disadvantage. Therefore, we anticipate that the procurement will result in greater equality of opportunity and ability to make more appropriate matches for individual children.

8.3.2 The decisions recommended through this report have not identified any disadvantage relating the protected characteristics.

8.3.3 An Equalities Impact Assessment (EQIA) has been completed for the DPS and will be reviewed annually.

8.4 Other Implications (e.g. HR, ICT, Property)

8.4.1 Staff resource to undertake the procurement exercise have been secured from within business-as-usual functions and includes Legal Services, Procurement, Finance and Contracts and Commissioners.

8.4.2 Commissioners will work closely with the Brokerage Team manager throughout the contract period to ensure close communications and that service types on the PDPS are responsive to changing needs of children in care

8.4.3 The DPS can be used by multiple teams and organisations therefore, we will allow other local authorities to access the PDPS through fee negotiations or contribution in kind, e.g. sharing quality assurance visits. In order to achieve this we will be developing terms for those local authorities joining at a later date.

8.4.4 As a result of the DPS we have also developed spot terms and conditions which mirror the DPS and will be rolled out for all spot placements.

9 Background Information used in the preparation of this report

9.1 Pre procurement of DPS to Commission Homes and Support Services for Looked After Children and Care Leavers Cabinet Report (03/11/2020)

9.2 Commissioning Homes Lot 4 Gateway 2 Report (28/09/2022)

9.3 Approval to award places on the DPS for Homes and Support Services for Looked After Children and Care Leavers Lot 1 Semi Independent Living (SIL) Services (Round 1) (1st February 2022)

9.4 Approval to award places on the DPS for Homes and Support Services for Looked After Children and Care Leavers Lot 2 Childrens Homes (Round 1) (1st February 2022)

CONSULTATION SHEET – COMPLETE WHERE REQUIRED OR PUT N/A

IN CONSULTATION WITH (Refer to delegation for other specific consultees)

Please check the following

- Does the decision require the agreement of or consultation of another Director, especially Finance and Legal?
- Does the decision require consultation with one or more Lead Members?

Add additional directors / members to this form as are necessary.

Only sign the report when you have received the outcome of the consultation and taken into account any comments in your decision.

Electronic signatures of any kind are accepted.

SIGNATURE Officer with Delegated Powers:
Corporate Director of Children & Young People
Services: Tim Aldridge

AGREED/NOT AGREED
Comment: AGREED

Signed:



Date: 18/11/2022

Lead Member Cllr Sarah Ruiz
Comment: AGREED

Signed:



Date: 18/11/2022

NB Key decisions made by officers cannot be implemented until the 6th working day following the date of publication of the decision to allow members to consider whether or not to call in the decision.