

11 July 2017		ITEM: 9
Children's Services Overview and Scrutiny Committee		
Children Looked After Placement Commissioning		
Wards and communities affected: All	Key Decision: Key	
Report of: Sue Green – Strategic Leader Children's Commissioning and Service Transformation		
Accountable Head of Service: Sue Green – Strategic Leader Children's Commissioning and Service Transformation		
Accountable Director: Rory Patterson – Corporate Director of Children's Services		
This report is Public		

Executive Summary

The provision of quality care through safe and stable placements for children and young people who are looked after is a key statutory function of all local authorities. In Thurrock this accommodation and associated support is provided through a range of providers on differing contractual arrangements. These contracts are due for renewal in 2018, so this provides the opportunity to simplify our arrangements while at the same time achieving better value, and improving outcomes for children and young people. We currently have an arrangement with other Eastern Region Authorities to procure Independent Fostering Agencies. This was designed to provide better value for money by bringing to bear the combined purchasing power of authorities in the region. This arrangement has failed to deliver the quality and availability of local placements that was anticipated.

As a result, Thurrock, is working to simplify the procurement of placements for children looked after with a view to a new procurement exercise starting in Autumn 2017 for all types of placements including supported accommodation for 16- 25 year olds. This report sets out the rationale for a new approach to ensure that the best quality placements are commissioned and that more young people are placed in or near to the local authority area.

1. Recommendation(s)

- 1.1 That members consider the proposal to simplify and improve the commissioning of placement provision, in particular to withdraw from the current Eastern Regional contract when it ends in 2018.**

1.2 That members agree to officers proceeding to gain Cabinet approval to commence a procurement exercise.

2. Introduction and Background

2.1 Every local authority has a statutory duty to ensure there are sufficient placements of good quality for looked after children and young people, this includes the requirement to take steps that secure, so far as is reasonably practical, enough accommodation within the local authority area that meets the needs of children in the care of the local authority.

2.2 This report outlines the planned approach to develop more good quality provision over the next three years including the outline procurement plans. This approach will also help the Council better address one of the areas for improvement identified in our inspection of children's social care when it was noted that the majority of children in care were placed outside of Thurrock. This is a barrier for some children accessing the high quality school provision in the authority, and weakens ties with family and community. It is also highly inefficient in terms of the use of resources including social work time.

3. Issues, Options and Analysis of Options

3.1 The current annual commitment for placement provision is £9.5m. This expenditure is across a range of providers including independent fostering agencies, residential placements and supported accommodation. In addition there are a number of in-house foster carers, but this type of provision is outside of the scope of this report. Members will be aware that there are clear plans to increase the number of in- house carers. The number of care placements fluctuates daily due to children and young people entering and leaving the care system however there are currently 326 children and young people aged 0-18 years requiring placement provision. This provision is currently provided as follows:

Type of placement	Number of children and young people
Independent Fostering Agencies	156
In house foster care*	97
Residential	24
Supported Accommodation	47
Mother and baby placement	2

*outside of the scope of this report

3.2 The majority of provision for children and young people aged 0-16 years is provided through IFAs largely procured through the regional framework arrangements. For young people aged 16-18 years the majority are

accommodated through semi-independent provision to reflect the transition into adulthood.

- 3.3 There are currently a number of different commissioning arrangements in place with the largest being the regional arrangements for Independent Foster Care providers. Spot purchasing arrangements have also been used where specialist providers are required to meet individual children's needs, where demand for a type of specialist provision is low or where there is a fluctuating demand that is difficult to predict such as for supported accommodation. Whilst any new commissioning arrangements need to maintain the flexibility of the current system, it is recognised that this can also be built into local contracts to minimise spot purchasing.
- 3.4 The different commissioning arrangements each come with different contractual and quality monitoring requirements that are both time consuming and difficult to moderate. Officers have recognised that the implementation of a consistent monitoring process across each type of provider will strengthen the current arrangements and this will be developed as a part of this commissioning exercise. The current regional arrangements for Independent Fostering Agencies do not provide this consistent approach as monitoring is undertaken by a number of different local authorities.
- 3.5 The main driver of any regional arrangement has been the purchasing power that this gives. However many councils are now entering into sole contractual arrangements with a pricing structure that mirrors the regional one because it doesn't provide good value. In addition a local contract would provide the opportunity to develop a flexible pricing structure that meets Thurrock needs. For example, the existing arrangements for Independent Fostering Agencies do not meet the needs of Thurrock children as there are not enough local providers to enable us to have more Thurrock children placed in or near to the borough. This will be addressed through a new procurement exercise as the current contract ends in 2018.
- 3.6 Residential placements are used where a child or young person has significant and specialist needs. These are the most expensive placement type as the cost reflects the high level of support needed. However, these are all outside of the framework and are currently spot purchased. While this arrangement reflects the specialist nature of the provision and the limited number of providers for some specific needs there is an opportunity to improve how this is commissioned while still recognising that some spot purchasing will still be needed.
- 3.7 The main consideration of any commissioning exercise will always be the quality of the provision for the child or young person, as a good placement will help to secure best long-term outcomes. However there is also scope to consider improving the value for money from the placements through improved commissioning. Officers will always seek to obtain the best value for money however where placements are spot purchased rather than purchased within an agreed framework of pricing this does not always result in the best

price. The proposed new procurement exercise will reduce the need to spot purchase while also bringing together different types of care through one procurement exercise. This will be managed by the use of different lots and will support providers who offer more than one type of care by reducing the number of tenders. It is recommended that we also maintain the flexibility to spot purchase in exceptional circumstances.

- 3.8 The majority of provision for young people age 16-18 years in supported accommodation is secured through spot purchasing. As this provision is unregulated by Ofsted the monitoring arrangements have recently been reviewed to include more frequent visits and also finance checks. The use of a procurement framework will reduce the need for spot purchasing to emergency situations and set clear expectations for the standards expected. In addition moving away from spot purchasing should also improve value for money.

4. Reasons for Recommendation

- 4.1 An overarching placement commissioning exercise is needed to ensure that we procure high quality care placements while at the same time securing good value for money with a reduction in the need for spot purchasing. This approach will also enable officers to develop the local market with the aim of indentifying more placements in or near the local area.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 The Children in Care Council will be involved in developing the specification for the procurement and a report will also be made to the Corporate Parenting Committee prior to the full commissioning report being taken to Cabinet.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The recommendations included in this report will impact on the following corporate priorities:

Create a great place for learning and opportunity

Encourage and promote job creation and economic prosperity

Build pride, responsibility and respect

Improve health and well-being

7. Implications

7.1 Financial

Implications verified by: **Nilufa Begum**
Management Accountant

The current spend on placement provision is one of the highest elements of expenditure in the Children's Services Directorate. Improved commissioning will support the achievement of value for money whilst developing quality standards to meet children's needs.

7.2 Legal

Implications verified by: **Lindsay Marks**
Principal Solicitor Children's Safeguarding

Section 22G of the Children Act 1989 requires local authorities to take strategic action in respect of those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area, In those circumstances section 22G required local authorities, so far as is reasonably practical to ensure that there is sufficient accommodation for those children that meets their needs and is within the local area.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

Ensuring that placement provision is of high quality will ensure that the diverse needs of children and young people are met, it will also ensure that there is equality of access. By involving young people in the development of specifications it will ensure their needs are understood and reflected in the placements procured to support them.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. Appendices to the report

- None

Report Author:

Sue Green

Strategic Leader Children's Commissioning and Service Transformation

Children's Services Directorate