

**PENINSULA FOSTERING IN INDEPENDENT FOSTERING AGENCY PLACEMENTS (CP1519-17): OUTCOME OF TENDER AND AWARD OF CONTRACT**

Report of the Chief Officer Children's Services

*Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.*

Recommendation:

That approval be given to the contract award recommendations set out in Report CS/18/02, as above.

**1. Introduction**

- 1.1 This contract, which is a Framework Agreement, is for the provision of fostering placements for children in care, staying put placements for young adults and for parent and child placements.
- 1.2 Family based care is the preferred model of care for most children in care; providing local, family-based placements, which offer emotional warmth, security, aspiration and a commitment to achieving positive outcomes. Furthermore, such placements provide good value for money and ensure the right to family life for children in care.
- 1.3 The aim is to increase the range and quality of foster placements, particularly for those with more complex needs or challenging behaviours
- 1.4 This is a South West Peninsula Procurement developed from a longstanding collaboration between Cornwall Council, Devon County Council, Plymouth City Council, Torbay Council and Somerset County Council. Oversight is provided from the Peninsula Childrens Services Commissioning Board (PCSCB). The Framework Agreements, will each be for four years commencing on the 1st April 2018.
- 1.5 The Framework Agreements are divided into 3 geographical areas; Somerset, Devon (including Torbay and Plymouth) and Cornwall. Each Lot will be entered into between the relevant member of the Peninsula Children's Services Commissioning Board (PCSCB) and the Provider. Devon County Council will enter into the agreement on behalf of Plymouth and Torbay but each authority is responsible for entering into the individual placement contracts with the provider.
- 1.6 There are two separate Framework Agreements, one for Parent and Child Fostering and one for Standard and Enhanced Fostering. The separation of Frameworks is mainly due to the difference in terms and conditions. The

Standard and Enhanced Fostering Frameworks are then divided into two separate Lots.

**Lot 1 Standard Fostering** These placements will be required for children with a broad range of needs, including emotional and behavioural issues, physical and learning disabilities and sensory impairment. Placements will be needed for a variety of reasons and durations, including short term, long term, shared care, to support rehabilitation to family or progression to independent living.

**Lot 2 Enhanced Fostering** Enhanced fostering placements are required for those children and young people with significantly complex needs, above those which would usually be considered for fostering. These children and young people require a bespoke foster placement with an individual package of support and care which is designed to support their additional needs.

**Lot 3 Parent and Child Fostering** Parent and child placements are used to assess the capacity of a parent to care safely for their child or children. These placements take place in a family home supported by registered foster carers or in the community, monitored by outreach support delivered by professionals.

1.7 The new Independent Fostering contract will increase placement availability, easing the sufficiency issues within the market. Placements will be based on Price Ranking from suitably qualified providers.

1.8 Total Estimated Cost for 4-year contract period for whole Peninsula:

Lot 1 Standard Fostering: £95,960,000  
 Lot 2 Enhanced Fostering: £10,800,000  
 Lot 3 Parent and Child Fostering: £5,954,792

4 year total	Standard	Enhanced	P & C	Total
Cornwall Council	£15,200,000	£2,160,000	£1,976,792	£19,336,792
Plymouth CC	£15,560,000	£2,160,000	£1,014,000	£18,734,000
Torbay	£10,400,000	£2,160,000	£760,000	£13,320,000
Devon CC	£29,960,000	£2,160,000	£1,540,000	£33,660,000
Somerset	£24,840,000	£2,160,000	£664,000	£27,664,000
<b>Total</b>	<b>£95,960,000</b>	<b>£10,800,000</b>	<b>£5,954,792</b>	<b>£112,714,792</b>

1.9 The total budget for Devon County Council across all three Lots is £33,660,000.

1.10 The value of the contract may vary due to an increase or decrease in the purchase in care volumes.

## **2 Context and contract design**

- 2.1 This contract will replace the current Peninsula Framework contract for fostering (all Peninsula Authorities), and the Cost and Volume for Fostering contract (Plymouth, Devon and Torbay).
- 2.2 This contract was previously unsuccessfully tendered in November 2016. The previous tender was evaluated based on price and quality criteria, the financial element included price caps (a financial threshold which bidders could not exceed) and a selection of quality questions. Several potential providers either did not bid, did not meet the quality criteria, or did not return a compliant bid. This resulted in a tender where there were insufficient providers to meet demand throughout the Peninsula. It was decided not to award the contract and a simplified tender was launched with a focus on price and price ranking
- 2.3 The fostering market is a competitive market with a good range of fostering agencies. Securing a range and choice of skilled and experienced foster carers who are well supported will positively impact on placement stability and matching, and there will more opportunity to prevent children moving into residential care and for “step down” from residential to foster care.
- 2.4 For this tender, bidders were able to bid for any one or all of the following Lots:

### **Lot 1 Standard Fostering**

- Lot 1a – Cornwall Council
- Lot 1b – Devon Geographical area consisting of: Plymouth City Council, Devon County Council & Torbay Council
- Lot 1c – Somerset County Council

### **Lot 2 Enhanced Fostering**

- Lot 2a – Cornwall Council
- Lot 2b – Devon Geographical area consisting of: Plymouth City Council, Devon County Council & Torbay Council
- Lot 2c – Somerset County Council

### **Lot 3 Parent & Child**

- Lot 3a – Cornwall Council
- Lot 3b – Devon Geographical area consisting of: Plymouth City Council, Devon County Council & Torbay Council
- Lot 3c – Somerset County Council

The Framework Agreement will contain multiple providers, who will be listed against individual Lots.

## **3. Financial Considerations**

The financial impact of the contract is set out in the Part 2 report.

#### **4. Sustainability Considerations**

- 4.1 A Sustainability Impact Assessment was conducted pre-procurement. The pre-procurement process was extensive, and included consideration of the local economic, environmental and social needs of the local area.
- 4.2 The Likelihood and Impact scores for this tender were low, but were all considered; with possible methods of risk and impact reduction inserted into the specification. Areas where added Social Value Benefits were identified, were also incorporated into the specification.

#### **5 Equality Considerations**

- 5.1 Each Local Authority was required to complete an individual Equalities Impact Assessment. A detailed impact assessment was undertaken at the pre-procurement stage of this project and the outcomes reflected in the construction of the tender and as such meets our equality duties (available on request). The equality impact of the contract is summarised in the Part 2 report.

#### **6. Risk Management**

- 6.1 Risks identified as part of the process included the financial risks of an escalating budget. These have been mitigated by using price as 100% criteria for ranking providers creating a competitive market. A development plan was also requested as part of the submission, which included measures to increase capacity and volume of foster carers.

#### **7. Summary/Conclusions/Reasons for Recommendations**

- 7.1 Placements will be based on price ranking from the suitably qualified providers. These efficiencies will allow DCC to ensure the sustainability of the service despite budgetary pressures and allow for the increase of service delivery to allow for sufficiency in the market.

Electoral Divisions: All

Cabinet Member for Children's Services: Councillor James McInnes

Head of Children's Commissioning: Fiona Fleming

#### **LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS**

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**BACKGROUND PAPER                      DATE                      FILE REFERENCE**