

**Commissioning for Peninsula Residential Children's Homes, with Independent Residential Children's Home Providers Tender Approval and Arrangements for Award of the Contract.**

Report of the Head of Children's Health and Wellbeing

*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.*

Recommendations: It is recommended that Cabinet: -

- a) Provide approval for a tendering process to be undertaken during summer 2022 with Independent Residential Children's Homes (IRCH), for the delivery of residential children's home services from February 2023, as per the recommendations and design set out in this report.
- b) Delegate authority to the Chief Officer for Children's Services and Lead Cabinet Member for Children's Services & Schools, to agree non-material changes within the overarching strategy detailed in section 4 (proposal).
- c) Delegate authority to the Chief Officer for Children's Services, in consultation with the Lead Cabinet Member for Children's Services & Schools, to approve contract award recommendations for Peninsula Residential Children's Home Services with IRCHs.

## **1. Summary**

- 1.1 This report seeks approval from Cabinet on the proposed commissioning and procurement arrangements of Independent Residential Children's Homes (IRCHs) detailed in this report. These services will support children in care, in a safe, stable, and caring environment whilst also supporting Devon County Council (DCC) and Peninsula Partners with sufficiency of high-quality placements.
- 1.2 This proposal has been developed by Devon County Council acting as the lead on behalf of Peninsula Partners (Somerset County Council, Torbay Council and Plymouth City Council) and aims to jointly and collaboratively commission services to benefit children and young people living across the Peninsula authorities.
- 1.3 The availability and provision of Independent Residential Children's Homes supports the Council in delivering our statutory duties and strategic priorities as outlined in [Devon's, A Place Called Home is the Devon Sufficiency Strategy](#); our duties as corporate parents for children and young people in our care as outlined in [Devon's Corporate Parenting Strategy](#), and our vision and priorities for families and children and young people with SEND as outlined in [Devon's SEND strategy](#).

- 1.4 The current Independent Residential Children's Homes (IRCH) contract provides children and young people in our care with the opportunity to live in a residential home environment equipped to support a broad range of needs, including emotional and behavioural issues, allowing them to thrive, and achieve the best possible outcomes. Children may require a period of time placed in a residential children's home until transition to foster care, 16-18 provisions, reunification with family or permanence through other means such as Special Guardianship based care.
- 1.5 In developing the proposed commissioning and procurement arrangements for Independent Residential Children's Home services, Peninsula Partners have considered several options and approaches to the market. The proposal is to tender for a multi provider framework agreement for a minimum period of 5 years, with the option to extend for up to a further 4 years in 2-year blocks. This option is being recommended as it will maintain, and increase sufficiency, increase quality, provide flexibility, and ensure value for money, alongside ultimately supporting children and young people to thrive in secure and stable residential children's homes.
- 1.6 It is proposed this tender will take the form of a Flexible Purchasing System in which there will be no guaranteed volumes of business as the value of spend will be driven by the demand for placements.
- 1.7 If approved, new commissioning arrangements will begin on 1<sup>st</sup> February 2023.

## **2. Background**

- 2.1 DCC has been part of a peninsula partnership with Plymouth City Council, Torbay Council and Somerset County Council since 2006. DCC acts as the lead authority to support a joint and collaborative commissioning, procurement, and contracting approach across children's services. This includes the existing 'Southwest Peninsula' commissioning and procurement arrangement for residential children's home placements with IRCHs to support children in care.
- 2.2 Under the current arrangements IRCHs deliver services to support children and young people in care up to 18 years to live in homes where they are safe, nurtured, are consulted, and listened to, and are supported to get the most out of life. IRCHs undertake a key role in supporting children and young people to transition to family homes (fostering or reunification), building their independence for early adulthood, and always having high aspirations for them.
- 2.3 The current residential children's home framework started on 1<sup>st</sup> February 2019 and is a multi-provider framework agreement with no promised volumes and call off through open expressions of interest for individual placements. The current framework agreement is due to end on 31<sup>st</sup> January 2023.
- 2.4 The framework arrangement currently includes residential children's home providers operating in Devon, Plymouth, Torbay, and Somerset, although some of the providers offer placements nationally.
- 2.5 IRCHs in the existing framework arrangements provide a list of their weekly fees, with an additional "menu" of therapeutic support, when the assessed needs of the individual

child or young person evidence that this is required to achieve good outcomes in their lives. This enables transparency of the services being commissioned, and an opportunity to scale support up and down providing a flexible and responsive approach. When considering a placement for a child or young person with disabilities the provider and DCC will jointly assess whether there is a need for specific support, equipment, or adaptations to provide the right home environment. The current framework arrangements also allow for the provision of educational services with a residential care element, registered with DfE and Ofsted.

2.6 Having these commissioning arrangements in place with the IRCH market has been beneficial for Peninsula authorities in supporting sufficiency and availability of residential children's homes.

2.6.1 For example, for end of month March 2022 in DCC:

- There were 819 children in care, of which 87 (10.6%) were living in external / independent residential children's homes.
- Of the 87 children and young people living in IRCHs, 38 (43.6%) were supported by IRCHs on the current Framework Agreement.
- In comparison, there were 49 (56.3%) external / independent children's home placements made through spot contracts outside of the current IRCH framework arrangements. Spot contracts typically have higher weekly costs than those negotiated through the framework, and placements are not subject to the same quarterly quality assurance monitoring undertaken with framework providers. The quality assurance of these placements would be an additional responsibility for social work teams.

### 3. Overview of Options Appraisal and Analysis

3.1 An options appraisal and analysis process was undertaken by the Peninsula Commissioning and Procurement Partnership as part of re-commissioning activity.

3.2 Options which were considered as part of the options appraisal included:

3.2.1 Option 1: Do nothing and move to spot contracting arrangements. This option would see the existing Peninsula Residential Children's Home Framework Agreement expire on the 31<sup>st</sup> January 2023 resulting in no formalised agreements in place. Any residential children's home placements with providers would therefore be through spot contracting arrangements and more than likely at higher weekly cost as there would be no fixed pricing in place. This option would also not be compliant with PCR 2015 Procurement Regulations. For the reasons above, this was not a recommended option.

3.2.2 Option 2: Block Contracting Arrangements. This option would include purchasing a bulk volume of IRCH services outright to be used by Peninsula authorities. Usually, these arrangements work best with one provider. It is unlikely a single provider or block would be flexible enough to cater for the wide range of needs the Peninsula authorities would require to support sufficiency. Moreover, there is a high risk in the event of business failure regarding quality and safeguarding concerns when taking a single provider approach. Full utilisation of the volumes purchased could also be a drawback for particular groups of services, increasing the risk of matching individual complex

needs. In addition, if all volume is not utilised local authorities would be committed to paying for these services even in the event they are not being used. Whilst this option would be compliant with PCR 2015 Procurement Regulations it would limit our potential for market development over the course of the contract. For the reasons above, this was not a recommended option.

- 3.2.3 Option 3: Closed Multi-Provider Framework Agreement. This option would be compliant with PCR 2015 Procurement Regulations. However, this option would only provide IRCHs one opportunity to join the Peninsula Framework Agreement through the life of the framework. This would restrict our ability to grow sufficiency across residential children's home services with our market. In addition, the option to co-design new services, such as an emergency crisis assessment residential provision would not be permitted through this option. For the reasons above, this was not a recommended option.
- 3.2.4 Option 4: Multi-Provider Framework Agreement with entry points at set intervals. This option will present providers with set entry points to join the framework. However, this would still restrict our ability to work flexibly and grow sufficiency across the residential children's home market, thus reducing the likelihood of children and young people accessing the right home at the right time, as close to their local community as possible. Evaluation of this option is resource heavy and would not bring the benefits of a Flexible Purchasing System. This would impact on the option to co-design new emergency crisis / assessment residential provision. For the reasons above, this was not a recommended option.
- 3.2.5 Option 5: Lead Provider Model. Under this option the provider will be the primary provider or neutral vendor and will be responsible for brokerage of services. This relies on market providers being financially secure and holding capacity to take on the role of Lead Provider and subcontracting to other residential providers. It is unlikely a single provider would be able to undertake this role, whilst meeting the needs of all the Peninsula authorities. Moreover, there is a substantial risk in the event of business failure regarding quality and safeguarding concerns when taking a single provider approach. To achieve this option Peninsula authorities will potentially incur higher costs for a provider to undertake this role, due to a lack of competition. Interest for this role is likely to be limited. A healthy and balanced consumer market is essential in sustaining sufficiency across our residential children's homes and a Lead Provider Model could de-stabilise the market. For the reasons above, this was not a recommended option.
- 3.2.6 Option 6: Flexible Purchasing System (FPS). As our preferred approach this will encourage new providers to the market, stimulating ongoing market engagement and development. There will be the opportunity to target providers in specific service areas and encourage them to join the FPS at any time. There will also be the opportunity for a variety of call-off arrangements to be used in developing local emergency provision, with the aim of supporting stability and safety when young people are in crisis. The FPS will achieve improved value for money for placing authorities through greater transparency of pricing and competition through call-off. The above will help the future structure to realise maximum benefits for Devon County Council and Peninsula Partners, ensuring sufficiency of services and high-quality placements to enable children and young people to remain as close to their home community as possible.

With the simplicity an FPS can deliver comes the opportunity to encourage new / small providers who do not have any public sector experience, as some new / small struggle to get onto Frameworks or win tenders. Getting onto the FPS is typically a more accessible route into tendering and securing public sector contracts. Crucially, this option would allow providers to join the Peninsula Framework to deliver residential children's home services at any time, as the FPS remains open. These services would fall under - Schedule 3 social and other specific services and as such several call off procedures could be utilised. Section 4 outlines the design and summarises the rationale for this being proposed as the preferred option. Again, this process would be compliant with PCR 2015 Procurement Regulations, evaluations would need to be as automated as possible to reduce resource impact through the life of the FPS. Taken as a whole all of these elements will provide an optimum combination of flexibility and structure to achieve the best engagement and sufficiency in the market as is possible.

#### 4. Summary of Proposed Contract Scope, Design, Benefits and Rationale.

- 4.1 Subject to approval, it is anticipated that the new arrangements would replace the existing approach to providing residential children's home services through IRCHs when it expires on 31<sup>st</sup> January 2023.

##### Scope of Services

- 4.2 The Peninsula Commissioning and Procurement Partnership are proposing a new arrangement focusing on the provision of 2 types of residential children's home services for children and young people in need or in the care of our local authorities. These are:

- **Standard Residential Placements:** These will enable children to live in residential homes, where they will receive high quality care in a safe and enriching environment, supporting a broad range of needs, including emotional and behavioural issues, sexualised behaviours, and physical disabilities. Understanding of the difficulties children may have experienced and how this may present, will require a therapeutic parenting approach. Services will be needed for a variety of reasons and durations.  
It is intended that residential children's homes are not used as an end destination for children in care; but are used appropriately to enable stability, safety and support to children and young people so that they can be supported towards family reunification where it is safe and appropriate, step forward to a family foster home, build their interdependence for early adulthood, and always having high aspirations for them.
- **Bespoke Partnership Working (Call-Off) Competition by Co-Design:** This approach is intended to allow commissioners to design, and with the providers, deliver bespoke services designed to meet complex needs that are not easily met through standard residential care. A bespoke partnership will enable the Peninsula authorities, greater flexibility, and collaborative working with their providers to offer an asset-based model of service, where the child or young person is supported to achieve positive outcomes, placement stability and step forward to permanence. One way could be through a competitive conversation to enable specialist support

to be put in place in response to a child or young person's individual needs, with additional elements reflected within the individual placement agreement (IPA). This type of approach will also create scope for targeted, developmental work with our providers to develop a multi-disciplinary model of residential assessment provision for children and young people in crisis, which will focus on meeting the needs of children who experience high placement instability.

The Flexible Purchasing System model will provide the mechanism to work with the market to further reduce higher cost spot purchased placements and secure a higher proportion of placements within, and closer to Devon providing children and young people with improved access to the wider support offer provided by Devon County Council and its partners.

### **Proposed Contract Design**

- 4.3 The Peninsula Partnership is recommending that a tender process is carried out to form a Flexible Purchasing System. The initial term will be a minimum of 5 years with options available to extend up to a further 4 years, broken down into +2, +2 years. The Flexible Purchasing System is a continually open arrangement, with the aim to speed up the process for new homes to become available for placements by the Peninsula authorities and will also include a mechanism for inflationary fee increases.
- 4.4 To support the delivery of our sufficiency obligations there will be no restriction on geography. IRCHs that are operating locally and nationally will be invited to bid for the opportunity to deliver some, or all the residential children's home services, outlined above at 4.3. However, priority will be given to providers who can ensure Devon young people are placed within or close to Devon. This will strengthen our partnership work and ability to enhance the quality of our referral and matching processes.
- 4.5 Providing Peninsula Partners Placement Teams with refreshed and qualified provider lists and contracting arrangements will ensure placements continue to be made on Peninsula terms and conditions, wherever possible, and at the most advantageous rate. This will also ensure sufficiency within the market to help Peninsula authorities meet the needs of all their children and young people and providing the best opportunity for the right match.
- 4.6 The commissioning recommendations made in this report provide DCC with the mechanisms to engage market partners in targeted initiatives to drive continuous improvement of placement sufficiency, making best use of available resources within the constantly evolving market environment. As the new arrangements will be pulling together multiple services, some of which are new, specific terms and conditions will be drafted where applicable to support individual service specifications. A focus on supporting placement stability and permanence for our children will be included in all specifications.
- 4.7 To be awarded a place on the Framework, IRCHs will go through a tender process which will include a selection questionnaire, this tests capability and capacity including financial structure and Ofsted registration. There will be a quality test which will include Ofsted inspection gradings and service specific quality standards. Costings will also be reviewed as part of this process. The award criteria will be formed to achieve the optimum combination of quality, cost, and sustainability. Once this is successfully

completed providers will be awarded a place on the Flexible Purchasing System for the specific residential children's home service they have applied to deliver.

- 4.8 The majority of the IRCH providers on the current Framework Agreement are rated 'Good' or 'Outstanding', so the aim will be to maintain and increase this level of quality through the new Flexible Purchasing System.
- 4.9 There will be several methods of forming contracts (call-offs) under the new Flexible Purchasing System. These will include forming block contracts for a set volume, specialist need or geographical area, forming a partnership to develop a certain element of service or programme, single placement, or multiple placements at once.

#### **Rationale and Benefits Analysis for Proposed Commissioning and Procurement Arrangements**

- 4.10 Residential children's homes may be needed when a child or young person is in crisis or needs a safe and secure home until they are ready to step forward, support rehabilitation to family or progression to interdependent living. Therefore, working with the IRCH market to maximise the availability of residential children's homes for the children and young people in our care is key to achieving this priority within the [Devon Sufficiency Strategy – A Place Called Home](#). It recognises all children and young people should be given the opportunity to live in local, safe, and secure family home environments where they are supported by staff who are rooted in relational practice, treated with kindness, respect, and supported to thrive.
- 4.11 The proposed Flexible Purchasing System will achieve better outcomes for children and young people through engaging the IRCH market, so we are working closely with them in a flexible way which will increase our reach into the market in a sustainable way. The proposal will achieve this by:
- Having multiple providers on the Flexible Purchasing System including small, large, specialist, and non-specialist residential children's homes will increase the choice of children's homes and service ensuring the best match for an individual child or young person. This approach will maintain healthy competition which helps to ensure value for money and keep quality levels high. This will also help in ensuring we have specialist providers supporting all areas of need using bespoke call-off methods.
  - The proposed option will significantly expand the sufficiency, choice and specialist support available for those children and young people whom Peninsula authorities are struggling to place, whilst at the same time reducing the reliance on spot purchase placements which typically have higher weekly costs. This option helps DCC to realise value for money by finding the right placements for children and young people and achieving best value for care placement spend by following the new commissioned pathways. The Flexible Purchasing System will support our internal practice and placement teams in managing outcomes for children and young people and achieving best value for care placement spend by using the pathway of bespoke competitive conversation. This will enable the right individual support to be put in place, and by following this pathway, practice and placement

teams can secure competitive and favourable rates on Peninsula Terms and Conditions by having the mechanism to challenge providers on their costings.

- As access onto the Framework remains continually open during the life of the Flexible Purchasing System it will support the above point in allowing new entrants to join at any time subject to evaluation.
- All providers bidding to join the Framework at any point will be tested for capacity, capability, quality, and this will include but not be limited to Ofsted gradings. This will maintain value for money and ensure the quality of providers and placements.
- A longer initial term for the Framework has been proposed, as it will provide more scope to develop services within the Flexible Purchasing System and promote partnership working with providers. This responds to feedback from the IRCH market and will help to improve, develop, and focus growth of service areas to best meet diverse needs of children and young people.
- Providing flexibility and innovative competitive dialogue in how we engage through the Flexible Purchasing System by developing several different call-off methods will allow for future emerging needs and developments to be addressed through the existing Framework without the need for separate commissioned / procured services. This will improve collaboration, effective partnership working, and increase provision through the new arrangement and encourage new entrants.
- The new Flexible Purchasing System will include a formal process for agreeing and implementing inflationary uplifts on an annual basis. This will be in line with the methods used to project DCC budgets and market influences (for example CPI). This will allow more efficient management of the market and costs by providing greater transparency of costs for both commissioning partners and providers.
- There is a nationwide shortage of most types of placements, as acknowledged in the recent Competition and Markets Authority's Social Care Market Study. This has been exacerbated as the market has experienced a shortage in Children's Home Managers and Care Workers and foster carers in recent years. This, along with the growth and consolidation of some placement providers, is resulting in market price increases, which are placing significant strain on local authority budgets and councils' ability to meet demand for placements. By introducing a bespoke partnership element, we aim to develop a relational approach to commissioning by providing opportunity for co-design, shared ownership and enable responsive solutions. This collaborative approach signals a move towards greater shared coordination of the market challenges and a sustained workforce.
- Through the mechanisms above, it is anticipated the agreement will provide greater sufficiency, quality, choice, and flexibility of service, thus ensuring children and young people get the right service at the right time, whilst providing commissioners with the levers to support further development across the IRCH market.

## **5. Consultations, Engagement and Representations**



- 5.1 Engagement activities including virtual workshops, review with forum groups, surveys and individual meetings have been undertaken, and will be ongoing to inform the commissioning approach summarised in section 4 and the service specifications that will form the tender pack.
- 5.2. Stakeholders including children and young people in care and care leavers; the IRCH provider market; other local authorities; and internal teams and practitioners across children’s services have been involved in the process.
- 5.3 Summarised below are examples of themes, ideas and feedback that have emerged through the engagement events. These have been used to shape and inform the commissioning and procurement approach being proposed.

Engagement Event and Date	Examples of feedback received from children and young people and partners	How is this reflected in the new arrangement
<p><b>Children in Care Participation Team 2021</b></p> <p>DCC Participation Team who support Stand Up Speak Out, Devon’s Children in Care Council.</p>	<p><i>“Luckily for me, my care home was absolutely amazing, it changed me completely and gave me confidence.”</i></p> <p><i>“If I could change something in residential, I would change carer’s; they need to be more calmer when you get bad feelings”</i></p>	<p>Through working with our providers to co-design bespoke services designed to meet complex needs that are not easily met through other forms of residential care. This model will facilitate greater flexibility and collaborative working to offer an asset-based model of service and the skills and ability to work restoratively and in trauma informed ways.</p>
<p><b>Stand Up Speak Out, Devon’s Children in Care Council, Ongoing</b></p>	<p><i>“We don’t like moving lots, and we don’t like being with people we don’t really know and who don’t like the same things as us. If we stay in the same place for a while, we are more likely to be able to call it home.”</i></p> <p><i>“We don’t want to live in places that are a long way from family and friends.”</i></p>	<p>The proposed system will ensure the voice of children and young people informs our commissioning and the work of our providers to ensure services are inclusive, relevant and make the best use of the DCC’s resources to achieve strong outcomes for children and young people.</p>
<p><b>Responsible Individual Network (Dialogue) Devon Presentation A Place Called Home (Sufficiency Strategy) April 2022</b></p>	<p>Use of key value principles brought strategies to life for providers.</p> <p>Providers are keen to know trends and plans in Devon as the planning cycle of homes is 2/3 years ahead. Noted the importance of young people living in homes closer to home.</p>	<p>Creating a closer working relationship and generating value for both commissioners and providers will support this.</p> <p>Commissioning is taking on a closer, relational approach to providers and the new arrangements will facilitate more spaces for dialogue and collaborative working</p>

Engagement Event and Date	Examples of feedback received from children and young people and partners	How is this reflected in the new arrangement
	Providers noted to challenges with stability and how practice could be developed, such placement request forms to improve the quality of information sharing.	Continued conversation between commissioning AND providers via the RI Network meetings is scheduled to explore more deeply Devon's specific sufficiency needs.

5.4 The Peninsula Commissioning and Procurement Partnership remain committed to ensuring appropriate engagement with all stakeholders throughout the re-commissioning and procurement process. Therefore, a programme of engagement will remain up until contract award has been made.

## 6. Financial Considerations

6.1 The projected gross budgeted expenditure for the financial year 2022/2023 is £24,949,000.00 Budgeted expenditure allows for a 2.5% inflationary increase for placements being made for children and young people. Obviously, this is not reflective of the current financial environment and there will be future challenges.

6.2 Should Cabinet approve the recommendation being made within this paper to take the contracting opportunity described and summarised in Section 3 out to tender with IRCHs:

6.2.1 There is a risk that there will be an increase in prices for the delivery of Independent Residential Children's Homes services from February 2023. It is recognised that this risk would apply to the recommended option as well as any other options described in Section 3. Throughout engagement IRCHs have referenced the following as emerging financial pressures that will impact the market:

- The rapidly increasing rate of inflation through 2022 to date and the pressures residential children's homes face with increased utility fees, and to general costs of living.
- The introduction of the Health and Social Care Tax for all employees from April 2022.
- Wage increases for any staff on National Living Wage from April 2022 and increase in wages to attract new employees due to the widespread challenge regarding recruitment in the sector.

6.2.2 The ability to provide uplifts for residential children's home staff in these contexts could also have an impact on the recruitment and retention of and thus availability of high-quality residential staff to support children and young people in our care.

6.2.3 To support both the Council and IRCHs, within the commissioning and procurement approach proposed, IRCHs will be required to complete a costing breakdown for residential children's home services and any additional support / therapeutic services

going forward. This will provide a menu of costs which will be reviewed as part of any procurement process and will enable commissioners to manage costs going forward.

6.2.4 In addition, a pricing protocol for the Flexible Purchasing System will be included. This will include consideration of any planned increases to the National Living Wage, the rate of the Consumer Prices Index (CPI) and any unforeseen and significant cost increases, for example regulatory fees. This will allow for consultation with the market and our finance teams to align with the service budgets. The increase will then be applied on an annual basis.

6.2.5 Overall, the above mechanisms will aim to achieve high quality residential children's home services which reflect value for money and are sustainable and viable for both parties, as far as possible. The service arrangement and agreement for each individual child will remain the responsibility of each individual Peninsula authority accessing residential services to be included in the commissioning and procurement arrangements described in Section 4.

## **7. Legal Considerations**

7.1 The lawful implications of the proposals have been considered in the preparation of this report and the formulation of the recommendations set out above.

7.2 The procurement process will be conducted in accordance with all relevant legal requirements, best practice principles, and procedures detailed in the tender documentation and with the principles of transparency, equality, fairness, and proportionality as stipulated by the Public Contracts Regulations 2015.

7.3 To achieve our intentions to co-design emergency children's home provision for children and young people in crisis utilising bespoke call-off arrangements, the parameters for this will be described appropriately to satisfy requirements of Public Contracts Regulations 2015 to allow additional services to be taken forward appropriately. A programme of specific market engagement will also be developed going forward as this will be key to achieving co-design for this service.

## **8. Environmental Impact Considerations (Including Climate Change)**

8.1 The influence and role of children's homes on the way children and young people interact with their environment has been considered as part of an impact assessment. For example, in influencing behaviours through conservation awareness or efforts to reuse, reduce and recycle materials.

8.2 Other impacts considered include how supporting Devon's children and young people to be able to live within children's homes could reduce/manage travel needs and emission of gases in response.

8.3 For further detail please refer to the published impact assessment.

## **9. Equality Considerations**

- 9.1 Social impacts and mitigations within the impact assessment completed consider the impact of decisions on health and well-being of residential support staff and children and young people. It also explores how service specifications, contracting arrangements and recommended service design will support protected characteristics. For example, a requirement around specific training to upskill residential support staff to best respond to a child or young person's needs, making reasonable adjustments and provision of bespoke support and training to be able to best meet the need of children and young people.
- 9.2 The impact assessment also considers the potential positive impact of the recommendations being made on knowledge, skills, and expertise of staffing groups. In addition, it considers the role the commissioning opportunity could provide in presenting more job opportunities for individuals and the businesses locally and nationally. Both can impact on opportunities for children and young people to live locally and the local authority in supporting sufficiency of services.
- 9.3 For further detail please refer to the published impact assessment.

## **10. Risk Management Considerations**

- 10.1 This proposal has been assessed and all necessary safeguards or action has been taken to safeguard the services to children and young people and the Council's position.
- 10.2 The risk identified and relating to fee increases and pricing has been summarised at Section 6 above. There are 3 further additional risks of significance which have been identified. One concern involves the sufficiency of IRCHs on the new Flexible Purchasing System with the potential risk that the number of providers bidding does not fulfil our sufficiency needs. Another concern relates to how we are ensuring continuity of care and continuation of existing residential children homes arrangements under the current contract for children and young people in our care. The final concern is in relation to insufficient emergency/assessment provision, with the aim of supporting stability and safety for our more vulnerable and complex children and young people.
- 10.3 Take up of IRCHs into the new Flexible Purchasing System and contracting arrangement proposed. A key determinant of take up for IRCHs is likely to be linked to price and the approach to managing fee uplifts and increases throughout the lifetime of the contract. Peninsula partners have designed the fee protocol with this in mind (see Section 6 above). This protocol will provide clarity and a sufficient approach to uplift to support IRCHs to join. Other mitigations to minimise the impact of this potential risk include increasing opportunities to work in partnership, reducing unnecessary process and administration, providing flexibility in developing the service and ensuring that we engage and work closely with providers on the new Flexible Purchasing System. The main incentive will be to ensure that DCC and Peninsula partners work solely with providers on the new Flexible Purchasing System.
- 10.4 As the arrangement remains continually open this will allow opportunities to engage IRCHs to join the proposed Flexible Purchasing System over the next 5 to 9 years. The addition of a flexible, bespoke call-off arrangement and the opportunity for IRCHs

to co-design and co-produce some elements of services, is hoped will provoke invigorated interest and attract IRCHs to bid to join the contracting arrangement.

10.5 Continuity of care and continuation of existing residential children homes arrangements under the current contract for children and young people in our care. Arrangements made for children and young people in our care under the current contract remain as is, up until the arrangement comes to a natural end for that child or young person. The commissioning and contracting approach summarised in this paper (see Section 4) will only apply to delivery of residential children homes services for children and young people in our care, made from February 2023 should approval for recommendations in the paper be granted.

10.6 The corporate and / or community risk registers have been updated as appropriate.

## 11. Public Health Impact

11.1 Since the start of the COVID pandemic children, young people and families have reported nationally and locally on the negative impact this has had on their lives, their opportunities and on their physical, mental, and emotional health and wellbeing. Many children and young people are or have experienced a negative impact on their mental and emotional health and wellbeing and this is equally true of Devon's children in care population.

11.2 With the continuation of Covid-19 into 2022, understanding, responding, and supporting the emotional health and wellbeing needs of our children and young people in care will be important. Individual service specifications, which will form part of the commissioning and contacting approach summarised in Section 4, will include requirements regarding: -

- Specific training for professionals working with children and young people.
- Awareness of support services available to which they can signpost children.
- The requirement to support children as far as possible with children to develop their resilience, and to support them to maintain positive emotional health and wellbeing.

## 12. Summary/Conclusions/Reasons for Recommendations

12.1 Approval for the commissioning and procurement arrangements proposed in this report to secure residential children homes services will provide more options to find the right high quality children's homes locally for children and young people in our care. Securing more local children's homes will enable DCC to support children and young people in our care to maintain strong local connections, maximising the opportunity to maintain relationships, achieve and thrive.

12.2 Accepting the recommendations outlined above will support officers to further develop local sufficiency, increase quality, provide flexibility, and ensure value for money, all of which ultimately will strengthen the services available to children and young people in Devon.

- 12.3 Securing delivery of emergency crisis provision / assessment services will create scope for targeted, developmental work with our providers to respond more effectively to children / young people’s mental health and well-being, ensure trauma is better understood, and supported, and minimise the likelihood of children and young people experiencing multiple placements moves.
- 12.4 The proposed Commissioning and procurement approach will secure a high-quality residential children homes service through providers that have been tested for capacity, capability, cost, and quality. The arrangement will have the flexibility to meet known future demands and the ability to develop to meet unforeseen future changes. It will engender a long-term stable relationship with our partners and providers whilst allowing management of the quality and costs of the service.
- 12.5 Should the Cabinet agree to the proposed approach a process of engagement with the provider market and other stakeholders will commence and the tender process will be carried out with the intention of the new arrangement being in place by 1<sup>st</sup> February 2023.

Electoral Divisions: - All

Cabinet Member for Children’s Services: - Councillor Andrew Leadbetter

Interim Head of Children’s Commissioning: - Rupa Parmar

Deputy Chief Officer - Head of Children's Health and Wellbeing: - Janet Fraser

Contact for Enquiries: - Janet Fraser, Deputy Chief Officer- Head of Children’s Health and Wellbeing and Andrew Simkin, Procurement Category Manager (Services).

Tel No: - 01392 382300      E-mail: - childrenscommissioningsecure-mailbox@devon.gov.uk

Local Government Act 1972: List of Background Papers

<b>Background Paper</b>	<b>Date</b>	<b>File Reference</b>
Devon County Council, Sufficiency Strategy 2022-24. Finding a place called home.	2022-2024	<ul style="list-style-type: none"> <li><a href="https://www.dcfp.org.uk/training-and-resources/policies-and-procedures/sufficiency-strategy/">https://www.dcfp.org.uk/training-and-resources/policies-and-procedures/sufficiency-strategy/</a></li> </ul>
Devon Corporate Parenting Strategy 2022-2024	2022-2024	<ul style="list-style-type: none"> <li><a href="https://www.dcfp.org.uk/corporate-parenting-strategy-2022-24/">https://www.dcfp.org.uk/corporate-parenting-strategy-2022-24/</a></li> </ul>
Devon SEND Strategy	2021-2024	<ul style="list-style-type: none"> <li><a href="https://www.devon.gov.uk/education-and-families/send-local-offer/working-together/what-we-are-doing-devons-send-strategy/">https://www.devon.gov.uk/education-and-families/send-local-offer/working-together/what-we-are-doing-devons-send-strategy/</a></li> </ul>
Impact Assessment	June 30 <sup>th</sup> 2022	<ul style="list-style-type: none"> <li><a href="https://www.devon.gov.uk/education-and-families/send-local-offer/working-together/what-we-are-doing-devons-send-strategy/">Peninsula Residential Children’s Homes - Impact Assessment (devon.gov.uk)</a></li> </ul>

Peninsula  
Commissioning  
& Procurement  
Partnership.  
Fostering  
Services  
Timeline.

March  
2022

## Proposed Timetable

