

**PROPOSED AWARD OF A SOUTH WEST SUB-REGIONAL DYNAMIC PURCHASING SYSTEM
(DPS) AGREEMENT FOR THE PROVISION OF RESIDENTIAL CARE FOR CHILDREN AND
YOUNG PEOPLE LOOKED AFTER.**

Cabinet Date	9 October 2019
Children's Safeguarding and Early Years	Cllr Richard Boyles
Key Decision	Yes
Background Documents	<p>Gloucestershire County Council Sufficiency Strategy- Right Placement First Time 2018-2021 https://www.gloucestershire.gov.uk/health-and-social-care/children-young-people-and-families/sufficiency-strategy-2018-2021/</p> <p>Narey, Sir Martin (2016) Residential Care in England: Report of Sir Martin Narey's independent review of children's residential care. London. HM Government. https://www.childrenssociety.org.uk/what-we-do/resources-and-publications/sir-martin-nareys-independent-review-into-childrens</p> <p>Children Act 1989 (https://www.legislation.gov.uk/ukpga/1989/41/contents)</p> <p>The Public Contracts Regulations 2015 (http://www.legislation.gov.uk/uksi/2015/102/pdfs/uksi_20150102_en.pdf)</p>
Location/Contact for inspection of Background Documents	See above.
Main Consultees	Residential Care Providers South West Consortium Local Authority Commissioners A group of 48 Gloucestershire children and young people in care or care leavers.
Planned Dates	06.11.19 Market Engagement Event 03.02.20 – 26.02.20 Panel evaluation and award 16.03.20 Formal contract award 01.04.20 Target start date
Divisional Councillor	All
Officer	Chris Spencer, Director of Children's Services (DCS) Email: chris.spencer@gloucestershire.gov.uk

Purpose of Report	To seek Cabinet approval for Gloucestershire County Council (the “Council”) to participate in a competitive tendering process conducted by South Gloucestershire Council (as the lead authority) to establish a four year dynamic purchasing system, with the option to extend for a further two years, (to be known as the “South West Sub-Regional Dynamic Purchasing System” (the “DPS”) commencing on the 1st April 2020 for the provision of independent residential care for looked after children.
Recommendations	<p>That Cabinet authorises the Assistant Director for Integrated Children and Families Commissioning to:</p> <ol style="list-style-type: none"> 1 participate in a public procurement law compliant procurement process conducted by South Gloucestershire Council (as the lead authority) to establish a four year (with the option to extend for a further two years) Dynamic Purchasing System (to be known as the “South West sub-regional Dynamic Purchasing System” (the “DPS”) commencing on the 1st April 2020 for the provision of independent residential care for looked after children using a light-touch approach. 2 enter into a Participation Agreement with South Gloucestershire Council to give effect to recommendation 1. above and make a one off payment to South Gloucestershire Council of £5,000 as a contribution towards their costs in acting as lead authority for the procurement of the DPS; 3 to procure such number of call-off contracts (placements) under the DPS as are required to meet the Council’s responsibility to provide residential care services for children and young people who become or are looked after Provided that the value of any single call-off contract will not exceed £499,999.99. Any single contract under the DPS with a value that exceeds this sum must be the subject of a separate cabinet decision; 4 report back to Cabinet on an annual basis throughout the continuance of the DPS with details of the aggregate value of all call-off contracts that have been awarded by the Council under the DPS in the preceding year.
Reasons for recommendations	<p>The benefit of a collaborative DPS agreement will be that the local authorities using the DPS will work together to improve services, manage the market and pool information. There will also be greater oversight, quality assurance and contract management as all local authorities will participate in this process and share intelligence.</p> <p>The participating authorities for the DPS will be: South Gloucestershire Council, Bath and North East Somerset Council (BANES), North Somerset Council, Swindon Borough Council, Wiltshire Council and Gloucestershire County Council.</p>
Resource Implications	The Council will not incur costs under the DPS unless or until it awards call-off contracts thereunder.

Spend on residential placements for financial year 2018/19 was:
External Budget- £11,787,307
Dedicated Schools Grant- £6,933,907
Health- £467,108

The social care cost of all externally commissioned Placements and connected Support Packages are currently and will continue to be funded through the Children's Social Care external placement budget.

The current market for residential placements is saturated and it is acknowledged by all Local Authorities within the south west consortium that we currently have little influence over the market as the demand far outweighs provision. Gloucestershire and other local authorities are working to address this by improving front end services to stem the number of children and young people coming in to care. This work will be ongoing and will take several years to embed and have a significant impact. Gloucestershire's Sufficiency Strategy sets out how Gloucestershire is going to manage the market and improve provision. The DPS forms part of this strategy as it enables providers to apply through only one process and does not discourage them as it would if they were to have to join a number of agreements.

MAIN REPORT CONTENTS

1. Background

- 1.1 The Council has a duty to provide sufficient, appropriate accommodation for children and young people who have been assessed to need residential care (Children Act 1989). This report seeks to outline how the Council can discharge this duty through participating in a collaborative sub regional DPS arrangement.
- 1.2 Central government is proposing to place additional duties on local authorities with regard to Children in Care / Leaving Care; the strategy set out in Keep on Caring: Supporting Young People from Care to Independence will enable young people leaving residential care to stay close to and be supported by their residential provision until they are 21 years.
- 1.3 There is an ongoing need for this service provision particularly as Gloucestershire County Council do not have their own residential provision. There are currently 39 children and young people in independent residential provision (as at 06.09.19) and the Council will need to secure residential accommodation services for children and young people once the current arrangements expire.
- 1.4 The Council currently meets its obligations through a framework agreement which was awarded on 1st April 2016 and is due to expire on the 31st March 2020.
- 1.5 The proposed DPS will allow the Council to buy residential placements for children and young people from a range of pre-approved providers.
- 1.6 The participating authorities for the DPS will be: Bath and North East Somerset, North Somerset, South Gloucestershire, Swindon, Wiltshire and Gloucestershire.
- 1.7 Evaluation of current arrangements has identified the following benefits that the Council wishes to retain and to build on within the sub-regional arrangements:
 - a) Provision of quality services with improved quality monitoring that leads to improved provision
 - b) Improved outcomes for children and young people who are enabled to settle into a stable environment
 - c) Improved, clearer pricing structures leading to transparent cost and spend
 - d) Improved working relationships with providers of residential accommodation and support providers for children and young people
 - e) Satisfying the requirements in the Children & Young People's Act 2008 regarding Local Authorities obligation to meet the sufficiency duty
- 1.8 The benefit of a collaborative arrangement is that the local authorities using the DPS will work together to improve services, manage the market and pool information.
- 1.9 Through the regional DPS the council seeks to continue to provide accommodation through a process that minimises bureaucracy and duplication and secures quality and timely placements for vulnerable children and young people. This option would also allow the Council to have increased influence over the market and shape services to

meet the Council's requirements. The collective influence of a sub-regional group on price and uplift negotiations would help to ensure value for money.

2. Options

Two alternative options have been considered

- 2.1. Option 1: For the Council to allow the current arrangements to expire and move to 'spot' purchasing future placements. Whilst this option would give access to the whole market, there would be a requirement for additional resources to support the procurement and contracting processes and quality monitoring responsibilities, making the whole process slow, un-wieldy and resource intensive. The Aggregation Rules under PCR 2015 would require that EU compliant tender processes are run for each individual award once the relevant threshold figure has been reached. In addition it is likely that placement costs would be at enhanced rates with the Council likely to experience a reduction in the level of influence it has within the marketplace.
- 2.2. Option 2: For the Council to tender a Gloucestershire DPS agreement. This option would emulate the current arrangements and enable the Council to tailor its requirements. However the Council would not be able to achieve the benefits of the economies of scale that a sub-regional approach brings including maximisation of sub-regional cost and volume arrangements, sharing of contract monitoring and quality assurance, sharing of good practice. The ability to influence service provision would also not be realised.

3. Risk Assessment

Risks/Issues (potential future impact):	Mitigating actions:
1. Key suppliers could fail to engage.	Evidence to date would suggest this is unlikely. Feedback from providers indicates that DPS and framework agreements offer them significant benefits and those relationships with participating local authorities are improved. There is an effective communication and market engagement strategy in place.
2. Challenge from providers in respect of procurement process.	The lead authority (South Gloucestershire) to follow "light touch" procurement process under PCR 2015.
3. Pursuing a joint DPS can incur risks that relate to the full participation of all the participating councils. This can result in failure to achieve the maximum cost and volume benefits.	The lead authority will seek to mitigate this by active management and information sharing across the Local Authorities. Unit rates are fixed offering greater cost and volume benefits, making it attractive to Councils to use the proposed DPS arrangements.

4. Officer Advice

- 4.1 The preferred option would be for the Council to participate in a collaborative, structured and public procurement law compliant procurement process with South Gloucestershire acting as the lead authority for the selection of pre-qualified providers and the award of a DPS contract for the provision of residential care for children and looked after young people. This option enables the Council to discharge its duty to provide good quality sufficient accommodation for Children in Care and Care leavers. Collaborating with other local authorities enables the Council to achieve better value for money in this sector and be more efficient in streamlining procurement processes. The DPS will also have the option for the Council to undertake 'mini tenders' which will allow us the freedom to tender for bespoke services such as block purchasing.

5. Equalities Considerations

- 5.1 An assessment has been undertaken of the potential impact of this decision on people or groups with a protected characteristic, the details of which can be found within the Due Regard Statement. Current and ongoing arrangements have and will continue to have a positive equalities impact. Bespoke packages to meet individual needs (including the protected characteristics) drive the type of provisions that are awarded. Diversity of provision enables the Council to promote equality of opportunity for this group. Cabinet Members should read and consider the Due Regard Statement in order to satisfy themselves as decision makers that due regard has been given.

6. Consultation Feedback

- 6.1 Consultation with young people took place in March 2018 and lasted for several months. The feedback was collated and is contained throughout the Sufficiency Strategy and is summarised on pages 99-103.
- 6.2 A provider consultation and engagement event will be held on 6th November 2019.
- 6.3 Current feedback from internal stakeholders has identified that there is a keenness to continue to work with the South West Regional authorities.

7. Performance Management/Follow-up

- 7.1 Monitoring of the sub-regional DPS agreement will be undertaken through regular, not less than quarterly, meetings with all participating authorities.
- 7.2 Ongoing monitoring of the quality of the services called-off under the DPS will be undertaken through regular contact between the child/young person's social workers and other professional contacts as well as collation and analysis of quality monitoring information on a scheduled basis.
- 7.3 All providers will receive formal annual quality assurance visits and will be supported with the development of appropriate action plans to improve service provision where concerns are identified. In addition to this there will be formal contract monitoring meetings to support the inspection visits.

7.4 There will be discernible outcomes prescribed by the individual's care plan, with the activities and methods employed to attain these outcomes directly tailored to that plan. Additional Services which have no demonstrable link to achieving key outcomes in the individual's care plan shall not be included in the package of care for that child. The overall goal is to commission high quality residential care for looked after children that meets their individual needs and enables them to be happy, healthy, safe and confident in their future, through the achievement of the following positive outcomes:

1. Safety
2. Physical and Mental Health
3. Resilience
4. Self-Esteem
5. Emotional Intelligence
6. Control
7. Relationships
8. Achievement
9. Identity and Social Presentation
10. Preparation for Adulthood

Service Outcomes

The following Service Outcomes describe expectations regarding the approach providers will take in achieving these outcomes with children. The contract will not oversubscribe how providers will work, but commissioners will expect providers to work in a way which meets the following outcomes:

11. Co-production between Gloucestershire County Council and Providers
12. Value for money
13. Work experience
14. Connecting with the local community
15. Promoting inclusion
16. Working in partnership with other services
17. Collaborating with other providers
18. Contributing social value
19. Ensuring Financial Responsibility

Report Title	Proposal to establish a South West sub-regional dynamic purchasing system for the provision of residential care for children and looked after young people.
Statutory Authority	Children's Act 1989 Children Act 2004 (Guidance and Regulations) Children and Young People Act 2008
Relevant County Council policy	Gloucestershire County Council Sufficiency Strategy- Right Placement First Time 2018-2021
Sustainability checklist	
Partnerships	South West Sub Regional Consortium
Decision Making and Involvement	N/A
Economy and Employment	N/A
Caring for people	Provision of this service, supports the Council in meeting its statutory obligations under the Children Act 1989.
Social Value	Participating local authorities will seek to ensure that the services provided under the DPS will have a significant impact on social value by providing benefits to local communities where children and young people shall be safely and appropriately housed and supported. The said services shall further promote social value by placing children and young people in their local areas and supporting and nurturing them to respect their community, appreciate facilities and contribute to their community.
Built Environment	N/A
Natural Environment' including Ecology (Biodiversity)	The participating local authorities will, during the continuance of the DPS, endeavour to ensure that service providers will use methods, equipment, materials and consumables that minimise environmental damage.
Education and Information	Priority will be given to education, training and skills to enable Children in Care and Care Leavers to achieve their full potential and develop the necessary skills that will enable them to participate in their community.
Due Regard Statement	Yes, a due regard statement has been completed - considerations also included in main body of report A copy of the full Due Regard Statement can be accessed on GLOSTEXT via http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1 Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail:

	jo.moore@gloucestershire.gov.uk
Human rights Implications	<p>DPS providers will be required to abide by the principles of the Human Rights Act and will be required to have clear policies in relation to the human rights of children and young people.</p> <p>Children Act</p> <p>UN Convention on the Rights of Children (Article 12)</p> <p>National Standards for the Provision of Advocacy Services 2003</p> <p>The National Minimum Standards</p>
Consultation Arrangements	As previously detailed