



REPORT TITLE: Residential Framework for Children's Homes

Cabinet Date	21 July 2021
Cabinet Member	Cllr Stephen Davies - Cabinet Member for Children's Safeguarding and Early Years
Key Decision	Yes
Purpose of Report	To seek approval to undertake a compliant competitive tender process, in order to develop 'in county' residential provision for Gloucestershire children and young people in care.
Recommendations	<p>The Officer recommendations to Cabinet are;</p> <p>(1) To approve the establishment of a pseudo framework opportunity for Residential Care, initially for up to ten 2-3 bed children's homes and up to two 6 bed children's homes;</p> <p>(2) To delegate authority to the Executive Director of Children's Services, in consultation with the Executive Director of Corporate Services and Cabinet Member for Children's Safeguarding and Early Years, to:</p> <ul style="list-style-type: none">a) Conduct a compliant process for the tender of a 5-year pseudo framework agreement for residential children homes. The estimated total value is up to £150m.b) Upon conclusion of the pseudo framework process; call off up to 7 contracts for residential children's homes in the first year, for a period of 5 years, plus an optional extension of up to 5 years to an estimated maximum value of £70m; and, up to 5 additional residential children's homes for a period of 5 years, plus an optional extension of up to 5 years, to an estimated maximum value of £50m in years 2-5 of the framework.c) Determine whether to exercise the option to extend each call-off contract for each home for a further period of not more than 5 years on the expiry of the initial five-year term.

<p>Reasons for recommendations</p>	<p>Completing a successful tender process for the residential provision identified will enable the Council to:</p> <ul style="list-style-type: none"> • Establish greater certainty regarding future costs for up to 50% of our requirement for residential placements in future years; • Maintain more children and young people within County, keeping educational, family and friends' links; • Meet the statutory Sufficiency requirements set out in the Background Documents; • Improve outcomes for some of our most vulnerable children and young people through the provision of bespoke placements based on Gloucestershire's needs.
<p>Resource Implications</p>	<p>The continuing rise in numbers of children and young people becoming Looked After is placing increasing challenge on existing budgets. This reflects a national trend which has been further exacerbated by Covid.</p> <p>As these new provisions come on line, children and young people identified by their current location and/or individual need will move at an appropriate time for them from their existing home into the new homes with the funding moving with them. It is anticipated that the new pseudo framework will result in competitive costings for the new provisions, it is likely in the short term that expenditure may increase slightly due to the associated set up costs. This will be balanced by efficiencies achieved over the whole period of the framework.</p>
<p>Background Documents</p>	<p>Right Placement First Time: Sufficiency Strategy 2018 - 2021</p>
<p>Statutory Authority</p>	<p>Children Act 1989 – Section 22(g) General duty of local authority to secure sufficient accommodation for looked after children.</p> <p>The duty to provide or procure placements for Children in Care is explicit in the Children Act 1989. This has since been strengthened by the introduction of Sufficiency Statutory Guidance (2010) and the Care Planning Placement and Case Review Regulations 2010.</p>
<p>Divisional Councillor(s)</p>	<p>All</p>
<p>Officer</p>	<p>Wendy Williams, Assistant Director for Integrated Children and Families Commissioning 01452 328526 07796611068 wendy.williams3@gloucestershire.gov.uk</p>
<p>Timeline</p>	<p>July 2021: Market engagement Oct 2021: Tender Documents Published April – Sept 2022: Pseudo Framework operational with initial call off of up to four homes.</p>

1.0 Background

- 1.1 Gloucestershire is committed to ensuring, wherever possible, that children who need to be cared for away from home receive the 'Right Placement First Time'. In order to achieve this outcome for children in care there will need to be system wide changes that allow the commissioning of whole pathways for children in care from infancy to young adulthood, service development to address gaps in provision, alongside workforce development to empower positive professional practice.

Residential Care

- 1.2 When a child comes into care and depending on their needs an option for some children is to be placed into residential care. Previously many local authorities, including Gloucestershire maintained their own in-house residential provision but over time many of these resources closed. As a consequence, authorities have become increasingly reliant on placing children in private residential homes, sometimes many miles from the child's parents and social networks. Research evidence shows this does not lead to consistently good outcomes for children
- 1.3 Over the past 20 years local authorities have created what is in effect a 'just in time' marketplace. This is due to purchasing placements from primarily profit-making companies who aim to have 'just enough' placements to satisfy the marketplace and ensure maximum profitability, as vacancies/voids cost money, that ultimately would fall on LAs. This is most evident in the residential children's home and residential, independent and non-maintained schools (INMSS) market.

As children in care numbers continue to rise, the market takes time to respond. This rise in numbers of children in care has been a constant feature over the last five years and there is a lag in the marketplace responding.

'The rising number of children in care is placing the child protection systems under increasing pressure. Due to record levels of demand local authorities can struggle to find suitable placements in local residential care homes resulting in children being placed further from home. This may not be in their best interests but there are few, if any alternatives. Regulation is a factor in this complex set of issues as is austerity.' Alison Michalska, ADCS President.

In order to manage these issues in the marketplace we have taken steps to address them, by joining together as a purchasing consortium with other local authorities to form a larger partnership for a dynamic purchasing system (DPS) for residential children's homes. This system gives us a route to market and ensures compliance with Public Contract Regulations and UK Procurement Legislation.

2.0 The Gloucestershire Experience

- 2.1 Gloucestershire does not currently have any in-house, non-disability related residential provision and, as a result, we purchase all our residential placements

from third parties. In the financial year 2020/21, the spend for residential placements, excluding secure and parent and child placements, came to £17.8m. Some 77.6% of these placements were outside of Gloucestershire and in some instances outside of the south west region. This means that the child is placed away from their home with the risk of them becoming socially isolated from education, family and friend networks.

- 2.2 In June 2021, there were 83 children and young people in the care of GCC who were placed in residential provision, including those who were jointly funded with health. Of these only 12 placements were in Gloucestershire (approx. 14.5%) meaning 85.5% were placed outside of our borders. The overall number is an increase of 4 on the position at the end of March 2021 (during 2020/21 the number of children and young people in residential care varied month on month between 63 and 79) the total cost for 2021/22 is now expected to increase to £20.2m.
- 2.3 Along with the direct cost pressures from additional children in care, especially those in residential care, further pressures are added through the time and costs incurred by social workers and other practitioners, such as Independent Reviewing Officers performing their statutory functions. This in part has led the Council to consider its reliance on external residential provision and explore different delivery models which are more effective for children, deliver better outcomes and more efficient use of staff and financial resources.

Sufficiency Strategy

- 2.4 Our Sufficiency Strategy “Right Placement First Time“, outlines a vision to build placement sufficiency and choice for Gloucestershire, acknowledging that our reliance upon the Southwest framework arrangements has not delivered those objectives. Moving away from the reliance on frameworks is a huge undertaking, and represents a medium to long term plan to create or secure the ‘range, type and sufficiency’ of required placements.
- 2.5 This change in approach is based upon the premise that determining our commissioning and service requirements and developing provision alongside providers on a competitive tender basis will shape the market rather than adopting a ‘one size fits all’ approach.
- 2.6 The identified benefits from our commissioning principles include;
- Provision (and subsequent development) reflects the needs of our children and young people;
 - Development is needs driven and defined by the local authority;
 - The shape of the local market is to a great extent defined and managed by the local authority as ‘sole consumer’;
 - We engage in a true partnership approach and move away from a traditional purchaser/provider relationship;
 - Quality is contractually defined and locally assured;
 - Services are local and can be tailored – allowing for specialist, targeted and emergency provision that is fit for purpose by design and concept;

- Placement stability is positively influenced and managed as provision better matches need.

2.7 An example of this approach is Trevone House which delivers service that is;

- based upon identified, well understood, local need;
- co-designed with care experienced young people and locally delivered;
- that prioritises being needs lead and Outcomes focused;
- market leading in its approach;
- a partnership with a major service provider;
- changing perceptions of what supported living could and should look like, and;
- is a key contributor to placement stability.

2.8 The demand for residential provision in future years is likely to increase due to increasing numbers of children and young people in the care system which will, in turn, generate increased numbers in residential care. In addition there is a greater understanding that for some young people the existing pathway to residential care via fostering causes more harm than good and results in considerably worse outcomes. For this reason, we have begun to explore different models of residential care based on therapeutic concepts.

2.9 At Trevone House there is a strong commitment to the 'Trauma Informed Model of Care', with all staff having been trained in this approach and further support for individual and group sessions with a psychotherapist. We have also explored a model known as Social Pedagogy, which is prevalent in Europe within residential child care settings and increasingly gaining traction in the UK. Whilst both approaches have their differences, at their heart is a joint belief in relationships and residential care as a positive experience, rather than the placement of last resort after multiple prior failures. Moreover, it should be the placement of choice for those children or young people for whom a family-based provision such as foster care is not appropriate or suitable.

3.0 Proposed Actions

3.1 We therefore intend to develop a pseudo framework to deliver a multi year opportunity to develop residential provision for young people aged 12 – 17 years, based on the following;

- the potential increased demand for residential care;
- the desire for more children and young people in the care system to either live within or close to Gloucestershire;
- our successful experience of commissioning Trevone House to meet identified local need, and;
- evidence of the need to explore different residential care options .

3.2 The framework will be used to establish a maximum of ten 2 – 3 bedded residential homes to be located around the county and in adjacent localities¹ over the lifetime of the contract, with an initial call off of 7 homes in the first year of the framework. These homes could also provide supported accommodation and ‘move on’ options for the resident young people. In addition, we anticipate developing two 6 bedded homes to be run on a therapeutic model, both of which will have supported accommodation as part of the contract. Taken together these units could meet 40 – 50% of our overall jointly identified and funded requirement for residential provision over the medium and long term. The service will offer the following opportunities:

- Consistency of staff involvement and support to young people across key elements (residential and supported accommodation);
- Young people being enabled to remain within or close to Gloucestershire thus maintaining key relationships;
- Improved outcomes;
- An option to remain until the young person is aged 25 years in the supported accommodation;
- Greater engagement with providers due to the long term nature of our contracting;
- An opportunity to reduce GCC costs indirectly by reducing travel of key professionals as many placements will be closer.

3.3 It is recognised that in the first year of delivery of each home there will be start up costs resulting in them being marginally more expensive in the immediate term than existing placements. However we believe the opportunity to work as sole user with a provider allows us to jointly ‘flex’ delivery to enable the best outcomes for our children and young people to be achieved including, most importantly, providing security of placement and a reduction in unplanned moves or placement failures.

3.4 The DfE are in the process of launching a new £19.5 million pounds Children’s home capital building programme. The application programme will take place during the summer of 2021, projects will be approved in November 2021 for full completion by March 2023. Gloucestershire’s sufficiency planning is in a strong position to bid for such government funding, which will accelerate our programme to develop residential provision in county for our children and young people.

4.0 Options

4.1 The Council is faced with a number of options, these are;

1. Stay as we are/Do nothing

¹ The majority of provision in any lot must be within the county boundary of Gloucestershire. Additional provision may be situated only in the following Local Authority areas; Herefordshire, Monmouthshire, Oxfordshire, South Gloucestershire, Swindon, Warwickshire, Wiltshire, Worcestershire

To stay as we are would be to continue to use the South West Framework for Residential Placements. This is not tenable at the present time, current arrangements do not deliver the quantity or range of provision required at reasonable cost. Failure to provide placements would not meet statutory duties.

2. Develop a pseudo Framework

This offers the opportunity to mould provision to the Council's needs through close engagement with providers. Using the light touch regime of the public contract regulations to modify the framework as a pseudo-framework allows the Council to change the length of the framework to encourage market development and options such as reopening the framework. This would include lots which reflect different leasing arrangements e.g. where the provider has their own property or where there is a suitable GCC property or a 3rd party e.g. Housing Provider. Setting the overall pseudo-framework value at a higher value than initial anticipated spend enables the framework to be flexible to future requirements.

This is the recommended option because it provides the best opportunity to provide tailored and local residential care opportunities whilst maintaining a hold on costs.

3. Spot purchase

Whilst this could provide most flexibility it comes at the cost of additional expenditure, potential unavailability when required and least influence over the market. It also runs the risk of challenge as purchases are not in line with the Public Contract Regulations.

4. Undertake a tender each time

This option provides managed flexibility but is time consuming as each time further capacity is required a competition is held which may not meet the Council's or more importantly the young person's time scales for delivery.

5.0 Risks

- 5.1 There is a risk that providers do not reply to the tender opportunity which can be mitigated by a proactive provider engagement process early on and setting the call off contract length at five years (plus up to five years optional extension) to increase the commercial viability of the contracts.
- 5.2 There is a risk of inability to control costs which will be mitigated by five year (plus up to five year) contracts, contract management and continued membership of existing Residential Frameworks.

6.0 Financial implications

- 6.1 We do not anticipate significant savings as part of the Tender; rather it provides an opportunity to manage costs more effectively for up to 50% of our jointly funded residential placements. We also anticipate that the Local Authority should see reductions in travel time and associated claims by social workers if the tender is successful in ensuring more young people live within Gloucestershire or close by.
- 6.2 As noted above DfE have recently announced the launch of a new £19.5 million pounds Children's home capital building programme to which Gloucestershire will submit an application. If we are successful this will allow for the acceleration of our programme to develop residential provision.

7.0 Climate change implications

- 7.1 The opportunity for more young people to live closer to key relationships will support actions to positively support climate change intentions.
- 7.2 Tender specifications will include a requirement for homes to be energy efficient.

8.0 Equality implications

- 8.1 Has an Equalities Impact Assessment (EIA) been completed?

Yes

- 8.2 The proposed tender and framework will enable children and young people in the care of the Local Authority and placed in residential provision live closer to their support networks with provision specifically tailored to the needs of Gloucestershire children and young people. This will improve a range of outcomes including health, education and relationships that would not have been possible otherwise. This will contribute to the elimination of discrimination, advance equality of opportunity and promote good relations.

9.0 Data Protection Impact Assessment (DPIA) implications

- 9.1 Data Protection Impact Assessment is a legal requirement. Work with IMS will be undertaken and completed to identify any personal data risks, these will be addressed within the tender and mitigated within the contract terms.

10.0 Social value implications

- 10.1 Provision of residential care within or close to Gloucestershire will improve the quality of life for looked after children, young people and their parents/carers. The tender process will invite providers to include how they would deliver increased social value as part of their bid submission.

11.0 Consultation feedback

11.1 Feedback from professional colleagues supports the provision of residential care within or closer to Gloucestershire.

12.0 Officer recommendations

12.1 The Officer recommendations to Cabinet are;

- 1) To approve the establishment of a pseudo framework opportunity for Residential Care for up to ten 2-3 bedded children's homes and up to two 6 bedded children's homes;
- 2) To delegate authority to the Executive Director of Children's Services, in consultation with the Executive Director for Corporate Services and Cabinet Member for Children's Safeguarding and Early Years, to:
 - a) Conduct a compliant process for the tender of a 5-year pseudo framework agreement for residential children homes. The estimated total value is up to £150m.
 - b) Upon conclusion of the pseudo framework process; call off up to 7 contracts for residential children's homes in the first year, for a period of 5 years, plus an optional extension of up to 5 years to an estimated maximum value of £70m; and, up to 5 additional residential children's homes for a period of 5 years, plus an optional extension of up to 5 years, to an estimated maximum value of £50m in years 2-5 of the framework.
 - c) Determine whether to exercise the option to extend each call-off contract for each home for a further period of not more than 5 years on the expiry of the initial five-year term.

13.0 Performance Management/Follow-up

13.1 Performance management metrics for tendered services will be co-produced with children, young people and their parents/carers who will be supported to take part in oversight meetings.