

TO: EXECUTIVE MEMBER, CHILDREN YOUNG PEOPLE AND LEARNING
25 JULY 2017

**CROSS REGIONAL CONTRACT FOR THE PROVISION OF
RESIDENTIAL CHILDCARE
Director of Children, Young People & Learning**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to the procurement plan for the cross regional contract for the provision of residential therapeutic child care, integrated with education.

2 RECOMMENDATION

- 2.1 **That the procurement plan for the cross regional contract for the provision of residential therapeutic child care, integrated with education attached at confidential Annex A is agreed.**

3 REASONS FOR RECOMMENDATION

- 3.1 Involvement in this contract supports the commissioning strategy for looked after children in building capacity and giving the authority preferential access to residential care in the private sector where demand for places is increasing. It widens market opportunities and presents better value for money opportunities than would be available through individually negotiated placements.
- 3.2 It is a requirement of Contract Standing Orders that the Executive Member approves Procurement Plans with a value in excess of £400,000.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Spot purchase of all placements. This would most likely result in a rise in placement costs as providers ordinarily offer discounts for long term contracts and the certainty of income they deliver.
- 4.2 The council does not have the resources to manage a tendering process on its own. The current contract has a dedicated contract manager that is the single point of contact for monitoring and management of the contract, the cost of which is jointly funded by the 6 partnering LAs.
- 4.3 If the council was to manage its own contract it is unlikely to see a reduction in placement costs as there would be a loss of the purchasing power that is gained in a regional arrangement. Representing 7% of total spend, the council is the smallest local authority in the arrangement and therefore benefits the most from the economies of scale that a regional project delivers.

5 SUPPORTING INFORMATION

Background

- 5.1 BFC is currently a partner within a cross regional contract for the provision of local specialist children's home facilities. The current contract was implemented in April 2011 and was procured by Buckinghamshire County Council and includes 6 LAs.
- 5.2 In the current contract, the council has committed to purchase 1 bed, and this has been permanently occupied since May 2014. The assumption is that from within the 10-15 residential placements ordinarily required at any one time, there will continue to be sufficient demand to purchase at least 1 bed in the new contract.
- 5.3 The project has been highly commended by the recent Narey review into children's homes. It has been shown to reduce the cost burden in the local authorities in excess of £11m over the life of the contract. There has been a significant improvement in the outcomes for the children involved, with all continuing to have meaningful relationships with their parents, siblings, peers, social workers and other key professionals.
- 5.4 On behalf of the current partners, Oxfordshire has completed a business case for the on-going requirement for a cross regional contract for the provision of local specialist children's home facilities. This identified the numbers of children in care is rising, and has risen by 5% from 2012. However, the population of children living in children's homes has risen by 14% in the same time, nearly 3 times the overall increase. Furthermore, it is known that care populations are expected to rise as there is an increasing children's population and other contributing factors such as an increased awareness in child sexual exploitation and increased vulnerability of children linked to psychological needs.

Procurement

- 5.5 The procurement plan forms the attached confidential Annex A. This report seeks agreement to the procurement process only. Approval to award a contract for the service will be subject to a later report to the Full Executive.
- 5.6 The new contract is due to commence on the 1 January 2019, with 11 months for contract implementation, should the provider need time to source sufficient accommodation.

Financials

- 5.7 Research from the Oxfordshire County Council business case shows that the average weekly cost for residential care placements that include education and therapy is £4,294, with the currently weekly cost in the cross regional agreement at £2,995 per week, an annual cost saving of £67,548. The effect of economies of scale has ensured relatively low prices are available in the local area.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 This procurement complies with the Council's Contract Standing Orders in terms of the Procurement Plan, appropriate authorisation and value for money.

Borough Treasurer

- 6.2 The Borough Treasurer is satisfied that no significant financial implications from agreeing the procurement plan. Furthermore, the proposed procurement provides the council with the opportunity to secure local residential childcare through a cross regional partnership that would expect to bring greater financial and other benefits than could be achieved if the council worked independently.

Head of Procurement

- 6.3 No further comments.

Equalities Impact Assessment

- 6.4 An EIA initial screening has been completed that indicates a full screening is not necessary.

Strategic Risk Management Issues

- 6.5 Strategic risks have been considered and included within the body of the procurement plan. Bracknell's access to the contract will reduce the risk of not finding suitable placements for children and young people who have been identified to require a residential placement.

7 CONSULTATION

Principal Groups Consulted

- 7.1 CSMT, DMT and the Service Efficiency Group.

Method of Consultation

- 7.2 Written reports.

Representations received

- 7.3 Included within the report.

Contact for further information

Peter Hodges, Head of Service – Looked After Children
01344 351532 Peter.Hodges@bracknell-forest.gov.uk

Paul Clark, Head of Finance – CYPL
01344 354054 Paul.Clark@bracknell-forest.gov.uk

UNRESTRICTED

Approved by Cllr Dr Gareth Barnard
Executive Member, Children, Young People
& Learning

Approved by Nikki Edwards
Director, Children, Young People
& Learning

Signature.....

Signature.....

Date: 25 July 2017

Date: 25 July 2017