

CABINET

8 MARCH 2022

GATEWAY 3 CONTRACT AWARD: MEDWAY AND KENT FRAMEWORK FOR INDEPENDENT FOSTERING

Portfolio Holder: Councillor Mrs Josie Iles, Portfolio Holder for Children's Services – Lead Member

Report from: James Williams, Director of Public Health

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Summary

This report seeks the Cabinet's agreement to award the procurement of the Medway and Kent Framework for Independent Fostering, with Kent County Council (KCC) being the lead contracting authority. This Gateway 3 report was considered by the Procurement Board on 16 February 2022 and has been deemed to be a high risk procurement.

Procurement Overview

Total Contract Value:	£34.2m (4 years)
Project Budget:	£6,148,834 Per Annum

1. Budget and Policy Framework
 - 1.1 To ensure we meet our Sufficient Duty and can achieve the required outcomes for each child and young person, the Council is therefore procuring this Framework with Independent Fostering Providers (IFPs).
 - 1.2 Medway Council has a comprehensive in-house fostering service which is seeking to develop its capacity to meet complex needs. A wider range of training courses are being delivered, alongside support and practice groups for carers who wish to develop specialisms in areas such as adolescence, parent and child placements, therapeutic parenting, sibling groups and children with disabilities. However, there will always be a need for external provision when the needs of individual children cannot be met by the in- house foster carers.

1.3 Currently the annual direct expenditure on external fostering placements in Medway is in the region of £8,550,000 per annum, including mother and baby placements. However, it is expected overall that this spend will reduce in future years as Medway Council increases the in-house foster care provision and other initiatives in the longer term as set out in the sufficiency plan and commissioning plans.

2. Background

2.1 Kent County Council and Medway Council have operated a jointly procured Framework agreement since 2012/13 and again, a refreshed approach in 2018.

2.2 In August 2021, Children and Adults Directorate Management Team (CADMT), Procurement Board and Cabinet endorsed the option to pursue a Joint Framework with Kent County Council.

2.3 The Framework Agreement and its related service is anticipated to commence on 1 April 2022 and will continue for a period of four year(s) (48 months) unless terminated in accordance with the Conditions of Contract.

2.4 There is the potential for a contract extension of up to a further four year(s) (48 months), based on individual one-year periods, depending on both the success in achieving the required outcomes, the availability of further funding, the emerging needs of our looked after children and Medway Council's on-going Sufficiency requirements.

2.5 The focus and aim of the Framework contract are to achieve the most effective and efficient means of placing with foster carers. A service specification is in place, and it sets out the standards and ambitions for Medway's children and young people who are in care. Providers are expected to ensure the highest standards of safeguarding and quality of provision. This is also in line with the imperative to always seek the best price for the right placement.

2.6 Efficiencies are likely to be achieved by and through:

- Ensuring that this Framework works alongside and complements the continuing development of our in-house service and other developments in the Council's Sufficiency Plan.
- Continually working collaboratively with framework providers in strengthening relationships, building trust, providing quality referrals and being very responsive in the team around the child approach in working together. This will build confidence that Providers choose to work with Medway Council in providing quality placements for our children as appose to accepting referrals from other local authorities.
- Obtaining greater value for money and use its market management and procurement levers to secure longer lasting provider responses at the right price. This will necessitate working with high performing providers where the quality of

outcomes is proportionate to the fees charged and who have a track record of delivering quality services. This will be a responsible and equitable approach to build a mixed economy of care provision.

- Mitigation against placement breakdown. The Framework ensures that IFPs make available to their foster carers training and appropriate support to ensure the effective delivery of contracted services.
- Reducing the need for uneconomic spot purchasing. The Framework will deliver increased choice thereby reducing the need to search for placements outside of the new Framework arrangement. This approach seeks to bring greater transparency and build levels of trust and stronger partnerships between all stakeholders.
- Specific commissioning arrangements with fewer providers in tighter management of placement need, delivery and matching, thereby fulfilling placement requirements.
- Effectiveness of service delivery. The new contractual arrangement will have clear requirements regarding the performance measurement and reporting against outcomes in all placements. Continuous improvement is a joint process whereby the Council and the Provider actively review the services provided with the objective of finding and implementing improvements to the operation and management of the contract that delivers increased value for money, improved quality, and better outcomes.

2.7 The Councils have sought to identify and select new and existing providers that are suitable for partnering arrangements and are willing to become partner providers. These providers represent a cross section of provider types but are mainly Kent and Medway-based businesses and include not for profit organisations. The framework also allows new providers to be added to the framework over time to meet emerging needs and local demographic variations.

2.8 Through this new arrangement both Councils, on reflection of the 2018 process and tender, have decided to use the Lots around descriptions of services required as opposed to types of providers for the 3 Lots, which should ensure more effective approaches to manage long term relationship and value for money. The Councils will seek reciprocal benefits to continued loyalty to these providers that should result in more placement stability, sustainability for both the Councils and selected Kent and Medway based businesses.

2.9 The Councils require the following range of specific placements which are separated into 3 Lots across the following range of categories:

Lot 1 - Core foster care placements

- Long Term placements (as per the Care/Placement Plan)
- Short Term/Task Centred/Bridging, up to 12 months

- Long Term or permanent homes (as per the Care/Placement Plan; 12 months and over)
- Parent(s) and Child(ren)
- Short Break Homes
- Solo homes, with no other children/young people within the fostering household
- Homes for large sibling groups to enable brothers and sisters to live together
- Emergency foster care beds, where foster carers are able to care for children without the usual planning and/or thorough assessment process having taken place because of the need to ensure the immediate safety and welfare of the child
- Emergency same day homes for children and young people can be required for a variety of reasons: safeguarding, complete family breakdown
- Police Protection Orders, child abandonment, criminal involvement
- Young people remanded by the court to the care of the local authority

Lot 2 - Step Down Fostering Homes

- i) A small number of our children and young people in care, are placed within a residential children's home due to the complexity of their needs during a specific period in their childhood. For some, past adverse family experiences may lead to poor emotional and mental health expressed through depression, self-harming behaviours or separation anxieties and attachment disorders.
- ii) They are often highly vulnerable young people whose behaviour could be perceived to make them or others more at risk. Therapeutic care provided by the residential setting, should form the basis of a care plan that works towards preparing the young person to transition to a family home if all the other alternative options regarding birth family and connected persons have been explored.
- iii) We are seeking Providers who can deliver a strength and resilience based model to children who are placed within a residential care setting (including their own provision) and supporting their transition back to a family based environment.
- iv) The needs of these children who are transitioning out of residential care may not be able to be met within a Standard or Enhanced fostering home, necessitating a Step-Down arrangement.

Lot 3 - Specialist Fostering Homes

- i) We are seeking specialist foster carers, predominantly for adolescents. For some, past adverse family experiences may have led to poor emotional and mental health expressed through depression, self-harming behaviours or separation anxieties and attachment disorders.

- ii) They are often highly vulnerable young people whose behaviour could be perceived to make them or others more at risk.
- iii) These young people may be stepping down from residential care or more likely requiring a fostering home at short notice (similar to an Emergency Bed).
- iv) The foster carers will need to care for a young person with complex needs and potentially a number of risk-taking behaviours which may include violence, absconding, offending and gang association. It is expected that these would be predominately a solo arrangement.
- v) The level of complexity and need of these young people are above the thresholds that the Placing Authorities would source as part of an enhanced placement through its IFP Fostering Framework Agreement. It is anticipated that only a very small number of these young people would require this type of fostering home in any given year.

2.10 In addition to standard fostering placements the Council also requires enhanced fostering placements which must be able to support children and young people who have more acute, and complex needs e.g., significant challenging and risk-taking behaviours that are a risk to both themselves and others.

These are likely to include:

- Support in relation to significant psychological, emotional and psychiatric needs
- Support in relation to children/young people assessed as having complex needs requiring alternatives to mainstream education provision
- Support in relation to multiple and profound physical and learning

2.11 The Council requires that the areas listed below will be covered by the Framework and Providers are expected to have established local provision in these areas.

- Gillingham and Twydall
- Luton and Rainham
- Strood Peninsula and Rochester West
- Rochester East, Chatham and Walderslade.

3. Procurement Process

3.1 Procurement Process Undertaken

- i. The procurement process was undertaken using an Open Tender procedure in accordance with the guidelines set out by both Councils in meeting statutory Public Contract Regulations. The process followed an open and transparent timetable and offered providers opportunities to clarify requirements, processes, and definition of

terms. Teams of officers from both Authorities including Heads of Children’s Commissioning were closely involved in appraisals of method statements, policies, case studies and presentations. Children and Young people were engaged in setting and defining the service specification.

- ii. The new framework is scheduled to be awarded on 21 March 2022 for a commencement date of 1st April 2022. As KCC is the Contracting Authority (Medway is a named partner commissioner contained within the definition of the contract), they will need to award in line with KCC Governance at the earliest opportunity, inform providers and issue contract schedules.

3.2 The procurement required a formal collaborative approach Partnership Agreement) to reduce any potential competition for carers between the Councils and make our demand more attractive to the market. This has been positively received by providers as evidenced by the significant number of providers tendering.

3.3 Evaluation Criteria Used

3.3.1 Evaluation criteria used (Q/P):

Tenderers must obtain a minimum overall quality score of 50% to progress to be evaluated on Price. Each price submitted by tenderers for Standard placements will be ranked from the least expensive to the most expensive and this ranking will be published.

3.3.2 Providers were required to self-certify a number of pass/fail questions including statutory questions required to be asked by KCC/Medway e.g., history of insolvency, financial stability and backing. 48 tenders were received.

3.3.2 Following submission of the Standard Selection Questionnaire (SSQ) the approach to evaluation was based on a 100% overall weighted Quality section followed by a ranking of the Standard prices which were submitted.

The following table outlines the approach:

Criteria	Overall Weighting	Category	Category Weighting
Quality	100%	Pass/Fail (Must pass to move onto weighted quality section)	N/A
		Technical (Ofsted ratings etc)	50%
		Service Capability (Case Study)	40%
		Social Value	10%

What exactly is Social Value?

3.3.3 Tenders were discounted from consideration for award if they did not achieve the minimum score required on any question. Taking into

account the weightings applied, Tenders had to obtain a minimum overall quality score of 50% to progress to be evaluated on Price.

3.4 Contract Management

3.4.1 We have been successful in line with our commissioning intentions, service specification and tender to attract and create a cohort of quality providers who are prepared to work in partnership with both Councils.

3.4.2 Medway Council will work closely with KCC managing the demand for placements across the area and creating more opportunities for placement matches to be available, together with robust contract management arrangements and including outcome performance indicators.

3.4.3 Contract management is a joint responsibility for Kent and Medway Councils. The Medway lead Commissioners, working collaboratively with KCC colleagues, will be the Head of Children's Commissioning and Senior Commissioning Officer, Children in Care.

4. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Quality Assurance	There is risk that new service providers fail to deliver required improvements in scope of service and offer opportunities for delivering efficiencies.	Robust management of the new contract based on the outcomes described in the performance framework.	D2
Service Delivery	There is risk that there are inadequate numbers of appropriate foster carers capable of meeting increased complexity of need.	To include KPI's within the contract to ensure that framework providers actively recruit appropriate workforce, including specialist training and support to meet the needs of our LAC.	D2

5. Financial Implications

5.1 The procurement requirement and its associated delivery as per the recommendations will be funded from existing revenue budgets. The 2021/22 budget for external foster carers is £5,828,834 and parent and child placements £320,000, however current predicted end of year spend for this period is likely to be in the region of £8,550,000 for both external foster carers and mother and child placements.

6. Legal Implications

- 6.1 Local Authorities have a duty under 22A of the Children Act 1989 to provide accommodation for children and young people in care. There are various requirements under section 22C of the Act for such placements including that as far as reasonably practicable, accommodation should:
- Be close to the family's home
 - Allow the child to continue attending the same school as when they were at home
 - Allow the child to live in the same placement as a sibling who is also a child in care
 - If the child is disabled, meet the child's particular needs.

7. Other Implications

7.1 TUPE Implications

- 7.1.1 TUPE is not applicable to this tendering process.

7.2 Procurement Implications

- 7.2.1 KCC led the procurement process for the renewal of the framework agreement. The requirement was advertised in FTS and having reviewed the information provided the process complies with the Open procurement procedure.

7.3 ICT Implications

- 7.3.1 The service will be externally hosted and therefore there are no issues for ICT.
- 7.3.2 No requirements have been provided to integrate to any existing, or future applications operated by Medway Council (e.g. Framework i, Mosaic)

7.4 Social, Economic & Environmental Considerations

- 7.4.1 As part of the tendering exercise, providers were asked to specifically demonstrate how the delivery of services meet social, economic, and environmental considerations to show additional value that require sustainable use of environmental resources.
- 7.4.2 This consideration covered the rights and responsibilities of being a good employer and ways of maximising and contributing to the economic benefits for local people. Additionally, the procurement process sought feedback and specific interventions/ideas and solutions for using the total resource available to Medway's children and young people including community groups, green spaces, cultural and sporting facilities for improving outcomes.

8. Recommendation

- 8.1 It is recommended that the Cabinet agrees to award the framework to the providers named within the exempt appendix as they have been evaluated as the most economically advantageous against the Council's award criteria as per the evaluation spreadsheet set out at Exempt Appendix 2 to the report.

9. Suggested reason for decision

- 9.1 Procurement of the Medway and Kent Framework for Independent Fostering is essential to continuously ensure value for money through the placement process and to meet the Council's statutory responsibility.

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Appendices

Exempt Appendix 1
Exempt Appendix 2

Background Papers

None.