

<b>Meeting</b>	Cabinet Resources Committee
<b>Date</b>	24 June 2013
<b>Subject</b>	West London Alliance framework for Independent Fostering Agency (IFA) placements to children in care
<b>Report of</b>	Cabinet Member for Education, Children and Families
<b>Summary</b>	<p>This report:</p> <ul style="list-style-type: none"> <li>i) Seeks authority to accept and call off the jointly commissioned West London Alliance framework for IFA placements, led by London Borough of Hillingdon, for a period of 4 years</li> <li>ii) Seeks authority for London Borough of Barnet to enter into an access agreement with London Borough of Hillingdon to enable this</li> <li>iii) Seeks authority to undertake variations of any relevant existing contracts to comply with the requirements of this framework</li> </ul>

<b>Officer Contributors</b>	<p>Ann Graham, Assistant Director Children’s Social Care, Children’s Service</p> <p>Marie Moody, Service Manager, Specialist Resources, Children’s Service</p> <p>Jackie Holmes, Senior Placements Officer, Children’s Service</p> <p>Lindsey Hyde, Commissioner, Children’s Service</p>
<b>Status (public or exempt)</b>	Public
<b>Wards Affected</b>	All
<b>Key Decision</b>	Yes

Reason for urgency /  
exemption from call-in

N/A

Function of

Executive

Enclosures

None

Contact for Further  
Information:

Marie Moody, Service Manager, Specialist Resources,  
Children's Service

[Marie.Moody@barnet.gov.uk](mailto:Marie.Moody@barnet.gov.uk)

## **1. RECOMMENDATIONS**

### **1.1 That the Committee:**

- i) Accept and provide authority to call off the jointly commissioned West London Alliance framework for IFA placements, led by London Borough of Hillingdon, for a period of 4 years
- ii) Authorise that London Borough of Barnet enter into an access agreement with London Borough of Hillingdon to enable this
- iii) Authorise the variation of any relevant existing contracts needed to comply with the requirements of this framework

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet Resources Committee, 7 November 2012, Agenda Item 7, approval for spend on fostering placements, including from the West London Alliance Framework, up to the value of £3,895,000 in 2013/14 financial year.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 Providing services to vulnerable children, young people and their families is a key priority across the council and its partners. The provision of foster placements to children in care is a statutory requirement and one which the council recognises plays a key role in supporting children and young people to achieve good outcomes.
- 3.2 The Corporate Plan 2013-16 includes the strategic objective to support families and individuals that need it, promoting independence, learning and well-being. The provision of foster placements to children in care supports both this strategic objective and the Corporate Plan outcome to create better life chances for children and young people across the borough. The Corporate Plan 2013-16 sets out the council's commitment to children in care and the objective to ensuring that children who enter the care system are given a good start in life, with a stable home and access to education and other support.
- 3.3 Protecting children at risk of harm and supporting them to achieve their potential is a key aspect of the Children and Young People Plan 2013-16. The provision of appropriate accommodation which meets the needs of children and young people in care supports the Children and Young People Plan priorities to protect children at risk of harm and support them to achieve their potential and to ensure services are integrated to support young people as they transition to adulthood.

## **4. RISK MANAGEMENT ISSUES**

- 4.1 The Framework will deliver financial savings on its commencement but ultimately the degree to which the West London Alliance boroughs change their commissioning patterns and actively manage the market will determine the level of efficiencies delivered over the life of the Framework.

- 4.2 It will be important to track combined expenditure across the West London Alliance boroughs over the life of the Framework so that there is clarity about volume of spend with providers and an understanding of when volume thresholds will be triggered to inform placement decisions. West London Alliance recognise this and are developing ways to monitor spend and volume.
- 4.3 Prices are only fixed for the first two years of the Framework Agreement and at that point a competitive re-price will be undertaken. There is a risk that providers could increase their prices in years three and four. However, if Barnet were not working as part of the West London Alliance, this risk would increase. The collaborative market development work being undertaken by the West London Alliance, and the combined volume of placements purchased, places the West London Alliance boroughs in a stronger position to develop the market and keep prices down.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Under current Equalities legislation the Council and all other organisations exercising public functions on its behalf are required, when exercising such functions, to have due regard to the need to: i) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010; ii) advance equality of opportunity between those with a protected characteristic and those without; iii) promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 Having 'due regard' means: (i) consciously thinking about the three aims as part of the decision-making process; (ii) that an incomplete or erroneous appreciation of the duties will mean that due regard has not been given to them; and (iii) that the duty must be exercised in substance, with rigour and with an open mind.
- 5.3 This duty, also, applies to a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.
- 5.4 The framework tender process assessed and quality assured providers' existing equalities and diversity policies. Access to services and accessibility of services in relation to protected equalities characteristics will be monitored for the duration the framework is in place.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### Procurement

- 6.1 Hillingdon has acted as the lead borough in a West London Alliance initiative to develop a framework agreement for Independent Fostering Agency (IFA)

placements. The IFA Framework tender process has been an in depth procurement exercise, delivered through a robust and high quality process.

- 6.2 The tender specification was developed using the London Care Placements Model Specification 2010 which has been updated and adapted by West London Councils for the purposes of this Framework Agreement.
- 6.3 The tender was advertised on [www.procure4london](http://www.procure4london) and bidders submitted their tenders through this portal.
- 6.4 There are three lots in the Framework; Core Fostering; Parent and Child Fostering; and Specialist Fostering. Bidders submitted prices for all Price Bands in the Lots that they were bidding for:

<b>Lot</b>	<b>Ref</b>	<b>Price Band</b>
<b>Lot One - Core Fostering</b>	1.1	Age 0 – 16
	1.2	Age 16 & 17
	1.3	Solo placements
<b>Lot Two – Parent &amp; Child Fostering</b>	2.1	Under 18
	2.2	Over 18
<b>Lot Three – Specialist Fostering</b>	3.1	Age 0 -16
	3.2	Age 16 & 17
	3.3	Solo Placements

- 6.5 Bids were evaluated against qualification criteria, successful bids were then evaluated against selection criteria and following that stage, successful bids were further evaluated against award criteria, alongside price evaluation. A young people interview panel formed part of the award criteria and quality score and a young person from Barnet was involved in this evaluation. Submissions were evaluated on the basis of the most economically advantageous tender (MEAT) in accordance with EU directives, with an overall weighting of 40% quality and 60% price.
- 6.6 There are 32 providers being awarded contracts onto the Framework by London Borough of Hillingdon. Successful providers in each Lot have been tiered based on their overall score within the Award Criteria and Finance Evaluation with the top 50% being placed in Tier 1 and the bottom 50% being placed in Tier 2. Tiers relate to the priority given to suppliers for referrals and placements with those in Tier 1 receiving priority over those in Tier 2.

### Finance

- 6.7 Children are taken into care due to neglect and abuse and the decision to remove a child from their family home is usually made via the court processes. Due to the child’s experience and circumstances they require specialist services to support them, and maintain stability to help them to achieve positive outcomes. Placements are sought to match the individual needs of children to meet their emotional or behavioural needs. IFA placements are usually within the cost range of between £700 to £1,100 per placement per week. Where higher placement costs are required it is to meet the specific needs of individual children and young people, with the most costly placements being for mother and child placement, where often the mother is very young or in need of specific support.

- 6.8 Where children cannot be placed with Barnet's own foster carers, due to the specific needs of the child, placements are sought with external agencies. Contractual relationships with most IFA providers are managed through Framework Agreements. Cost savings are sought through involvement in the WLA IFA Framework Agreement through the collective buying power of councils working together. The average saving per unit as a result of the proposed arrangements will depend on the volume of collective spend. The WLA councils will work together to ensure that cost/volume discounts are maximised.
- 6.9 Children's Service already has approval for spend on fostering placements, including from the West London Alliance Framework, up to the value of £3,895,000 in 2013/14 financial year. Authorisation for spend against the West London Alliance Framework in 2014/15 and beyond will be sought through the Corporate Procurement Plan process in the usual manner. The cost of this contract will be met through the existing Children's Service budgets.
- 6.10 The financial benefits of the West London Alliance Framework is based on efficiency savings from a range of discounts, these being Permanency (length of placement), Siblings (multiple placements) and Cost/Volume. Discounts will apply to the collective spend of the West London Alliance boroughs as a whole and will include all new and existing placements on the Framework Agreement. Discounts will be applied and paid to West London Alliance boroughs based on their share of the total spend in any 6 month period. Savings will be apportioned as such with credits being paid retrospectively on a 6 monthly basis at the end of July and January to those councils who have placements with a supplier.
- 6.11 At the point of the Framework start date on 1 August 2013, the Framework will deliver an immediate saving to all existing placements, with those that are more expensive reducing to tendered rates and those that are already cheaper remaining on their existing rates. All discounts are then applied to these placements to deliver further savings. The new framework prices and discounts will be applied to relevant existing placements that are on-going as at the Commencement Date of the Framework and will be fixed for as long as they continue until 2015. The impact of this is circa £1.1 million in total across the West London Alliance boroughs in the first year of operation.
- 6.12 Financial modelling, based on placement commissioning patterns during 2012/13, outline that Barnet is expected to make a saving of £173,408 in the first 12 months of the framework, which commences on 1 August 2013. This contributes towards the £660k saving in the Children's current MTFs for 2015/16 linked to achieving efficiencies in fostering through working with other local authorities
- 6.13 It is important to note that the prices are only fixed for the first two years of the Framework Agreement and at that point a competitive re-price will be undertaken. During the second year of the Framework, providers in each lot will be required to submit prices and discounts for year three to The London Borough of Hillingdon. These will be assessed by the West London Alliance

boroughs and providers will be re-tiered in each Lot with the top 50% placed in Tier 1 and the bottom 50% placed in Tier 2. The same process will be repeated in year three for year four.

- 6.14 A three month termination clause is built into the Framework Agreement allowing boroughs to terminate Framework contracts at reasonably short notice should West London Alliance boroughs feel that financial efficiencies of the Framework are not being fully realised.
- 6.15 In accordance with the Council's Contract Procedure Rules, the Council will enter into an Individual Child's Agreements (ICA) with each of the providers, for Barnet's named children. The ICA sets out personal details of the child and includes pertinent information such as contact details, key people, care planning needs and expected date and duration of placement. They outline details of the contracted parties, costs, arrangements for invoicing and details of additional services if required. This commits the council to a limited spend for each child as placement costs and terms of notice are negotiated prior to placement and notice can be given by either party. Therefore, commitment of spend is limited for each child and depends on the specified term of placement.

#### Performance, value for money and sustainability

- 6.16 For the duration of the Framework Agreement, there will be regular monitoring to ensure that providers on the Framework are meeting specified outcomes and represent value for money. Commercial contract management of the Framework will be facilitated by the West London Alliance in partnership with boroughs ensuring robust quality performance management of providers.
- 6.17 West London Alliance will provide the infrastructure to facilitate the discounts and re-imbursements, as outlined in paragraph 6.8 of this report, to boroughs as a result of savings made from the Framework Agreement. Processes will be put in place to check and monitor the re-imburement payments made to Barnet.

#### Staffing, IT and property

- 6.18 There are no Staffing, IT or Property implications for the Council in relation to these contracts.

### **7. LEGAL ISSUES**

- 7.1 Section 9 Children and Young Persons Act 2008 inserts a new section 22G into the Children Act 1989. The new section imposes a general duty on the Council to secure that sufficient accommodation is made available for children it is looking after.
- 7.2 Hillingdon has acted as the lead borough in a West London Alliance initiative to develop a Framework Agreement for Independent Fostering Agency (IFA) placements. The IFA Framework tender process has been conducted in full compliance with EU public procurement rules and the Council can therefore access the Framework Agreement via an Access Agreement with Hillingdon.

7.3 HB Public Law is advising the Council on the terms of the Access Agreement so that it is acceptable to the Council.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

8.1 The Council Contract Procedure Rules outline that a 'Framework Agreement' is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.

8.2 The Council Contract Procedure Rules outline that for contracts or Framework Agreements with a value of more than £500,000, acceptance can be authorised by Cabinet Resources Committee.

8.3 This Framework is a call off agreement and therefore does not commit Barnet to any spend for the duration of the Framework Agreement. Paragraph 6.15 of this report sets out the mechanism by which Barnet will commit to spend with a provider on the framework.

## **9. BACKGROUND INFORMATION**

9.1 The West London Alliance lobbies on behalf of West London and represents its interest on key issues such as transport, economic development and social care seeking to improve public services. The West London Alliance boroughs are working in partnership with Royal Boroughs of Kensington and Chelsea, and the City of Westminster to deliver a programme of efficiencies for Children's Services.

9.2 The West London Children's Services Efficiencies Programme was launched in Spring 2011, and includes a commitment to develop a specific programme to deliver savings and efficiencies from spend on externally commissioned social care provision for children in care and care leavers. Collectively, the West London boroughs spend in excess of £60m per year on looked after children, making it the largest purchasers of external children's social care placements in the country.

This project aims to shape the IFA provider market in West London to ensure that supply will match changes in commissioning intentions. Both the long term aim of ensuring that the right services are available in the right location, and the short-term goal of better controlling costs, will require more efficient collaborative arrangements.

West London boroughs currently have an over-dependency on purchasing IFA placements on a spot basis which delivers few economies of scale and creates an environment where it is extremely difficult to manage the market to ensure security of supply at the right time, right price and right quality/specification.

9.3 Hillingdon has acted as the lead borough in a West London Alliance initiative to develop a framework agreement for Independent Fostering Agency (IFA)



placements. The IFA Framework tender process has been an in depth procurement exercise, delivered through a robust and high quality process. Hillingdon are seeking authority from their Cabinet on 20 June 2013 to accept the Framework and award contracts, as the lead borough, to the 32 providers on the Framework for a period of four years.

<b>Lot 1 – Core Fostering</b>	<b>Lot 2 – Parent &amp; Child Fostering</b>	<b>Lot 3 – Specialist Fostering</b>
<b>Tier 1</b>	<b>Tier 1</b>	<b>Tier 1</b>
Sunbeam	Nexus	Brighter Futures
Nexus	Greater London	Bridging Gaps
Pride Fostering	Sunbeam	Nexus
The National Fostering Agency	Pride Fostering	Pride Fostering
UK Fostering	Ethelbert	Sunbeam
Chrysalis Care	Integrated Services Programme	Foster Care Associates (FCA)
Foster Care Associates (FCA)	The National Fostering Agency	By the Bridge
Cornerways	Brighter Futures	Ethelbert
Brighter Futures	UK Fostering	UK Fostering
Time for Children	Cornerways	Capstone
Capstone	Chrysalis Care	Chrysalis Care
Bridging Gaps	Bridging Gaps	The National Fostering Agency
Children First Fostering	By the Bridge	St Christophers
Family Placement	Rainbow	<b>Tier 2</b>
Rainbow	Capstone	Foster care UK
Next Step	Family Placement	Fostering Outcomes
<b>Tier 2</b>	<b>Tier 2</b>	Family Placement
Ethelbert	Fostering Options	Rainbow
By the Bridge	Foster Care Associates (FCA)	Greater London
Fostering Options	Fostering Outcomes	Families for Children
Families for Children	Children First Fostering	Children First Fostering
Fostering Solution	Next Step	Integrated Services Programme
Foster care UK	Fostering Solution	Fostering Options
Fostering Outcomes	Families for Children	Hillcrest
Outlook	Foster care UK	Fostering Solution
St Christophers	St Christophers	Kites
Hillcrest	Futures for Children	Futures for Children
Greater London	Hillcrest	
The Fostering Foundation	Time for Children	
Futures for Children	The Fostering Foundation	
Safehouses	Outlook	

9.4 The West London Alliance IFA Framework Agreement will be in place for four years from 1 August 2013 providing access to IFA placements for children in care. Providers have been grouped into 'lots' based upon different levels of care package specification.

### Lot 1 - Core Fostering

Placements into foster care are made by Local Authorities as part of their corporate parenting role for Looked After Children. Children's placements into foster care can last for weeks, months or for the rest of their childhood depending on their circumstances.

### Lot 2 - Parent & Child Fostering

Parent and child fostering involves the placement of a parent (mother or father) who is experiencing difficulties. The parent and their baby or young child are placed together in foster care. This does not mean the foster carer provides parental care to the baby (except if required). The foster carer's role is a supporting one, ensuring that the parent feeds, changes, clothes and handles the baby appropriately; ensuring that the infant's parent is providing appropriate stimulation and interaction for the infant; and observing and recording how the parent looks after the child.

### Lot 3 - Specialist Fostering

Specialist placements are sought where the child/young person's level of needs and/or behaviours would have a high level of placement breakdown in a regular family setting with "core" fostering levels of support.

The Terms & Conditions under the framework have been subject to a robust development process. They were initially developed using the London Care Placement Model Contract 2010 and have been updated in detail by the Legal Services of both Barnet and Hillingdon.

The core service specification for the framework has been developed using the London Care Placements Model Specification 2010 and further developed by the West London boroughs working in partnership as part of this project. Additional specifications for the provision of Parent & Child Placements and Specialist Fostering were also developed by the group.

The operational implementation of the framework will take place through the use of developed Call-Off Procedures setting out how individual placements will be made through the framework.

As long as local authorities remain satisfied with the quality of their service, providers can be relatively confident of a regular flow of placements. This enables providers to develop business plans and strategies over the medium term.

This report seeks authority to accept and call off the Framework for a period of four years and to enter into an access agreement with London Borough of Hillingdon to enable this. The report also seeks authority to vary any relevant existing contracts needed to comply with the requirements of this framework.

- 9.5 As set out in the Framework Agreement, if the Framework is accepted Barnet will work with the relevant providers to agree transfer plans to transfer placements across onto the Framework where appropriate. All transfers will be applicable from the Commencement Date of the Framework Agreement, and it

is envisaged that all transfers will be completed within the first 6 months of Commencement of the Framework Agreement.

- 9.6 As a result of the develop of the Framework, West London Alliance boroughs now have a large amount of intelligence on the range, strength and quality of the fostering market in the sub-region including the expected level of West London need for IFA placements over the coming years and the existing and growth capacity of IFA providers. This intelligence alongside the development of other West London Alliance workstreams such as CarePlace, in addition to semi-independent accommodation and residential accommodation workstreams, will enable more effective market development and management.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>CS/MC</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>SD</b>