

18 January 2021

Agenda Item: 6

**UPDATE REPORT OF SERVICE DIRECTOR – SERVICE DIRECTOR FOR
FINANCE, INFRASTRUCTURE & IMPROVEMENT AND SECTION 151
OFFICER**

**CHILDREN IN CARE FRAMEWORK FOR RESIDENTIAL AND FOSTER CARE
PLACEMENTS**

Purpose of the Report

1. To provide members with an update on the Children in Care Framework for residential and foster care placements which became operational in February 2020.

Information

2. This report explains how Derbyshire County Council Derby City Council, Nottingham City Council, and Nottinghamshire County Council (the Councils) have jointly commissioned a framework that replaces the previous framework managed by Northamptonshire County Council (The East Midlands Regional Care Framework)
3. The 4 Councils were previously part of the East Midlands approach that developed the East Midlands Regional Care Framework (EMRCF), which had been in place for 8 years. During the last four years the Commissioners felt that the EMRCF was less effective in managing the requests for residential and foster care placements, deciding to join together using the D2N2 footprint to commission a framework that would better support the aspiration for children that come into our care, that we strive to provide the best possible experience of childhood.
4. An Operational Group was developed to devise the specification, and agree a market position statement (Appendix 1) to evidence our requirements to the Providers. A Strategic Board is in place in support of this contract and determine any other areas that would benefit from such an approach. The Board also agreed that Nottinghamshire County Council would undertake the procurement of the framework, and manage it for its term.
5. Nottinghamshire County Council worked with our partners to develop a framework that allowed us to periodically open up to the market to encourage more Providers to join it within its term, and also allowed for all partners to procure specific requirements, such as a block arrangement, should the need arise. The applications to join the framework were split into Lots:

Lot 1: Independent Residential Children's Homes

- a) Standard Children's Homes,
- b) Specialist Children's Homes,

Lot 2: Independent Fostering Agency Services:

- a) Standard Provision

Providers were also asked to self-select if they are prepared to accept referrals for;

- b) Emergency Placements
- c) Outside the D2N2 area
- d) Specialist Provision

6. The Councils chose to use the Optimum price method to evaluate the bids. The Optimum prices have been determined by using the Councils' combined knowledge to calculate a reasonable market rate for each lot and category. For a standard residential placement this was calculated to be £3140 per week, and a specialised placement £5380. For Fostering Agencies a placement could range in cost from £720 to £800 depending on the age of the child/young person. For a specialised foster placement this would range from £1000 to £1600 per week. Weekly Prices can be increased annually at the discretion of Councils, by 2% or CPI as reported by the Office for National Statistics (ONS), whichever is the lower. Should CPI fall below zero prices will not be expected to reduce. In addition to the annual price increase all Providers will be required to deliver a 1% annual efficiency saving. The price including this 1% reduction will be the price to which the annual increase is applied.
7. With the EMRCF ceasing on 31 January 2020, the new framework began on 1 February 2020. In the first round of applications, there were 25 Residential Providers, with 33 Fostering Agencies successful. The outcome of the last round of applications in October 2020 is that there are now 35 Residential Providers and 38 Fostering Agencies on the framework.
8. The Councils acknowledged that by working as a partnership, this framework would need a degree of contract and market management. Nottingham City Council have therefore employed a Children in Care Coordinator, with the salary being met by all 4 Councils. The aspiration being that during the life of the contract, savings made will pay for the Children in Care Coordinator's role. The cost of this role is equivalent to the costs that were being made by the Councils to Northamptonshire County Council for the management of the previous framework.
9. The Children in Care Co Ordinator is responsible for managing the Strategic Board agenda and minutes, along with managing the Providers on the framework. They will also be working with those Providers who have yet to join the framework that the Councils may wish to use in the future, or possibly use outside of the framework arrangement.
10. Appendix 2 is the latest report to the Strategic Board, which shows how many placements have been made to the framework. The report shows that more placements have been made during Quarter 2.
11. The Councils acknowledge that they need to work closely with all our partners to achieve our commissioning aims of:

- Local provision for local children which enables sustainable placements and positive outcomes
- Right placement; right location; right time; right price
- Develop relationships with providers to encourage investment in the market locally
- We are keen to ensure all stakeholders are able contribute to the new arrangements from the outset
- Greater flexibility of provision and commissioning, and explore alternative contract models

The Councils will hold regular market development events to provide information, including a regularly updated Market Position Statement, to encourage new Providers to join the framework.

12. The Councils will also facilitate regular Provider forums for those Providers that have successfully joined the Children in Care Framework, and intend to work in a more collaborative way with Providers than has been done in recent years. This collaboration will help the Commissioners and Providers to address areas of inefficiency and establish a clear sense of direction for future provision, giving opportunities to develop specialist provision in partnership with Providers where needed.
13. Whilst Covid-19 has created challenges for engaging Providers in joint events, a recent virtual Provider forum was well attended. Topics covered were identified following consultation with our partners and included:
- Ofsted perspective on complex and emergency placements
 - DN2 STARS Project & Derbyshire Stepdown Programme
 - Looked After CAMHS Service
 - Provider Feedback
14. The Councils have also extended an invitation to Providers who are considering developments in the local area to consult with the operational group members to discuss their plans and to seek guidance on areas of need and local knowledge.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That Members support the outcome of this procurement exercise and consider if any further updates are required and at what frequency.

Nigel Stevenson

Service Director – Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

Lynn Brammer, Category Manager, Procurement

Anne Loble, Placements Review Officer, Commissioning and Placements Team

Constitutional Comments (EP 14/12/20)

16. The Finance and Major Contracts Management Committee is the appropriate body to consider the content of this report.

Financial Comments (SS 17/12/20)

17. There are no financial implications arising directly from this report

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All