

25th April 2022**Agenda Item: 17****REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES****COMMISSIONING AND CONTRACTS BOARD – ANNUAL REPORT****Purpose of the Report**

1. To provide a summary of the work of the department's Commissioning and Contract Management Board in providing management oversight and decision-making in relation to the department's commissioning and contract management activity.

Information

2. The Board was constituted in its current guise in 2018 following the departmental restructuring that established the Commissioning and Resources Division and, within it, the Commissioning and Placements Group which acts as the *commissioning hub* for the department. The Board is chaired by the Service Director, Commissioning and Resources, and membership includes representation from each division of the department together with colleagues from Public Health Procurement and Finance. Other colleagues from across the department and from other corporate services attend as necessary.
3. The purpose of the Board is to ensure all commissioning activity undertaken within the department is delivered in line with the commissioning principles outlined within the department's Commissioning Framework, and provide robust challenge to commissioners where necessary. It receives reports at key stages through the commissioning cycle, and all decisions and recommendations to remodel, recommission or decommission services are made by this Board.
4. It also provides oversight of contract management of the department's externally commissioned services, to ensure quality services are provided which deliver the desired outcomes for children, young people and their families. To this end, the Board will receive exception reporting and contract review reports to inform decision making regarding value for money, and efficiency savings.
5. Finally, the Board considers business cases which seek to make savings on care and / or specialist education placement costs, e.g. invest-to-save initiatives that seek to make a temporary or permanent saving to the department's external placements budget. The Board will make recommendations to the department's senior leadership team about the business case/s, as appropriate.

6. The Board meets every two months and during the past year has presided over contracts and commissioned spend totalling in excess of £153m – up by almost 25% on the previous year. The cumulative value of spend with our top 10 suppliers has increased by just 1% during the same period, albeit they collectively account for 15% of the overall total.
7. The supplier with whom the department transacts the greatest volume of spend is Homes2Inspire, a third sector residential home provider which provides placements for approximately 30 Children Looked After by the Local Authority at its homes across Nottinghamshire via a block contract that was first established in 2015. As might be expected, the top 10 suppliers comprise residential home providers and private foster care agencies with whom the department contracts for residential and foster placements for Children Looked After, together with independent non-maintained schools and colleges who provide specialist education placements for children and young people who might typically have an Education, Health and Care Plan whose educational needs cannot be met within the state-funded school sector.
8. We have established contracts and frameworks in place for the department's key services and the vast majority of the department's spend is transacted within the terms and conditions attaching to these. Many of our newer contractual arrangements, especially for services linked to children in care, have been developed jointly with Nottingham City, Derby City and Derbyshire County Councils. Nine of the top 10 children in care suppliers are part of this D2N2 framework or a block contract. Many of our education-based contracts are a little older and work is currently underway to review these ahead of the necessary recommissioning exercise that will be undertaken for new arrangements to commence from the academic year 2023/24.
9. Though the majority of the department's spend is managed within our local contracts and frameworks, the use of 'spot contracts' has also risen over the past couple of years in both care and education sectors. There have been over 100 spot contracts in place in the past year and the trend continues to rise. However, when a residential or foster placement for a Child Looked After cannot be sourced via a local contract or framework, it is procured via the national Independent Children's Homes Association (ICHA) Directory. This gives assurance that the provider is registered and regulated by Ofsted and the Individual Placement Agreement (IPA) attaching to placements procured in this way contain exactly the same terms and conditions as the corresponding IPAs for local framework-sourced placements.
10. Key pieces of upcoming work for which the Board will provide direction, scrutiny and oversight includes:
 - Further procurement and evaluation activities in support of the D2N2 Children in Care Framework, Alternative Provision, Independent Non-Maintained Special Schools, Short Breaks, Education Advisors/Associates, High Needs Supported Accommodation, and Therapeutic Support for Adoptive Families Framework/ contractual arrangements
 - Recommissioning of Supported Accommodation for children in care and care leavers aged 16+; Fostering and Mediation Service; and Community Learning
 - New procurement exercises around medical assessments for prospective Foster Carers, and also for Unaccompanied Asylum-Seeking Children Support Service and Young Families

- Review of arrangements for procuring independent specialist education provision ahead of the cessation of the current Nottinghamshire Approved Provider List (NAPL) in August 2023, including a full recommissioning plan.

Other Options Considered

11. The options presented have been derived from the Sufficiency Strategy and analysis of the needs of children in the care of the Local Authority. A wide range of options have been considered regarding the size and functions of homes, but the recommendations of this report represent the best options for stable placements that are close to children's home communities and that provide safe and high-quality care.

Reasons for Recommendations

12. These recommendations ensure that for those children who are most difficult to place in the children's residential home market the Council has high quality provision that will meet their needs.

Statutory and Policy Implications

13. 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.

Financial Implications

14. There are no direct financial implications arising from this report. The finance representative on the Board helps ensure there is appropriate financial and budgetary scrutiny applied to the department's commissioned services.

HR Implications

15. There are no direct HR implications arising from this report.

RECOMMENDATIONS

- 1) That Committee considers whether there are any further actions required arising out of the information contained in the report.

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Constitutional Comments (LW 10/02/22)

16. Children and Young People's Committee is the appropriate body to consider the content of the report.

Financial Comments (CDS 10/02/22)

17. There are no direct financial implications arising 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 Divisions and Members Affected

All.

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