LONDON BOROUGH OF CROYDON

To: All Members of Council Croydon Council website Access Croydon & Town Hall Reception

STATEMENT OF EXECUTIVE DECISIONS MADE BY Cabinet Member for Children, Young People & Learning ON 19 SEPTEMBER 2019

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. Please note, that as the decisions below are not Key Decisions, they are not subject to call-in.

The following apply to the decision below:

Reasons for these decisions: As detailed in the attached Part A

report.

Other options considered and rejected: As detailed in the attached Part A

report.

Details of conflicts of interest declared by any Cabinet Member: None

Note of dispensation granted by the Head of Paid Service in relation to a declared conflict of interest by that decision maker: None

The Leader of the Council has delegated to the Cabinet Member for Children, Young People & Learning the power to make the executive decisions noted out below:

Decision No.:

Details of Decision: SOUTH LONDON COMMISSIONING PROGRAMME RESIDENTIAL AND INDEPENDENT FOSTER AGENCY PROVISION FOR LOOKED AFTER CHILDREN PROVIDER PANEL - PROCUREMENT STRATEGY

Details of decision: 3519CYPL

Having carefully read and considered the Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the reports, the Cabinet Member for Children, Young People & Learning in consultation with the Cabinet Member for Finance & Resources

RESOLVED:

 To approve the procurement strategy detailed in this report for the establishment of an Approved Provider Panel for Residential and Foster Care Provision for looked after children in partnership with other South London Boroughs within the South London Commissioning Programme. This includes the Council accessing the Approved Provider Panel to make residential care placements for Croydon funded places only at an estimated annual value of £8,751,000 for a period of up to 8 years (3+2+2+1 years) with a maximum value over 8 years of £70,064,000.

- 2. To note that the proposed Approved Provider Panel will be established by the South London Commissioning Programme (of which Croydon is a partner) and will be available to all partner boroughs for a period of 8 Years (3+2+2+1 years) with an estimated total value £700,000,000 for Lots 1, 2, and 3 (see paragraph 2.5 of the report).
- 3. To note that the Director of Commissioning and Procurement has approved under Regulation 18 to waive the standard evaluation criteria under Regulation 21 to being 60% Quality and 40% Cost.

Signed: Council Solicitor and Monitoring Officer

Notice date: 19 September 2019

For General Release	
REPORT TO:	CABINET MEMBER FOR CHILDREN YOUNG PEOPLE AND LEARNING
SUBJECT:	SOUTH LONDON COMMISSIONING PROGRAMME
	RESIDENTIAL AND INDEPENDENT FOSTER AGENCY PROVISION FOR LOOKED AFTER CHILDREN PROVIDER PANEL
	PROCUREMENT STRATEGY
LEAD OFFICER:	NICK PENDRY
	DIRECTOR OF EARLY HELP AND CHILDRENS SOCIAL CARE
CABINET MEMBER:	COUNCILLOR ALISA FLEMMING
	CABINET MEMBER FOR CHILDREN, YOUNG
	PEOPLE AND LEARNING
	COUNCILLOR SIMON HALL
	CABINET MEMBER FOR FINANCE AND RESOURCES
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

The residential and foster care service provision will contribute to a number of corporate priorities including:

- Children and young people thrive and reach their full potential
- Children and young people are safe, healthy and happy, and aspire to be the best they can be
- Safeguarding children and young people and improve their outcomes
- Good, decent homes ensuring that all people including children have the opportunity to access a suitable home

The proposed services for looked after children will facilitate the realisation of the Council's Equality Strategy objectives:

- To improve outcomes for children by providing a better start in life
- To achieve better learning outcomes for Children and Young People (CYP) by narrowing the attainment gap for those who are vulnerable
- To achieve better outcomes for children and young people by increasing the proportion that say they are listened to and able to influence
- To improve support for vulnerable people by making it easier for them to have more choice and control over their lives

The Children Act 1989 sets out the duties of local authorities to provide a sufficiency strategy to meet the needs of the looked after children (LAC) population i.e. have a range of services that meet the needs of some of the most vulnerable children in society.

The Approved Provider Panel for the provision of services for LAC and young people is a means to meeting the Council's statutory duty and ensuring sufficiency of provision.

The procurement exercise will ensure that the services are provided in accordance with;

- The Children Act 1989
- The Children and Families Act 2014
- Promoting the Health and wellbeing of Looked after children DfE, DoH
- Children's Homes Regulations including the quality standards 2015
- National Minimum Standards for Fostering and Residential Care services
- Children's Social Care Standard Outcomes Framework

FINANCIAL IMPACT

The procurement strategy is for the establishment of an Approved Provider Panel for residential and independent fostering agency placements for children looked after by the local authority. The establishment of the panel will increase placement choice, improve placement stability, and create greater price competition between providers. All of these factors should reduce the average cost of placements for the councils accessing the panel.

The DFE Innovation Fund grant was secured for the development and implementation of a multi-borough commissioning solution for looked after children placements in South London. The grant will cover the cost of establishing the Approved Provider Panel and is cost neutral for participating boroughs.

At the end of 2018/19, there were 37 children looked after in residential placements incurring expenditure of £6.816 million against a budget of £2.196 million, resulting in an overspend of £4.620 million, contained with the overall Council budget. The overspend is due to the increasing numbers of children in high cost residential placements.

With a budget available for 2019/20 of £3.258 million, a number of initiatives are in place to reduce the number of children looked after in residential placements in Croydon, of which the development and implementation of this proposal is a key element.

FORWARD PLAN KEY DECISION REFERENCE NO.: N/A

The Leader of the Council has delegated to the Cabinet Member for Children, Young People and Learning, in consultation with the Cabinet Member for Finance & Resources the power to make the decisions set out in the recommendations below;

1 RECOMMENDATIONS

1.1 The Cabinet Member for Children, Young People and Learning, in consultation with the Cabinet Member for Finance and Resources, is asked to approve the procurement strategy detailed in this report for the establishment of an Approved Provider Panel for Residential and Foster Care Provision for looked after children in partnership with other South London Boroughs within the South London Commissioning Programme. This includes the Council accessing the

Approved Provider Panel to make residential care placements for Croydon funded places only at an estimated annual value of £8,751,000 for a period of up to 8 years (3+2+2+1 years) with a maximum value over 8 years of £70,064,000.

- 1.2 The Cabinet Member for Children, Young People and Learning is to note that the proposed Approved Provider Panel will be established by the South London Commissioning Programme (of which Croydon is a partner) and will be available to all partner boroughs for a period of 8 Years (3+2+2+1 years) with an estimated total value £700,000,000 for Lots 1, 2, and 3 (see paragraph 2.5).
- 1.3 The Cabinet Member for Children, Young People and Learning is asked to note that the Director of Commissioning and Procurement has approved under Regulation 18 to waive the standard evaluation criteria under Regulation 21 to being 60% Quality and 40% Cost.

2. EXECUTIVE SUMMARY

- 2.1 The South London Commissioning Programme has been established to collaborate across borough boundaries to improve outcomes for children and young people with SEN and those that are looked after. This report seeks Cabinet approval of the procurement strategy for the establishment of an Approved Provider Panel for residential and foster care provision for a 3-year term with the option to extend for a further 5 years (2 + 2 +1 years).
- 2.2 The Approved Provider Panel will be an agreement put in place with a range of providers that will enable the contracting authority to place orders for services without running lengthy tendering exercises. The Approved Provider Panel is intended to achieve economies of scale through large volume buying across multiple South London Boroughs.
- 2.3 The Approved Provider Panel is to be established by the South London Commissioning Programme Looked After Children (LAC) Group, consisting of Croydon, Bexley, Royal Borough of Greenwich, Merton, Lewisham, Lambeth, Southwark and Sutton.
- 2.4 The Approved Provider Panel will be established utilising the flexibilities of the Public Contracts Regulations (PCR) Light Touch Regime (LTR) rules which will allow the South London Commissioning Programme to create a flexible and responsive contract agreement with a range of top quality providers for residential and foster care provision.
- 2.5 The Approved Provider Panel will be a multi-provider agreement split into 3 Lots:
 - Lot 1 Residential Care Provision;
 - Lot 2 Foster Care Provision; and
 - Lot 3 Positive Interventions through Innovation.
- 2.6 Applicants who meet the minimum assessment criteria will be appointed to the Approved Provider Panel. There will be no limit to the number of providers

appointed the Approved Provider Panel. Providers appointed to the Approved Provider Panel will be ranked based on their tender scores. The Approved Provider Panel will reopen annually, or earlier if deemed necessary, to allow new providers to join.

- 2.7 Based on the 2017-18 actual spend figures, the combined expenditure across the sub-region is approximately £88 million per annum bringing the total estimated spend through the Approved Provider Panel to approximately £704 million over an 8-year period. The level of expenditure has increased in recent years and controlling this expenditure is a top priority for all members of the SLCP.
- 2.8 Participating boroughs of the South London Commissioning Programme LAC Group, procure residential and foster care services mostly through 'spot' purchase and through London Care Placements and the cost of care varies between local authorities and type of provider.
- 2.9 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB Ref. Number
17/07/2019	CCB1502/19-20

3. DETAIL

South London Commissioning Programme

- 3.1 The South London Commissioning Programme (SLCP) is a partnership of 12 South London Boroughs (London Boroughs of Merton, Croydon, Sutton, Bromley, Bexley, Lewisham, Wandsworth, Richmond, Lambeth, Southwark and the Royal Boroughs of Kingston and Greenwich) with the responsibility for collaborating on the strategic commissioning of good quality placements for children and young people with Special Educational Needs & Disabilities and those who are Looked After.
- 3.2 For this procurement, only 8 boroughs mentioned in paragraph 2.3 are participating in the initial stage of the procurement. Participating borough are as follows; Merton, Croydon, Sutton, Bexley, Lewisham, Lambeth, Southwark and Greenwich. Other members of the SLCP are able to join the procurement at a later date.
- 3.2 The aim of the Partnership is to develop regional commissioning models which operate at sufficient size to provide economies of scale and a varied range of placement options. This approach seeks to achieve the following outcomes;
 - Increased placement stability;
 - Children matched to the right placements to meet their needs;
 - Opportunities to shape the market to deliver outcomes:
 - Positive interventions for LAC through innovative joint projects, and;
 - Value for money for local authorities.
- 3.3 The SLCP was initiated and is hosted by London Borough of Croydon and currently has two active projects; Special Educational Needs & Disabilities

(SEND) for the Independent School Sector (10 boroughs) and Looked After Children (LAC) in residential or foster care provision (8 boroughs).

DfE Innovation Fund Bid

- 3.4 In December 2016, the London Boroughs of Merton, Croydon, Sutton, Bexley, Lewisham and Royal Borough of Greenwich, determined to work collaboratively to improve outcomes for looked after children and young people (LAC). They agreed to jointly implement an outcomes-based commissioning model for LAC residential care and independent fostering agencies. As part of this agreement, each borough has committed to:
 - An investment of £15,000 per year.
 - Providing suitable representatives from their boroughs for the Board (strategic level governance) and Operational Group (operational level governance) to develop and implement the model.
 - Submitting a joint proposal to the DfE Social Care Innovation Programme to enable us to establish a blue print for sustainable sub-regional commissioning arrangements for LAC that is scalable across the country.
- 3.5 The key priorities within the successful DfE Innovation Fund bid were as follows:
 - Development of a sub-regional outcomes-based commissioning approach;
 - Build the capabilities of providers to encourage innovation within the market;
 - To maximise our purchasing power to make efficiency savings and securing more choice of good quality placements;
 - Analyse our collective data to identify trends, understand demand, review and develop a strategic sub-regional approach to sufficiency planning (such as dynamic purchasing, block contracting or cost and volume arrangements) to address the findings;
 - Jointly manage and shape the market to encourage new providers to set up services that meet the needs of children and young people.
 - Ensure children are safe at all times, progressing well, and being prepared for adulthood;
 - Establish the culture change and environment necessary to implement an alternative way of working; and
 - Develop a blueprint for sub-regional commissioning which is scalable across the country.
- 3.6 Lambeth and Southwark subsequently decided to join this initiative bringing the total number of participating boroughs to eight.
- 3.7 The bid to the DfE Innovation Fund was successful, securing £1,079,301 for the development of the sub-regional procurement model and the establishment of the Approved Provider Panel.

Aims of the Procurement Process

3.8 The aim of this procurement is to establish integrated commissioning arrangements, to enable boroughs to have access to good quality placements which improve outcomes for children and young people and deliver both cost efficiencies and savings.

- 3.9 The Approved Provider Panel will provide a flexible approach to commissioning as well as a more effective purchasing tool than spot purchase arrangements, allowing the Council more control over providers, market management, quality, costs and outcomes.
- 3.10 Participating boroughs in the SLCP LAC Group seek to achieve the following objectives;
 - Maximise the purchasing power of the partners to secure efficiency savings.
 - Develop a sub-regional outcomes-based commissioning approach.
 - Build the capabilities of providers to encourage innovation within the market.
 - Secure more choice of good quality placements.
 - Jointly manage the market and encourage new providers to set up services that meet the demands of partners.
- 3.11 Establishment of an Approved Provider Panel will result in a PCR compliant Agreement, better use of public funds and greater value for money for Residential and Independent Fostering Agency placements.
- 3.12 A jointly procured service provision will reduce competition between South London Boroughs through joint planning, standardised contracts, and consistent pricing models.
- 3.13 The availability of a large and varied number of pre-qualified suppliers on an Approved Provider Panel will increase choice of placement for councils and service users.
- 3.14 All providers appointed to the Approved Provider Panel will be eligible to partake in innovative projects with SLCP partners in the future, which will be developed as part of Lot 3. The modalities and criteria for innovative partnerships will be included in tender documents prior to publication. The aim is for the partner boroughs to initiate a number of joint projects to tackle;
 - Health and well-being challenges faced by looked after children.
 - Educational and employment opportunities.
 - Children in custody and the youth justice system.
 - Gaps in the market for residential placements and foster care.
 - Key themes identified across the sub-region, including child sexual exploitation, gangs, County Lines and mental health.
- 3.15 There is a strong focus on social value within the tender. Providers will required to submit a social value action plan for looked after children. This template is being developed by the SLCP. This will set out how looked after children can access local resources, contribute to their communities, and secure long-term benefits from their placements. Action plans will be monitored on a regular basis.

Quality Assurance of Providers

3.16 The SLCP will engage and work collaboratively with providers to further develop the social care outcomes framework and improve service delivery. The SLCP will look to embed a good practice agreement with all providers. This will be enhanced on a regular basis.

- 3.17 The SLCP will organise regular good practice seminars and workshops through the provider forum. These events will focus on local and national good practice, developing shared resources, and establishing innovative projects as part of Lot 3 Positive Interventions through Innovation.
- 3.18 A performance monitoring schedule will specify performance indicators linked to the outcomes framework. This is being developed with member boroughs and providers and will set out KPIs and performance expectations through working in collaboration with all stakeholders.
- 3.19 The SLCP will look for opportunities for high quality providers to expand provision to meet gaps in the market.
- 3.20 There will be a strong focus on social value with all providers on the Approved Provider Panel being required to develop a social value action plan. We will seek to create excellent practice in this area by utilisation of the resources of the member boroughs and our links to local organisations.

Proposed Tender Process

- 3.21 The procurement will make use of the significant flexibilities under Article 76 (7) of the Public Contracts Regulations (PCR) 2015 'Light Touch Regime' (LTR) rules to create an Approved Provider Panel which will operate similar to a traditional framework solution. The tender documentation will clearly state that the SLCP reserves the right to open the Approved Provider Panel to new entrants from the market at specific periods throughout the contract, most likely to be annual.
- 3.22 A regular refresh of the Approved Provider Panel will be undertaken to increase capacity and maintain competition among providers. This will take take on an annual basis. The refresh will negate access issues associated with a traditional framework and will allow enough qualified providers to join the panel. This will increase our ability to meet the breadth of need and demand for the service. New suppliers will need to meet the original quality and price evaluation criteria used to create the Approved Provider Panel. This will be detailed in the Invitation to Tender documentation.
- 3.23 There will be no obligated business guaranteed with providers appointed to the Approved Provider Panel. The Approved Provider Panel will provide a mechanism to obtain residential and foster care placements, as and when required, at a pre-agreed price whilst still meeting acceptable levels of quality. This will enable placement teams to secure stable placements and manage costs more effectively than the current spot purchasing arrangements.
- 3.24 The proposed Approved Provider Panel will have a length of 3 years with an option to extend for up to a further 5 years (2+2+1 years), unless otherwise terminated in line with the conditions of contract. The initial Approved Provider Panel term will run from a start date of 1 April 2020 until 31 March 2023.
- 3.25 All applicants who meet the minimum assessment criteria will be appointed to the Approved Provider Panel. There will be no limit to the number of providers appointed the Approved Provider Panel. Providers appointed to the Approved Provider Panel will be ranked based on their tender scores.

- 3.26 Applicants will have the option to bid for Lot 1 and Lot 2. All providers appointed to the Approved Provider Panel will automatically be part of Lot 3 Positive Interventions through Innovation, which will include projects developed by SLCP partners. The modalities and criteria for innovative services will be developed and included in tender documents prior to publication. Lot 3 opportunities will be advertised to all on the Approved Provider Panel so that they can express an interest and tender for this work.
- 3.27 Lot 1 and Lot 2 will be sub-divided into two broad categories; Standard Placements and Specialist Placements. Lots and Sub-Lots descriptors will be set out in the tender documents prior to tender publication and bidders will be given the opportunity to bid for any or all of the Sub-Lots.
- 3.28 The SLCP LAC Project Board will determine the requirements to be set out under each of the Sub-Lots for residential and foster care provision. The range of services required for various age bands are expected to include:

Residential Care

- Standard Placements (Core & Respite)
- Specialist Placements

Fostering Care

- Standard Placements
- Specialist Placements
- 3.29 The tender documents will provide clear guidance and instructions to the market setting out how the Approved Provider Panel and call-offs will work.
- 3.30 The names of the SLCP partners will be set out in the Contract Notice as users of the Approved Provider Panel. This will be available to any future boroughs that join the SLCP.
- 3.31 A contract notice will be published in the Official Journal of the European Union (OJEU) and Contracts Finder for an Open Procurement Procedure via the Council's e-tendering portal along with the tender documents. Applicants will be requested to submit bids electronically using the Portal. Where applicable, the tender opportunity will also be published on the websites of participating local authorities.
- 3.32 Commissioners, service and operational leads from participating boroughs will constitute the tender project group to oversee the tender process. Croydon is the lead authority and will coordinate this process. The project group will provide expertise for the development of the service specification, quality questions, and pricing structure for the Approved Provider Panel.
- 3.33 Bidders will be requested to complete a Selection Questionnaire (SQ) to assess their suitability and capability to deliver the service. This will include a requirement to be Ofsted registered and to have an Ofsted overall effectiveness of 'Outstanding' or 'Good'. Those with OFSTED 'Requiring Improvement' will need to submit an action plan to address any areas of concern from their Ofsted inspection.

- 3.34 The minimum requirement for the Selection Questionnaire is a PASS for every section. Only bidders whose selection questionnaire meets the minimum requirement will be assessed for quality and price.
- 3.35 The standard SQ compliance questions will be asked and will cover;
 - Grounds for mandatory or discretionary exclusion
 - Economic and financial standing
 - Insurance Requirements
 - Relevant experience and contract examples
 - Requirements under Modern Day Slavery Act 2015
 - Requirements under Public Sector Equality Duty
 - Health and safety requirements
- 3.36 Quality/Price evaluation ratio of 60%/40% is recommended to ensure that providers submit competitive prices without compromising quality, which will be supported by their Ofsted rating.
- 3.37 Providers will be caring for vulnerable children with a high level of need. It is essential that councils have a high level of confidence in the quality of the providers on the Approved Provider Panel.
- 3.38 The quality: price ratio reflects standard practice at the London Borough of Croydon, which is the lead authority for the South London Commissioning Programme.
- 3.39 The quality of applicants' service delivery will be assessed through responses to questions (method statements) relating to how they propose to deliver the service in line with the service specification in the three areas listed below and further information will be published in the ITT document.
 - 1. Service Delivery, Including Outcomes for CYP, workforce and service user engagement.
 - 2. Safeguarding, Risk Management and Data Protection.
 - 3. Social Value.
- 3.40 Suppliers will be requested to submit prices based on weekly rates for each category they wish to bid for. The total price weighting of 40% will be apportioned to each of the Sub-Lots. Bidders will be instructed to submit tender prices fully inclusive of all costs. We will look to cap prices (based on market intelligence) for each of the categories in the Sub-Lots as detailed in the ITT documentation.
- 3.41 The evaluation will consist of commissioning leads, service heads, children's social care officers, and social workers from all participating boroughs. Panel members will individually assess each qualitative submission and scores will be moderated by the panel. All moderation meetings will be chaired by the Croydon Category Manager and Procurement Team to ensure consistency. Finance officers will conduct a standard financial appraisal, while tender compliance will be conducted by procurement and project support officers. This will ensure probity and that the most economically advantageous suppliers are admitted to the Approved Provider Panel.

- 3.42 Call-offs for individual placements requirements will be undertaken either by direct award or mini competition dependent upon the needs of the CYP. For direct award, the SLCP will reserve the right to issue an order directly to the Provider that can best meet all of the needs of the looked after child.
- 3.43 The call off and referral process will be managed by Access to Resources and Placement Teams, or equivalent, of partner boroughs. The teams will follow the call off process set out in the terms of the Approved Provider Panel.
- 3.44 Referrals and placements will be made via the SLCP's IT platform, Link Maker. The IT platform is being piloted in Southwark with over half of providers in the local area registered. Registration will be opened to the wider provider market when the system is fully operational in October 2019.
- 3.45 Link Maker is an inter-agency matching service used throughout the UK to help find placements for children in care. It provides an IT platform where both providers and local authorities can list placements and referrals, communicate with one another securely and quickly find the best placements for children in care.
- 3.46 The proposed Approved Provider Panel will be contract managed by officers of the SLCP. Each of the participating boroughs will have responsibility for contract managing individual placement agreements and resultant contracts. The SLCP is seeking legal advice in relation to the need for an access agreement or a partnership agreement setting out the roles and responsibilities of each of the participating boroughs.
- 3.47 Contract management, service delivery and outcomes monitoring will be carried out by the SLCP and will be detailed in the service specification. This will include compliance audits; quarterly data reporting and performance review meetings against a set of Key Performance Indicators (KPIs).
- 3.48 Individual Child Agreements will be monitored by the relevant local authority. Monitoring information will be collated by the SLCP and will be subject to quarterly montoring reports.
- 3.49 Contract performance will be measured against a set of quality areas in line with the Children's Social Care Standard Outcomes Framework. The outcomes framework will cover the themes of Care, Education, and Health of CYP.
- 3.50 Providers that are judged as 'Inadequate' by OFSTED will not be able to receive new placements through the Approved Provider Panel. Children already placed in these setting will have a robust placement review to determine if this placement should continue.
- 3.51 Providers in receipt of OFSTED 'Requiring Improvement' will need to submit an action plan to address any areas of concern from their Ofsted inspection.
- 3.52 Providers will be required to report on KPIs which will reflect the agreed outcomes framework.

- **Being healthy**: enjoying good physical and mental health and living a healthy lifestyle
- Staying safe: being protected from harm and neglect
- **Enjoying and achieving**: getting the most out of life and developing the skills for adulthood
- Making a positive contribution: being involved with the community and society and not engaging in anti-social or offending behaviour
- **Economic well-being**: not being prevented by economic disadvantage from achieving their full potential in life.

Proposed Procurement Timetable

Activity	Proposed Date
Commissioning Intentions RP2 Report: LBC	·
Commissioning and Contract Board Approval	11 July 2019
LBC Cabinet Delegated Approval	August 2019
Final specification agreed & tender documentation	
approved by LAC Board	End August 2019
O IEU Contract Nation dispatched	7 October 2010
OJEU Contract Notice dispatched	7 October 2019
Advertisement published	7 October 2019
Issue Invitation to Tender	7 October 2019
Expressions of interest deadline	11 November 2019
Tender return deadline	11 November 2019
	November 2019 and
Tender evaluation	December 2019
Tender Award Report RP3	
Commissioning and Contract Board	16 January 2019
	04 5-1
Cabinet meeting	24 February 2020
Contract award	6 March 2020
Contract commencement	March 2020
OJEU Contract Award Notice dispatch	March 2020

Procurement Process Safeguards – Data Protection

3.53 A Data Protection Impact Assessment was completed by the SLCP in January 2019 with a commitment to ensure that service and data sharing agreements for each of the participating boroughs are completed before the service commences. This will be regularly reviewed.

- 3.53 Each partner borough is required to sign a data sharing agreement. This includes responsibility for ensuring Personal Data is processed in accordance with the Data Protection Legislation.
- 3.54 Like Croydon, each of the participating boroughs will manage their own referral processes and will be the data controllers for information about children and young people.
- 3.55 The selection process will include a requirement that potential suppliers have controls and processes in place to comply with GDPR 2018. They will need to demonstrate that they have the processes in place to ensure that all data is managed in a safe & secure environment.

Procurement Process Safeguards – Resources

- 3.56 Croydon chairs the SLCP LAC Board. This role is played by the Head of Commissioning and Procurement (Children, Families, Education) and the Service Leader for Leaving Care. The Board provides strategic direction and oversight of the SLCP LAC project, including commissioning and procurement. The tender documentation, including contract terms and conditions, will be signed off by the SLCP LAC Project Board prior to being issued on the London Tenders Portal.
- 3.57 At operational level, a Category Manager with responsibility for Children Social Care Commissioning & Procurement represents Croydon in the LAC operational group. The group will contribute to the development of the tender documentation and make recommendations to the LAC board.
- 3.58 Croydon Council is seeking legal advice and expertise to develop the terms and conditions for the Approved Provider Panel. As this procurement is being undertaken in partnership, the legal teams of the partner boroughs will have sight of the terms and conditions.
- 3.59 Each of the participating boroughs will provide relevant officers for financial oversight, development of procurement strategy, input into the service specification, tender evaluation, service implementation, and contract management.
- 3.60 Officers nominated from Croydon to assist with the process include the Senior Commissioning & Procurement Officer, Service Leader for Leaving Care, Contract and Commissioning Manager, Principal Accountant and Commissioning Placements Project Manager.
- 3.61 Additional resources from participating boroughs to implement the commissioning solution will include Access to Resources Teams, Placement Teams or equivalent to manage the referral process and Children's Social Care teams to ensure compliance with referral process and pathways.
- 3.62 SLCP partners will monitor service delivery and report to the Children Safeguarding board and SLCP LAC Project Board, as required.

- 3.63 All member boroughs will provide their own contract management resource to ensure that suppliers perform their duties under the Contract, in accordance with the terms of the Approved Provider Panel.
- 3.64 Partners will provide representation at contract management meetings.

4 CONSULTATION

- 4.1 The SLCP LAC Project Board agreed on 24 April 2019 to procure residential and foster care provision through the establishment of an Approved Provider Panel. The SLCP procurement and project team have actively engaged and consulted with operational and service leads from the participating boroughs.
- 4.2 Operational leads and service representatives have had the opportunity to feed into the overall design of the Approved Provider Panel. Fine details of the Approved Provider Panel structure will be further developed in partnership with the member boroughs and set out in the tender documents.
- 4.3 Commissioners, operational leads and legal representatives of participating boroughs will constitute the Tender Project Sub-Group to oversee the tendering process. The project group will provide expertise for the development of the service specification, quality questions, and pricing structure for the Approved Provider Panel.
- 4.4 The SLCP engagement officers have organised and held 2 provider events; a networking and briefing event on 23 January 2019 and a pre-procurement market engagement event on 22 May 2019. Both events were held at the Croydon Conference Centre, with a total of 134 suppliers in attendance. Feedback received was positive.
- 4.5 Further engagement with the market will continue to help strengthen the SLCP's position as a strong buyer and partner. Feedback will be used to shape the service specification, outcomes framework and market development.
- 4.6 A series of children and young people events have been undertaken by the SLCP's engagement support officer. Children and young people will influence the development of referral forms and the IT platform. Young people have reported feeling listened to and that engagement approaches have been friendly. Continuous engagement will be undertaken to capture feedback and input from children and young people.
- 4.7 Work will continue to engage harder to reach young people and, where appropriate, these young people will be signposted to relevant services and activities in their area.
- 4.8 Young people will be consulted about the method statements used to evaluate bids. They will be asked to indicate the key responses they would like to see from their perspective. These priorities will be built into the tender guidance for providers and evaluators.
- 4.9 Service users will be encouraged to influence the development of quality services throughout the lifetime of the Approved Provider Panel. They will be invited to

provide feedback on their experience and to influence materials used by the SLCP and member boroughs.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 Revenue and Capital consequences of report recommendations

- 5.1.1 The establishment of the Approved Provider Panel should reduce the average cost of placements for the reasons set out below. It will increase the stability and quality of placements for children looked after which should ultimately result in a greater number of children being returned to alternative lower cost care arrangements.
- 5.1.2 The DFE Innovation Fund grant will cover the cost of establishing the Approved Provider Panel and is cost neutral for participating boroughs.
- 5.1.3 Croydon Council will access the Approved Provider Panel to make residential care placements currently at a maximum annual value of £6.816 million for a period of up to eight years (3+2+2+1 years) with an potential maximum value over eight years of £54.528 million (for Croydon funded placements only).
- 5.1.4 This is a maximum figure for the total cost of placements using the Approved Provider Panel and will be contained within the overall Children's Social Care budget. Intensive efforts are being made to limit the number of children requiring residential placements and to reduce the associated costs.
- 5.1.5 Children's Social Care are proactively seeking to reduce the number of children requiring residential placements and the length of time that they are in placements, including;
 - Investment in systemic social work and Early Help services. This will
 enable the local authority to provide more support to families to create a
 safe and supportive home environment for children at risk of going into
 the care of the local authority.
 - Recruitment of more foster carers through a new contract with Coram, with a target of 30 additional foster carers per annum.
 - A robust weekly care panel to ensure effective planning and intervention for children entering, or at risk of entering, the care system.
 - Supporting a specialist enhanced fostering team to provide suitable alternatives to residential placements.
 - Development of the 'Edge of Care' and specialist adolescece services to focus on support for young people in the community and with their families.
 - The Residential Care Panel carries out regular reviews of all children living in residential care. Options for living in an alternative family setting or returning home are fully explored.

5.2 Effect of the decision

- 5.2.1 The use of the Approved Provider Panel will give an opportunity to shape the market and increase placement stability. This should contribute to a reduction in placements costs in future years.
- 5.2.2 The Approved Provider Panel will enable the Council to respond quickly to the needs of children looked after and to develop services to more effectively meet the needs of these children and young people.

5.3 Risks

Potential risks with establishing an Approved Provider Panel for the South London Commissioning Programme are addressed as follows;

Risk Category	Description	Risk Rating	Mitigation
Service Delivery	Disruption to service provision as a result of procurement exercise	Low	Existing placement arrangements will be maintained.
Meeting Timescales	Failure to meet the deadlines for approvals, publication of tender, and service commencement.	Medium	 Continued engagement with LAC board members, operational and service leads. Project plan with key dates, resource requirements and procurement strategy shared with member boroughs.
Approved Provider Panel Design	Approved Provider Panel does not address specific needs of all eight boroughs.	Medium	 Engagement with contracting authorities to understand specific needs and demand. Representatives of participating boroughs involved in service design and development. Standardisation of documents/templates to improve effectiveness of Approved Provider Panel.
Legal	Design of Approved Provider Panel not compliant with PCRs	Medium	 Ongoing legal involvement to ensure processes comply with PCR 2015. Care taken to ensure that PCR 2015 LTR mandatory requirements are adhered to in procuring an Approved Provider Panel. Tender documentation will set out how the Approved Provider Panel re-fresh will be handled.
Data Protection	Issues regarding the way data is shared between the Council and the Contractor.	Medium	A Data Protection Impact Assessment is completed and will be reviewed regularly.

			Each borough will sign up to a data sharing agreement, ensuring all data is processed in accordance with Data Protection Legislation.
Market Capability	Suppliers, especially SMEs and the voluntary sector, experience difficulties in participating in the bidding process	Medium	 Extensive engagement has been undertaken with providers. Additional market event will be held before the tender goes live. Tender process will include clarification window for bidders to ask questions. Helpline established to respond to queries during the tender.
Approved Provider List Providers	Insufficient number of providers awarded to Approved Provider Panel	Low	 Re-open Approved Provider Panel periodically to admit new entrants to the Approved Provider Panel. Extensive early market engagement being undertaken.
Contractual Obligation	Providers unable to meet contractual obligation	Low	Ensure potential providers meet the standard requirements in relation to their technical and financial capability.
Contract Management	Objectives and outcomes of Approved Provider Panel not realised due to poor contract management.	Medium	Robust referral process and contract management protocols will be implemented to maximise the benefits identified in each borough with the SLCP overseeing performance.
Financial Risk	Failure to achieve proposed cost benefits due to reduced competition among Approved Provider Panel providers and poor contract management.	Medium	 Refresh Approved Provider Panel periodically on an annual basis to maintain competition among suppliers. Robust referral process and contract management to maximise the benefits identified. Engagement with participating boroughs to ensure commitment to use the Approved Provider Panel.

			•	Encourage placement teams to exhaust placement opportunities with Approved Provider Panel providers before using spot purchasing.
Financial Risk	An increase in Looked After Children (LAC) numbers and therefore costs - due to increasing demand pressures mirroring national trends	Medium	•	Market development and capacity building using innovative solutions. Re-open Approved Provider Panel periodically to admit new entrants to the market.

5.4 Options

5.4.1 Options considered have been set out in section 17.

5.5 Future savings/efficiencies

- 5.5.1 The following efficiency savings are expected through the establishment of the Approved Provider Panel
 - Better value for money through economies of scale with eight London boroughs.
 - Reduction in the number of procedures the contracting authorities have to run, therefore decreasing the time and costs linked to carrying out procurement.
 - A more streamlined, standardised and efficient referral process.
 - A reduction in the number of spot purchases made by participating boroughs.
 - Potential savings through joint contract management of the sector.
 - Opportunities to address gaps in the market to reduce costs and improve the service offer.
- **5.6** Approved by: Kate Bingham, Head of Finance

6. LEGAL CONSIDERATIONS

- 6.1 Legal considerations are as set out in the report.
- 6.2 Approved by: Sean Murphy Director of Law and Governance and Deputy Monitoring Officer

7. HUMAN RESOURCES IMPACT

- 7.1 All existing arrangements and contracts with residential and foster care agencies are expected to continue without disruption to service provision therefore no adverse implications are anticipated for staff currently involved in delivering services across the region.
- 7.2 This procurement exercise does not propose changes to service delivery beyond what is being undertaken although providers may have to adapt their delivery approach in order to achieve expected service outcomes.
- 7.3 The expectation is for Placement Teams, Access to Resources Teams and Social Workers to refer new and future placements to providers who qualify to be appointed to the Approved Provider Panel.
- 7.4 Approved Provider Panel providers may need to recruit additional staff with the relevant skills and qualifications to meet the requirements and demands of the contracting authorities.
- 7.5 As a London Living Wage borough, all applicable contracts will include the requirement to pay the London Living Wage. Living Wage will apply to contracts in other parts of the country.

- 7.6 There will be no TUPE implications for Croydon through this procurement as residential care provision is currently procured through spot purchasing arrangements.
- 7.7 Approved by: Nadine Maloney, Head of HR; Children, Education and Families on behalf of the Director of Human Resources (to follow)

8. EQUALITIES IMPACT

- 8.1 An equality analysis of the SLCP LAC Project was undertaken in November 2018 to ascertain the potential impact the proposed change would have on protected groups. This concluded that a further equality analysis was not required for the following reasons;
 - The change represents an improvement in the Council's current Residential and Independent Fostering Agency placements and commission processes.
 - There will be no changes to the service provisions themselves.
 - Outcome based commissioning will lead to improved outcomes for LAC and Young People.
- 8.2 The proposed services for looked after children will facilitate the realisation of the Council's Equality Strategy objectives:
 - To improve outcomes for children by providing a better start in life.
 - To achieve better learning outcomes for Children and Young People (CYP) by narrowing the attainment gap for those who are vulnerable.
 - To achieve better outcomes for children and young people by increasing the proportion that say they are listened to and able to influence.
 - To improve support for vulnerable people by making it easier for them to have more choice and control over their lives.

Approved by: Yvonne Okiyo Equalities Manager

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental sustainability Impacts of this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no implications in the proposal for the reductions/prevention of crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 London Borough of Croydon is a member of the South London Commissioning Programme's LAC Project, in partnership with 7 other London boroughs, as set out in section 3.3. The partners have collectively agreed to procure residential and foster care provision for Looked After Children through an Approved Provider Panel.
- 11.2 Once established, Croydon will fulfil its residential care requirements through an OJEU compliant Approved Provider Panel with pre-agreed prices and quality standards. This will replace spot purchase arrangements with relatively high costs placements.
- 11.3 Croydon will have access to the Approved Provider Panel for foster care services in future, if required.
- 11.4 The proposed strategy to procure an Approved Provider Panel for the delivery of Residential and Foster Care Provision will support the Council to fulfil its statutory duty to meet the needs of vulnerable children and young people including Looked After Children (LAC) and those with Child Protection Plans.

12. OPTIONS CONSIDERED AND REJECTED

12.1 Do Nothing

The Council has a statutory duty to meet the needs of vulnerable children and young people including Looked After Children (LAC) and those with Child Protection Plans. Therefore this is not an option.

12.2 Establish a Standard Framework Agreement

A standard framework agreement does not allow for new providers to be admitted once established. The standard framework cannot be refreshed to ensure it continues to meet demand and attract the best providers throughout the life span of the framework. The structure of the framework cannot be changed in any way. This option was rejected by the South London Commissioning Programme Looked After Children (LAC) Project Board.

12.3 Establish a Dynamic Purchasing System

The South London Commissioning Programme Looked After Children (LAC) Board agreed that the additional resources and costs required to implement and manage a DPS will not be a cost effective solution for the commissioning of Residential and Foster Care Provision. Therefore this option was rejected in a majority decision at the South London Commissioning Programme Looked After Children (LAC) Project Board meeting on 24 April 2019.

CONTACT OFFICERS: Sandra Asiedu, Procurement Delivery Specialist,

South London Commissioning Programme (SLCP).

APPENDICES: None

BACKGROUND DOCUMENTS: None