

	<p style="text-align: center;"><b>Executive</b> 15 July 2013</p> <p style="text-align: center;"><b>Report from the Director of Children and Families</b></p>
<p style="text-align: right;">Wards Affected: ALL</p>	
<p style="text-align: center;"><b>Independent Fostering Agencies Framework Agreement</b></p>	

**Appendices 1 & 2 to this report are Not for Publication**

## **1.0 Summary**

- 1.1 This report advises Members of Brent's participation in the procurement by the London Borough of Hillingdon of the West London Alliance Independent Fostering Agency framework. This report summarises the process undertaken in tendering this framework agreement and seeks approval to depart from the usual requirements of CSO 86(d) (ii) in relation to individual call-off contracts from the framework agreement.

## **2.0 Recommendations**

- 2.1 That the Council's participation in a WLA initiative, led by LB Hillingdon, to establish a framework contract for Independent Fostering Agencies be noted
- 2.2 That authority be delegated to officers to access the IFA framework and give permission to enter into an Access Agreement with the London Borough of Hillingdon to use the framework.
- 2.2 That an exemption from the usual requirements of Contract Standing Order 86(d)(ii) be approved so that it is not necessary to seek advice from the Director of Legal and Procurement each and every time a call-off is proposed from the IFA framework.

## **3.0 Detail**

- 3.0.1 The West London Children's Services Efficiencies Programme was launched in spring 2011 as a partnership of the six West London Authorities, (Hillingdon, Harrow, Hammersmith and Fulham, Hounslow, Brent, Ealing) plus Westminster, Kensington and Chelsea and Barnet.
- 3.0.2 A central project within the programme has been to develop a framework agreement to deliver more efficient commissioning arrangements for looked after children placed with external Independent Fostering Agencies (IFAs). The London Borough of Hillingdon has acted as the lead borough in delivering this project on behalf of the West London boroughs.
- 3.0.3 Collectively, the boroughs in the West London Alliance (WLA) spend in excess of £120m (2011/12) per year on looked after children and care leavers, of which £32 Million (2011/12) was used to purchase fostering placements from the private and voluntary sectors. By jointly developing a framework agreement for the provision of IFA placements across the sub-region, the aim is to exploit the West London Boroughs' combined purchasing power, delivering financial efficiencies and developing a diverse and quality assured market, with clear pricing frameworks and specifications.

### **3.1 Background**

- 3.1.1 Fostering is a way of providing care for children, in a family setting, who cannot live with their own families. Local Authorities have their own internal arrangements for finding suitable carers for looked after children but, due to the lack of a sufficient supply, authorities have also used private sector IFAs to source foster parents at an enhanced rate.
- 3.1.2 The London Borough of Brent has acted as a partner borough in a West London initiative to develop a framework agreement for IFA placements which was led by the London Borough of Hillingdon.
- 3.1.3 The Council's core strategy for the provision of fostering placements has been to shift the balance of commissioning to in-house foster carers, ensuring the strong matches of Looked After Children (LAC) with carers in their local area. This approach continues to be successful, with 57% of fostering placements now being made in-house compared to 41% in 2011. However, the need for an external market in fostering provision will continue, in particular for larger sibling groups & specialist/complex needs placements. While the Council has had some success in the management of the IFA market to date, the use of a framework is recommended as the most effective vehicle for achieving further quality and cost improvements in the sector over the coming four years.
- 3.1.4 The borough has played a key role in strengthening local market management arrangements through the WLA Children's Services

Efficiencies Programme. Joint commercial negotiations with the biggest IFA providers during 2012/13 have already delivered £650k of savings across the sub-region which represents a 4% saving on the £15.9m the WLA boroughs spend with the targeted providers (equivalent to a 2% saving on all WLA spend on IFAs). Brent saved £63k in 2012/13 from this coordinated commercial negotiation activity with IFA providers.

### **3.2 The West London IFA Framework**

- 3.2.1 West London boroughs currently purchase all of their IFA placements on a spot basis, with inconsistent rates and a duplication of approaches for contract management and inspection. There is now a need to move beyond this method of procurement, in order to deliver economies of scale and take a more robust, strategic approach to managing and developing the market.
- 3.2.2 Putting in place a framework agreement for the provision of IFA placements will improve the Council's procurement strategy by ensuring a diverse and quality assured market with clear agreed pricing structures and shared specifications. It will allow West London boroughs to operate collectively as a large and influential group of local authorities, seeking further efficiencies by using the boroughs' combined purchasing power.
- 3.2.3 While spot purchases and attendant commercial negotiations leave the Council exposed to the risk of annual inflationary increases, the use of a framework will deliver preferable rates fixed for the first two years with additional fee reductions built in for volume of placements, long term placements and discounts for the placement of sibling groups.
- 3.2.4 The potential for quality improvements and better outcomes for Looked After Children are also improved through the use of an identified set of robustly quality tested providers, enabling boroughs to obtain services at the right time, the right price and the right quality.
- 3.2.5 Hillingdon has led on the establishment of the framework with IFAs (the "IFA Framework"). Once the IFA Framework is operational, West London boroughs will work in partnership with the WLA to progress the development of more locally available services, reflecting the needs of the boroughs and addressing gaps in the market.

### **3.3 How the IFA Framework is constructed**

- 3.3.1 Providers have been grouped into 'lots' under the IFA Framework based upon different levels of care package specification. The lots are as follows:

#### **Lot 1 - Core Fostering**

- 3.3.2 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**

- 3.3.3 Parent and child fostering involves the placement not only of a baby or young child but also of a parent (mother or father) who is experiencing difficulties. 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**

- 3.3.4 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.
- 3.3.5 The Terms & Conditions under the IFA 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.
- 3.3.6 The core service specification for the IFA 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.
- 3.3.7 The operational implementation of the IFA Framework will take place through the use of developed Call-Off Procedures setting out how individual placements will be made through the IFA Framework.
- 3.3.8 So 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.

## **3.4 Operational implementation of the IFA Framework**

- 3.4.1 Providers under the IFA Framework have been rigorously assessed for quality and quality will be maintained through cross-cutting contract management coordinated in partnership with the WLA.
- 3.4.2 It is proposed that the IFA Framework will be managed through the roll out of the IT procurement platform CarePlace (subject to the approval of the Children's Efficiency Programme Board), which has been successfully implemented in Adult Social Care. Allied to the information already received as part of the IFA Framework process, the live information on cost, quality, supply and capacity in CarePlace will enable better decision making and enhance West London boroughs' ability to work with quality local providers.
- 3.4.3 To maximise the financial benefits of the IFA Framework, CarePlace will also track the range of discounts achieved as part of the IFA Framework and support placement decisions so further discounts are triggered.
- 3.4.4 The nature of placements with IFAs is that such placements often have to be made at short notice. Brent's CSO 86(d)(ii) requires that each time a call-off is recommended by the relevant Chief Officer from a framework established by another contracting authority, advice from the Director of Legal and Procurement must be obtained to confirm that participation in the framework is legally permissible. This has the potential to delay the placing of children. The Director of Legal and Procurement has indicated that the participation in the IFA Framework is legally permissible. In the circumstances Officers recommend that there are good operational reasons to seek an exemption from the requirement to seek advice from the Director of Legal and Procurement to confirm that participation in the IFA Framework is legally permissible in respect of each and every call-off.

## 3.5 **Business Benefits**

- 3.5.1 The prices achieved through the IFA Framework are attractive, even more so in a challenging context for achieving further efficiencies from the IFA market in West London, due to the inflationary pressures and increased competition from other sub-regions in the market that have already been considered in this report.
- 3.5.2 Non-financial benefits will also be achieved by establishing the IFA Framework. These include:
- **Sufficiency requirements** – the IFA Framework will enable Brent Council to deliver its obligations under sufficiency duties placed on Local Authorities and ensure a greater proportion of our foster placements are within a 20 mile radius of the borough.
  - **Market development** – by awarding an IFA Framework contract for the next four years West London boroughs will communicate a

clear message of our joint intention to stimulate the growth of local capacity. This will be achieved by giving providers on the IFA Framework the confidence to increase their recruitment of local foster carers, resulting in more placement choice for commissioners and children and decreasing the likelihood of costly placement moves. In addition, by delivering more local placements there will be savings to travel time for social workers/Independent Reviewing Officers/monitoring officers.

- **Improvement in quality** – by robustly specifying, tendering and monitoring independent fostering placements within the IFA Framework IFA placements will be delivered to a better standard of quality and any underperformance will be subject to rigorous performance management processes as set out in the Terms & Conditions of the IFA contract.
- **Contract management** – commercial contract management of the IFA Framework will be facilitated by the WLA in partnership with boroughs ensuring robust quality performance management of providers.
- **Placement searches/negotiation** - having a framework of approved providers with tendered prices, discounts, specifications and referral processes will reduce officer time required for finding and arranging placements.
- **Specialist fostering** – the IFA Framework will enable Brent Council to have increased access to high quality specialist fostering placements. This will assist both in attempting to prevent children being placed in high cost residential children's homes or when seeking to move a young person from residential care back to a family fostering environment. The difference between the two types of placement can amount to as much £60,000.

3.5.3 The delivery of volume discounts by aggregating the nine boroughs' spend will support the delivery of further savings for Brent.

3.5.4 A number of risks exist in managing and getting the most from this complex market. The success of the IFA Framework will rely on effective coordination between West London boroughs and careful management of placement decisions. Nonetheless, the risks attached to inaction or reverting to a spot purchase procurement of IFAs at the individual borough level exceed the risks associated with the IFA Framework.

## 3.6 **Tender process**

3.6.1 The tender was conducted by Hillingdon's Corporate Procurement Unit in conjunction with officers from Social Care Health & Housing Directorate, Central Services Directorate, Officer's from the WLA

Children's Efficiency Programme and a group of Officers from other West London boroughs. Brent's representatives were Neil Macdonald, Head of Commissioning, Children's Services and Chris Japtha, Senior Category Manager, Legal and Procurement, Tony Jain, Senior Category Manager, Legal and Procurement.

3.6.2 The service is classed as a Part B service and therefore not subject to the full rigours of the EU advertising requirements. However, the tender followed an open process (incorrectly described in the Hillingdon Cabinet Report of 20 June 2013 as a restricted procedure). An advert was placed in Supply 4 London and OJEU (copy attached at Appendix 3) and 51 tenders were received from IFAs.

3.6.3 Providers were required to answer questions and submit documentation to support their tender response in the following sections: Appendix 1 details scores and rankings achieved by suppliers At each stage of the process.

### **Section 1: Company Information, Compliance & Probity**

3.6.4 Providers were required to pass all questions in this section, which were drawn from Hillingdon's standard templates and covered the following areas:

- Company Profile
- Compliance & Probity
- Financial Risk
- Corporate Responsibility
- Health & Safety

3.6.5 50 providers met the requirements of this section and moved on to Section 2.

### **Section 2: Technical Capabilities/Supplier Previous Experience**

3.6.6 Providers were required to score a minimum of 60% on Safeguarding questions and an overall minimum score of 60% for the section. Providers were tested with regard to their experience in the following areas:

- Ofsted Judgement
- Response to most recent judgement
- Current Circumstances
- Consortium & Sub-Contracting (if applicable)
- Recruitment & Retention
- Safeguarding

3.6.7 33 providers met the requirements of this section and moved on to Section 3.

### **Section3: Technical Capabilities/Supplier Service Delivery Against Specification**

3.6.8 Providers were tested on their ability to deliver fostering services in the following areas:

- Services to Children & Young People
- Services to the Contracting Authority
- Support Services
- Policies & Procedures
- Questions developed by young people in care (or formally in care)

3.6.9 The table at Appendix 1 page 3 outlines the minimum, maximum and average scores for each set of questions in Section 3 and the maximum available score for each question set.

#### **4.0 Financial Assessment**

4.1 The financial component of the tender has been evaluated on the following basis:

- Lot Pricing
- Sibling Discount
- Cost/Volume Discount
- Permanency Discount

4.2 Based on a 60/40 split between price and quality, the tenderers listed in Appendix 4 were recommended to be appointed to the IFA Framework.

#### **5.0 Financial Implications**

5.1 The estimated value of call-off contracts under the IFA framework for Brent is (£3.9m) per annum, £15.6m over the four year term. Call-off contracts under the IFA Framework are expected to cover 50-60% of placements (moving to 70% of new placements) and the gross spend covered by call-off contracts is anticipated to be £10.3m. The contract arrangements are anticipated to deliver immediate savings of £83,468 on day one for existing placements, i.e. more expensive placements will reduce to tendered rates and those that are already cheaper will remain on their existing rates. If zero inflation is assumed, the anticipated saving over 4 years is £183,235. The IFA Framework fixes prices for 2 years and, if we assume that without the framework contract prices increased by 2% over years 1 and 2, the fixing of prices would deliver a saving to Brent of £548,240 over 4 years. Attached at Appendix 2 is a full breakdown of the savings to be achieved by all West London Authorities.

5.2 It is anticipated that the cost of these call-off contracts under the IFA Framework will be funded from Children and Families' existing Looked After Children's Placement Budget.



## **6.0 Legal Implications**

- 6.1 The tender exercise to procure the IFA Framework was led by Hillingdon on behalf of WLA member Boroughs and therefore in accordance with the WLA protocol; following that Hillingdon's own contract standing orders and financial regulations.
- 6.2 Independent Fostering Agency services are classed as part B services and therefore not subject to the full rigours of the EU procurement regime save that the requirement must be advertised, a technical specification produced and a contract award notice placed at the end of a tendering exercise.
- 6.3 The estimated value of call-off contracts to be made by Brent from the IFA framework is such that the IFA Framework agreement is classed as a High Value Contract under Brent's Contract Standing Orders and Financial Regulations. CSO 85(c) (ii) indicates that any collaborative procurement for a High Value Contract shall comply with the Brent's Contract Standing Orders and Financial Regulations unless the agreement of the Executive is obtained under CSO 84(a). Due to an administrative oversight an Executive Report requesting authority to participate in the WLA collaborative procurement exercise and use the lead Borough's Standing Orders and Financial Regulations was not sought by Officers.
- 6.4 Brent's CSO 86(d) (ii) sets out a procedure for calling off contracts from framework agreements established by another contracting authority. There is a requirement under CSO 86(d) (ii) for the Director of Legal and Procurement to advise that participation in the framework agreement is legally permissible. The Director of Legal and Procurement has had access to information about the tender process and procedure for accessing and calling off the IFA Framework and can advise that participation is legally permissible. CSO 86(d)(ii) additionally requires that each time a call-off is recommended by the relevant Chief Officer from such framework, advice from the Director of Legal and Procurement must be obtained to confirm that participation in the framework is legally permissible. As detailed at paragraph 3.4.4, Officers consider that this has the potential to delay the placing of children. In the circumstances Officers recommend that there are good operational reasons to seek an exemption pursuant to CSO 84(a) from the requirement to seek advice from the Director of Legal and Procurement to confirm that participation in the IFA Framework is legally permissible in respect of each and every call-off.

## **7.0 Diversity Implications**

- 7.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications.

## **8.0 Staffing/Accommodation Implications (if appropriate)**

- 8.1 The service is provided by external contractors and there are no staffing implications for the Council.

## **9.0 Background Papers**

- 9.1 Appendix 3 is a copy of the advert placed by Hillingdon.  
Appendix 4 is a list of tenderers to be awarded framework contracts

### **Contact Officers**

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### **Appendix 3: Copy of advert placed by Hillingdon**

#### **GB-Uxbridge: Independent Fostering Services Framework** Competitive Contract Notice

1. *Title:* GB-Uxbridge: Independent Fostering Services Framework
2. *Awarding Authority:*  
London Borough of Hillingdon  
Civic Centre, High Street, Uxbridge, UB8 1UW, United Kingdom  
Tel. +44 1895 250111  
Email: [asmith1@hillingsdon.gov.uk](mailto:asmith1@hillingsdon.gov.uk)  
URL: [www.hillingsdon.gov.uk](http://www.hillingsdon.gov.uk)  
Contact: [www.procure4london.gov.uk](http://www.procure4london.gov.uk)
3. *Contract Type:* Services
4. *Description:* Social work and related services. Social work services. The London Borough of Hillingdon on behalf of West London Alliance authorities is tendering a Framework for the provision of Independent Fostering Agencies in three lots, namely:
  - 1) Core Fostering
  - 2) Parent and Child Fostering
  - 3) Specialist Fostering
5. *CPV Codes:*  
85300000 - Social work and related services.  
85310000 - Social work services.
6. *NUTS Codes:*  
UKI23 - Outer London - West and North West
7. *Main Site or Location of Works, Main Place of Delivery or Main Place of Performance:* Outer London - West and North West,
8. *Reference Attributed by the Awarding Authority:*
9. *Estimated Value of Requirement:* Category B: 100M to 400M  
Currency: GBP
10. *Deadline for Expression of Interest:* 07/01/2013 12:00:00
11. *Address to which they must be sent:*  
London Borough of Hillingdon  
Civic Centre, High Street, Uxbridge, UB8 1UW, United Kingdom  
Tel. +44 1895250111  
Email: [asmith1@hillingsdon.gov.uk](mailto:asmith1@hillingsdon.gov.uk)  
URL: [www.hillingsdon.gov.uk](http://www.hillingsdon.gov.uk)  
Contact: [www.procure4london.gov.uk](http://www.procure4london.gov.uk)
12. *Other Information:*  
Other Information:

## Appendix 4: List of tenderers.

Lot 1 – Core Fostering	Lot 2 – Parent & Child Fostering	Lot 3 – Specialist Fostering
<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 Christopher's
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 Christopher's	St Christopher's	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	