

Children and Families Overview and Scrutiny Committee

Date of Meeting: 28 January 2019

Report Title: Briefing – Progress in respect of Children’s Home Commission

Senior Officer: Mark Palethorpe – Acting Executive Director of People

1. Report Summary

- 1.1. The purpose of this report is to update Children and Families Overview and Scrutiny Committee on the progress to date with the commissioning of Children’s Homes. The Children’s Home commission follows on from Cabinet agreement on the 13th March 2018.
- 1.2. Children in care are our children and as Corporate Parents we have ensured that they are a focal point for our strategic plans and priorities. It is our role to ensure they are supported, nurtured and helped to be, and feel, safe, achieve their potential and grow into confident young people and adults. Enabling our children can live and grow up in a safe and stable home is integral to ensuring their wellbeing and securing their positive development. Awarding the Children’s Home contract through an effective and timely tender process supports our commitments to children in care.
- 1.3. The commissioning of Children’s Homes supports the strategic intentions and ambition for our children in care and demonstrates further evidence of the Council’s passion and commitment to put children and particularly children in care at the heart of all that we do. The Council has a cared for children accommodation Sufficiency Duty to ensure, as far as possible, that we have in place a range of local and good quality accommodation options for our cared for children.
- 1.4. The Government has started to utilise the recommendations of Sir Martin Narey’s independent review of residential care. The Narey report is positive in respect of the role and impact that good residential provision can have for cared for children. The approach adopted by Children’s Services in

developing our residential offer fits with the findings and recommendations of the Narey report. The Council has added sufficient time into the procurement timeline to allow effective market engagement and a negotiation stage at the critical point before we undertake our final evaluations of the bids we receive.

1.5. The specification for our Children's Homes tender was brought to life through co-production with young people and their reflection on living in residential homes. The specification has received positive feedback from all interested parties, including the market, in respect of the child focused content and format. The co-production with our cared for children has continued through the procurement process with them interviewing bidders and their scores featuring as a formal part of the final decision making.

1.6. The final contract award decision is planned for 30th January 2019, followed by a period of standstill before the successful supplier(s) start to mobilise the contract alongside the Local Authority. The period of initial mobilisation is dependent on Ofsted registration processes and their capacity to complete, the successful supplier(s) ability to recruit registered managers / wider staff team and also the sourcing of two new properties.

2. Recommendation

2.1. The briefing is noted

3. Reasons for Recommendation/s

3.1. Update in respect of the progress of the Children's Home commission has been requested by Overview and Scrutiny Committee.

4. Other Options Considered

4.1. This section is not applicable

5. Background

5.1. The commissioning of local Children's Homes started in earnest in March 2018 with effective market engagement. This allowed the Local Authority to gain a clear picture of the market position and its drivers and to articulate the priorities, ethos and sustainable quality of care that the Local Authority required, ensuring:

- We commission a supplier that has a shared value of children being at the heart of all we do especially when it comes to placement decisions and good permanency planning.

- The market is clear on our drive to ensure residential provision is utilised effectively and that it supports appropriate care planning back to family / friends or step down to fostering.
- Strong partnership and trust is developed through the early conversations at engagement sessions; for instance we were clear about the integral role that our commissioned service would play at our successful Resource Allocation Panel ensuring the efficiency of placement decisions, in particular ensuring the harder to place children access the commissioned model rather than the external agency market at high cost.
- Assessment of the current market conditions and the quality and sustainability of the market. The engagement sessions allowed us to gauge the appetite of other local authorities bidding and any new / smaller companies that may bring a fresh outlook on what has become a very traditional market.
- We explored the best fit when it comes to the specification and in particular the way we Lot the service.
- A budget envelope was set at a level that provides value for money whilst being reflective of the current market conditions.

5.2. The specification for our Children's Home services was compiled with input from children and young people. This aspect of co-production is important if we are to follow through with our commitment to build services that are in line with the wishes and views of children that will actually live in the homes. The specification also focused on the need for our suppliers to be integral partners and deliver a model that puts a return to family / friends or to a foster family at the heart of the residential settings approach.

5.3. A compliant procurement process started in July 2018 with a notice published in respect of the Cheshire East Children's Home tender opportunity in the Office Journal of the European Union (OJEU) and the tender being advertised on the procurement portal, CHEST. Given the priority of residential services for our cared for children and the need to find the best supplier(s) who will work with us to put in place a highly effective service delivery model it was decided to use a competitive procurement procedure with negotiation. This allowed the refinement and improvement of bids during the process and the opportunity to have a negotiation meeting with bidders.

5.4. A good response was received to the tender opportunity with seven organisations completing the Standard Selection Questionnaire (SQ) by the 28th August 2018 deadline. There was some initial interest from other local authorities in our Children's Home tender opportunity but due to internal organisational / capacity issues their interest didn't progress.

- 5.5. Two bidders were eliminated at SQ stage as they did not reach the 60% threshold of quality set. The procurement process then moved to the next stage and an Invitation to Submit an Initial Tender (ISIT) was published to the remaining five suppliers on the 21st September 2018. One bidder did not respond or acknowledge the publication of the ISIT and one bidder decided to withdraw their interest following a set of comprehensive clarifications. ISIT submissions were received from three bidders by the 6th November 2018 deadline.
- 5.6. Evaluation of the ISIT submissions was based on 70% quality and 30% price. The quality evaluation was based on a series of questions and two interviews. The interviews both carried a weighting of 10% with one interview being managed and scored by our cared for children. The cared for children panel interview was an important element of our child focused procurement process and added value to the evaluation. The insight of our cared for children was fantastic and their feedback and scoring broadly aligned to the position of officers. On the whole the quality of the initial tender submissions was good.
- 5.7. Following the interview stage bidders were advised that the Council would be taking the option to have a negotiation stage before final tenders are submitted in order to refine and improve bids. Negotiation meetings took place on the 13th December 2018 and were productive. All three bidders were clear that they are selective in their decisions to bid for new business and that the Cheshire East specification, market engagement and partnership approach all contributed to their decision to bid. Final tender submissions were received on the 14th January 2019 and a moderation meeting to finalise scores will be held on the 18th January 2019.
- 5.8. The final contract award decision is planned for 30th January 2019, followed by a period of standstill before the successful supplier(s) start to mobilise the contract alongside the Local Authority. The period of initial mobilisation is dependent on Ofsted registration processes and their capacity to complete and also the successful supplier(s) ability to recruit registered managers and the wider staff team. Therefore the actual opening times are not set at this current time.
- 5.9. Children's Services currently have one Children's Home that is operational and two properties on hold and earmarked for our local Children's Home commissioned model. The two homes with earmarked properties should be operational in advance of the two homes that will be required to be sourced by the successful supplier(s) (one in Crewe and one in Macclesfield).

Alongside the actual sourcing of properties a Locality Impact Assessment and appropriate planning requirements will have to be addressed which will add time into their mobilisation plan.

5.10. Late in 2018 Overview and Scrutiny Committee discussed the process for external organisations setting up Children's Homes within Cheshire East. This briefing on the progress of the Cheshire East Children's Home commissioned model is timely and the process for establishing the two new properties could be utilised to inform a more detailed briefing to Overview and Scrutiny Committee.

5.11. When the Children's Homes have been awarded and mobilisation is taking place a further briefing will be compiled for Children and Families Overview and Scrutiny Committee which could pick up the process for external agencies setting up in Cheshire East including:

- The Cared for Children Sufficiency Duty for good quality, local provision
- Locality Impact Assessments required for Ofsted registration
- Planning requirements
- Exploring the difference between establishing an Ofsted regulated Children's Home and an Unregulated 16+ Provision

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. This Children's Home commission supports the Local Authority's statutory duties around achieving sufficient local accommodation for children in care.

6.1.2. The procurement process is being undertaken in accordance with the Public Contracts Regulations 2015 and the Council's own Contract Procedure Rules. There is active ongoing involvement to support the wide ranging legal implications of these proposals.

6.2. Finance Implications

6.2.1. The tender exercise will ensure that the best value for money solution is put in place. This will focus on the most effective blend of internal / external provision for the varying number and needs of cared for children. The final financial implications will only be evident when the tender is complete and comparison to the reduced use of the external agency market is clear.

6.3. Policy Implications

6.3.1. The tender process has put cared for children at the centre of Council policy and decision making. The invitation to tender has been undertaken with clear reference to the Children and Young People's Plan, Corporate Parenting Strategy and Sufficiency Statement.

6.4. Equality Implications

6.4.1. The commissioning of Children's Homes and the specification for services includes application of the Council's Social Value policy.

6.5. Human Resources Implications

6.5.1. None identified at this stage.

6.6. Risk Management Implications

6.6.1. Cared for children are a vulnerable group that are at risk of a number of factors – poor education and training, health, safeguarding and transition into adulthood. The design of an effective residential offer will aim to mitigate these risks to our children.

6.6.2. Individual elements of the tender for a wholly commissioned service will provide risks surrounding reputation (ie location of Children's Homes) and finance.

6.7. Rural Communities Implications

6.7.1. Cared for children can come from communities across Cheshire East, including rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. Children in care will have an increased ability to live closer to their family, friends and local communities. The ability to link more of our cared for children to the range of internal support provided by Children's Social Care will also support the quality of care they receive and ultimately the stability of placement.

6.9. Public Health Implications

6.9.1. Cared for children are more at risk of health inequalities than their peers. The proposals are expected to improve the awareness and response in respect of these health needs.

7. Ward Members Affected

7.1. The three existing properties earmarked for Children's Homes are in Macclesfield and Crewe. The two new Children's Homes are planned to be opened in the Crewe and Macclesfield but until properties are actually sourced this cannot be confirmed and therefore this increase in residential capacity has the potential to affect all areas of Cheshire East.

8. Consultation & Engagement

8.1. Effective engagement with cared for children has taken place at various key stages of the Children's Home commission and also market engagement with potential suppliers has ensured a productive commissioning process.

9. Access to Information

9.1. Cheshire East Cared for Children Sufficiency Statement, link:

<https://www.cheshireeast.gov.uk/pdf/livewell/sufficiency-statement-for-cared-for-children-2018-2020.pdf>

9.2. Children and Young People Plan, link:

https://www.cheshireeast.gov.uk/livewell/care-and-support-for-children/working-in-partnership/childrens-trust/childrens_trust.aspx

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Dave Leadbetter

Job Title: Head of Children's Commissioning

Email: dave.leadbetter@cheshireeast.gov.uk