

RESIDENTIAL CHILDREN'S HOMES

Award of block contract – PART ONE REPORT



1. PURPOSE

The purpose of this paper is to provide an update on a procurement to put in place a new contract to block purchase residential children's homes. At Cabinet in March 2022, agreement was given to proceed with the procurement as part of proposals to support placement sufficiency in 2022/23, with the contract award decision delegated to the Director of Children's Services.

This paper sets out the procurement process, the outcome and impact of the tender and recommendations for contract award as a delegated decision. This is based on analysis of both the quality and price (commercial aspects) of the submissions. Further detail of the commercial evaluation are set out in a separate Part 2 report.

It is recommended that the following providers are awarded a contract, for a period of 3 years (from 3rd April 2023 – 31st March 2026 with the option to extend for 2 further years on a 1+1 basis. The listed providers have successfully met the requirements for the tender:

- Keys Group – Lot 1 and Lot 2
- Beaufort Care – Lot 1 and Lot 2
- Five Rivers – Lot 2

2. BACKGROUND

12% of children and young people in Plymouth's care are placed in residential children's homes. These placements provided by externally commissioned Ofsted registered providers. Residential care is used for children and young people with the most complex needs, although over the last year a lack of available foster placements has occasionally led to children with fostering needs being placed for a period of time in residential care. Modern children's homes are very different from more institutional models of care used in the past; homes tend to be small (less than 4 beds and often no more than 2) with a homely feel and a dedicated staff team working with the child. The largest home in Plymouth offers 3 beds.

The use of commissioned children's home placements has been rising over the last 8 years, partly due to a rise in the number and complexity of children coming into care particularly as teenagers and challenges with recruiting foster carers able to care for children with more complex needs:

- April 2014: 26
- April 2022: 52
- February 2023: 62

Work is underway to reverse this trend with more robust scrutiny of care planning for children who are already in residential care, alongside reviewing the reasons why children come into care during their adolescence, to see what further preventative measures to support families can be put in place.

Current contractual arrangements

Residential children's home placement are commissioned via three routes against a current budget of £17.8m:

- Block contract – Plymouth beds (£4.1m)
- Peninsula children's home Flexible Purchasing system (framework contract) (£3m)
- Spot purchasing (£10.7m)

The preference is to be able to access local beds, provided by organisations working closely in partnership with the Council. This has been a success story for the city over recent years in terms of the availability of local homes but there is more to do to support local growth of provision:



In 2012 there was one children's home within the Plymouth City Council boundary, run by a provider of adult services. This two bedded home was very rarely offered to Plymouth children as the provider felt unable to meet their needs. Plymouth children requiring residential care were placed out of the city, sometimes at significant distance. This impacted on the ability of social workers and commissioners to have robust oversight of the quality of the provision, and often led to higher placement costs.

To tackle this issue, Strategic Commissioning and Children's Social Care worked together to encourage children's home providers with a track record of proving good quality care to move to the city. Three children's home providers (one national organisation and two locally owned providers) subsequently opened homes in Plymouth. This included a range of solo and two-bedded homes, as this model of care best suits the needs of complex Plymouth children. These beds were available to any child in care, whether placed by Plymouth or another local authority.

The Plymouth homes are based on a model of being as close to a family home as possible, sited in semi-detached or terraced houses in communities, with a skilled staff team providing 24 hour care. Each home has its own manager, who is accountable to Ofsted for the quality of the provision.

In 2017 a procurement was carried out to take another step and secure a number of local beds through a block contract, at preferential weekly rates.

The Caring in Partnership residential block contract began on 1st March 2018 with Keys, Cambian, Beaufort Care and Priory Group (no longer on the contract). The contract was the outcome of a procurement to identify children's home providers; either already operating within 20 miles of Plymouth (Lot 1), or those interested in opening homes in or near to Plymouth during the lifetime of the contract (Lot 2). This contract is due to expire on 31st March 2023.

The contract has enabled the number of local beds on the block contract to grow by 5 since 2018 with 17 Plymouth beds now available. 2 are commissioned from Cambian and 15 from Keys. All are registered for emotional and behavioural difficulties.

To support growth, providers work with the Council to describe the home they would like to open. If that meets local needs, a price is agreed and the provision is added to the block contract from when children start to be placed. This has given providers the security they need to open a new home (the estimated cost of setting up a new home is between £500k and £1m) and enables the Council to shape any new provision to meet the needs of Plymouth children.

Current contract performance

All 9 homes (17 beds) on the block contract are graded Good by Ofsted.

Outcomes for children have been positive, enabling children experiencing breakdown of foster placements to stabilise without needing to bond with a new family, and for others to return to the city, to step forward into fostering, return home and move on into independent living. The approach is relational, rather than transactional, with an emphasis on caring for “our children” together. Keys (15 beds on the current contract) has cared for 29 Plymouth children over the last 2 years, with the following outcomes:

- Four children progressed to foster or family placement.
- Eight children stepped to post 16+ homes and three 18-year-olds supported to leave care.

Key to the success of the contract are regular group meetings, attended by the providers together with commissioners, and representatives from the Virtual School, Children in Care Camhs team manager, NHS Devon ICB (Designated Nurse), Livewell Southwest (LAC nurse) and Children’s Social Care. Representatives of the child focused policing team are also invited to meetings. Partnership working is particularly strong between the providers and the Permanency service.

Regular meetings are in place with the providers and CYPF managers with commissioners to discuss any vacant beds and the current referrals. Fortnightly conversations take place with commissioners and Keys to ensure that any issues are raised and addressed promptly.

The Plymouth home managers also self-organise a forum across the block and framework beds, with partner organisations invited to attend. In addition the home managers are invited to meet with the DCS and Service Director twice a year, to be able to share any issues and achievements direct.

3. NEW CONTRACTUAL APPROACH

As the current contract has performed well in terms of outcomes for children and growth of locally available beds, the approach to procurement was very similar for the new contract. The procurement had two Lots:

- Lot 1 – Existing provision in and near to Plymouth
- Lot 2 – Homes to be added to the contract at a later date

The requirement was split into lots to allow providers that currently do not have current provision in Plymouth or within 10 miles of the Council boundary to be able to apply for Lot 2 – this will enable them to consider opening provision in or near to Plymouth during the lifetime of the contract. It was intended to award a maximum of 20 beds to Lot 1 for the tender, with additional beds able to be added at a later stage.

Procurement process

An Open Procedure tender exercise was conducted for this procurement. The opportunity was advertised via the www.supplyingthesouthwest.org.uk portal and the following evaluation criteria were published in the Invitation to Tender (ITT) documents. The Terms and Conditions applicable to this contract are PCC Services Terms and Conditions + Special Conditions.

Supplier Suitability Assessment (SA)

Section	Title	Type of Question	Evaluation
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1	Supplier information	Information only	Not evaluated and scored
2	Grounds for Mandatory Exclusion	Pass/fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
3	Grounds for Discretionary Exclusion	Pass/fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
4	Economic and Financial Standing	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
5	Parent Company Details	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
6	Technical & Professional Ability	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
7	Modern Slavery Act Requirements	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8	Additional Questions		
8.1	Insurances	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8.2	Health & Safety	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8.3	Equality and Diversity	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8.4	Business Capability	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8.5	Safeguarding	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.
8.6	Data Protection	Pass/Fail	In the event of a supplier being awarded a 'fail', the remainder of their submission will not be evaluated and they will be eliminated from the process.

Supplier Award Criteria (ITT Stage)

If any of the following applied the tender would be disqualified:

- Delivery of all elements of the specification not included

- Schedule 1 to 7 certificates not completed and/ signed
- Price above Affordability Criteria
- Price breakdown (costs) unrealistic and service not sustainable
- Proposed staffing insufficient
- Unacceptable amendments to Terms and Conditions

Affordability Criteria

The Council reserved the right to not award a contract for individual placements if the weekly placement fee is considered unreasonably high, i.e. The following maximum pricing thresholds applied to both Lots 1 and Lot 2:

Price per bed in a Solo bed placement:	£7,200 per week
Price per bed in a Multi-bed placement:	£6,000 per week

Tender evaluation

Tenders were evaluated using the following scoring framework:

Weighting %	Evaluation Criteria	Breakdown of criteria
COMMERCIAL RESPONSE		
40%	Price (Lot 1) / Indicative Price (Lot 2)	Separate Solo and Multi bed weekly prices; comparative evaluation between tenders
QUALITY RESPONSE – METHOD STATEMENTS		
PASS/FAIL	Collaborations / Partnerships	Details of any Collaboration or Partnerships arrangements
25%	Transitions	Details of involvement, preparation and support for child/young person moving on from residential care
25%	Understanding Needs	Demonstration of an understanding of the needs of Plymouth Children requiring residential care and how these will be met.
SOCIAL VALUE RESPONSE		
5%	Social Value Commitment	Monetary value of TOMs offer; comparative evaluation between tenders
5%	Social Value Method Statements	Description of how TOMs will be met

Three bids were received and evaluated by a team of evaluators from Commissioning and the Children, Young People and Families Service – all bids achieved the required standard for the tender. For detail on the respective scores for commercial, quality and social value please see the Part 2 paper. This contains commercially confidential information.

TUPE Considerations

There are no known TUPE implications associated with the award of this contract.