

## CITY OF PLYMOUTH

**Subject:** Cost and Volume Framework Contract for the provision of Fostering Placements Tender Award

**Committee:** Cabinet

**Date:** 29 March 2011

**Cabinet Member:** Councillor Mrs Watkins

**CMT Member:** Bronwen Lacey, Director of Services for Children and Young People

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**Ref:** Contracts 10083

**Key Decision:** Yes

**Part:** I

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### Executive Summary:

This Contract Award Report is to recommend the outcome of a tender to provide framework contracts for the provision of independent sector fostering placements to Plymouth City Council, Devon County Council and Torbay Council. This tender was structured to achieve cost discounts on increasing volume, ensuring that if placements are commissioned from the independent sector they are done so at a preferential price, from suppliers able to offer placements of high quality. This report sets out the process undertaken and the recommended suppliers for contract award.

Plymouth City Council has commissioned fostering placements through a Cost and Volume Framework Contract since 2007, being joined by Devon County Council and Torbay Council in 2008. Since 2007 Plymouth City Council has saved £528,000 on independent fostering placements as a direct result of this framework contract.

This provision is only one aspect of the commissioning of placements for children in care, with Plymouth City Council's in-house Fostering Service continuing to expand and to provide the majority of the fostering placements.

Where placements with Independent Fostering Agencies (IFA's) have been needed the framework contracts have resulted in many stable placements for Plymouth children, achieving positive outcomes. This was commented upon in our recent safeguarding inspection where Ofsted stated that "Plymouth has developed a detailed commissioning strategy which ensures good quality placements that offer value for money".

Over the last six years significant market development activity has been undertaken at a Peninsula level to increase both the capacity and quality of the provision of placements.

In addition to market development, our commissioning strategy seeks to ensure sufficiency in placements within the boundary of the city. This is in line with Plymouth's sufficiency duty under section 22G of the Children Act 1989. This tender, launched in November 2010 and based on an evaluation ratio of 70% for Quality and 30% for Price of placements, furthers this strategy in the development of higher volumes of placements within Plymouth.

For reasons of commercial confidentiality, the full financial details of the proposed contract award are included within a separate Part II Report.

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## **Corporate Plan 2011 – 2014**

The Cost and Volume Framework Contracts for fostering placements contribute to delivering the City Council's priorities and the cascaded priorities of the Children and Young Peoples Plan as set out in the specification outcomes below:

### **Corporate Plan Priority: Deliver Growth**

- Children and Young People's Plan Priority: Equip young people with skills, knowledge and opportunities to make a successful transition to adulthood

### **Outcomes in Fostering Agency Service Specification**

As they grow older the child will engage in further education, employment or training when they leave school; they will develop independence and money management skills; they will be supported in the process of moving to independent adult life.

### **Corporate Plan Priority: Raising Aspiration**

- Children and Young People's Plan Priority: Improve levels of achievement for all children and young people.

### **Outcomes in Fostering Agency Service Specification**

The child will attend and enjoy school, receiving encouragement and recognition for their achievements; they will participate in school activities and develop social, cultural and sporting skills; they will make positive friendships; they will achieve academically in line with their age and ability.

### **Corporate Plan Priority: Reducing Inequalities**

- Children and Young People's Plan Priority: Provide all children with the best possible start to life.

### **Outcomes in Fostering Agency Service Specification**

The child will: Enjoy good physical, emotional, mental and sexual health; have a healthy lifestyle; and will have access to information about health issues that allows them to make informed choices as they grow up.

The child will be physically safe, stable and emotionally secure; they will be protected from ill-treatment, neglect, violence and exploitation; they will be free from bullying and discrimination.

### **Corporate Plan Priority: Value for Communities**

- Children and Young People's Plan Priority: Tackle risk taking behaviour.

### **Outcomes in Fostering Agency Service Specification**

The child will be protected from involvement in crime, anti-social behaviour and other risk taking.

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## **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

The Cost and Volume Framework Contracts form a key aspect of the medium term financial planning for services for children and young people. The framework contracts ensure we are commissioning high quality independent foster placements for vulnerable children and young people at a preferential weekly rate. The savings achieved to date through these framework contracts have ensured that fostering spend per placement has reduced steadily over the last five years.

Overall analysis of the benefits in contract award show a saving of £258,000 within 2011/12 on market rates. Final clarification has been undertaken to achieve discounts for higher volume levels giving additional savings of £6,000 per annum. Furthermore, effective management of the market will enable a more competitive environment to flourish increasing the scope to make savings.

The framework contract system ensures that for all new placements, or placement moves, mini competitions are undertaken, therefore value for money can be judged at each placement decision through the options appraisal process. Through good market management the availability of alternative placements will be strengthened and this will increase the ability to secure savings over time. The framework contract does not preclude successful bidders from lowering their prices during the life of the contract to achieve more placements at each options appraisal stage.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

None

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**Recommendations**

It is recommended that a Cost and Volume Framework Contract be awarded for the delivery of fostering placements to the prequalified Independent Fostering Agencies detailed in the separate Part 2 paper for the period of three years.

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**Alternative options considered and reasons for recommended action**

The alternative to contract award would be to return to spot purchasing foster placements, these being subject to fluctuating market rates or to seek to continue the existing framework contracts which would be anti-competitive and we would be subject to re-negotiated prices through contract extension.

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**Background papers:**

Section 22G of the Children Act 1989  
 Fostering Cost and Volume Contract Award 2008 - 2010

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**Sign off:** comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert initials of Finance and Legal reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	SA/C hS032 0/4.3. 2011	Leg	1121 5/AL T.	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	JK/SP U/246/ 0311
Originating SMT Member: Mairead MacNeil											