

The Efficacy and Sustainability of Consortia Commissioning of Looked After Children's Services

Research Report

July 2015



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1 Introduction

Over the past decade there have been significant developments in commissioning arrangements of placements for children in care. There has been a growth in consortia commissioning, with local authorities increasingly working together to commission placements, particularly for children in foster care and in residential child care.

The Department for Education (DfE) asked the [Institute of Public Care](#) (IPC) at Oxford Brookes University to review these consortia commissioning arrangements in order to understand what has and hasn't worked. This includes consortia established using previous DfE funding as well as other localised or ad hoc arrangements. The research aimed to:

- Identify what consortia commissioning arrangements exist.
- Explore how well consortia work and whether they could work more effectively to help improve outcomes for looked after children.
- Identify examples of good practice.

The research focused on consortia commissioning arrangements for residential child care and foster care provided by independent agencies, but not in-house provision by local authorities. It did not cover consortia commissioning of residential and day special education or supported and other types of accommodation for looked after children who are 16+ years, or care leavers.

The research was undertaken between March and June 2015. It comprised three key stages:

- Analysis of all consortia to map current arrangements.
- A series of interviews with key national and local stakeholders as well as a survey of provider organisations.
- A detailed evaluation of a sample of consortia including interviews with a range of local stakeholders.

2 Context and Terminology

In this report we have used the word procurement to refer to the process of buying placements, including contracting with providers, rather than the wider activities of strategic commissioning. We distinguish between strategic commissioning – responsibility for which is often shared across a consortium - and procurement where, for reasons of clarity, legal accountability for the process is with a single lead local authority or organisation.

There are currently two particular procurement issues that may affect commissioning of placements for children in care in the longer term; an application for judicial review and changes to the EU procurement regulations.

Firstly, at the time of writing, the [Nationwide Association of Fostering Providers](#) (NAFP) have been awarded permission to bring a judicial review claim into the practice of local authorities using a sequential placement finding methodology. This is where in-house

foster and residential carers must be considered first before permission is granted to look at external and/or 'tiered' provision. If this claim is successful, it may have significant consequences for consortia commissioning and in particular for those consortia using a framework contract or dynamic purchasing system with 'tiers' (see section 2.2).

Secondly, the UK's procurement regulations, the [Public Contracts Regulations 2015](#), which implement the EU Public Contracts Directive (2014), came into force on 26 February 2015 with more changes due to come into force by April 2016. These introduce a number of amendments designed to make public procurement processes more accessible to small and medium sized enterprises. These include the introduction of a new threshold of €750,000, the abolition of pre-qualification questionnaires (PQQs) for tenders below the threshold, and the development of a self-declaration form for providers to demonstrate that they prequalify; the European Single Procurement Document (ESPD).

2.1 Types of Consortia

There are many different types of consortia and they overlap in membership. The consortia maps in section 3 illustrate the complexity of arrangements. The main types of consortia are:

- Overarching regional or cross-regional consortia which evaluate providers wishing to offer services to the local authorities in the consortium. Successful providers are placed on a regional database which can be accessed by local authorities and/or sub-regional consortia seeking placements. Overarching consortia usually have close links with the regional Association of Directors of Children's Services (ADCS), who set the work plan for the consortium, and support commissioning and procurement projects undertaken by the sub-regional consortia operating in the region or area. Typically, a full time manager provides support to both providers and the sub-regional consortia, and ensures that links are maintained with regional and national initiatives.
- Regional consortia where most of the local authorities in a region sign up to a framework contract or dynamic purchasing system for residential child care and/or independent foster care. There may well be different membership for residential child care and independent fostering services in a region.
- Sub-regional consortia which commission and procure, via a framework or dynamic purchasing system, residential child care and/or independent fostering services.
- Partnerships, which have a number of local authority members and may cross regional boundaries. These provide approved lists of providers or other means to share information. They may also carry out tasks such as quality assurance of providers, but are not purchasing consortia i.e. they do not have contracts with service providers.
- Contracting partnerships, comprising a small number of local authorities, who commission and procure services on a block contract basis.

2.2 Types of Procurement Arrangements used by Consortia and Partnerships

Just as there are a number of different structures and membership to consortia so there are a number of differing procurement arrangements:

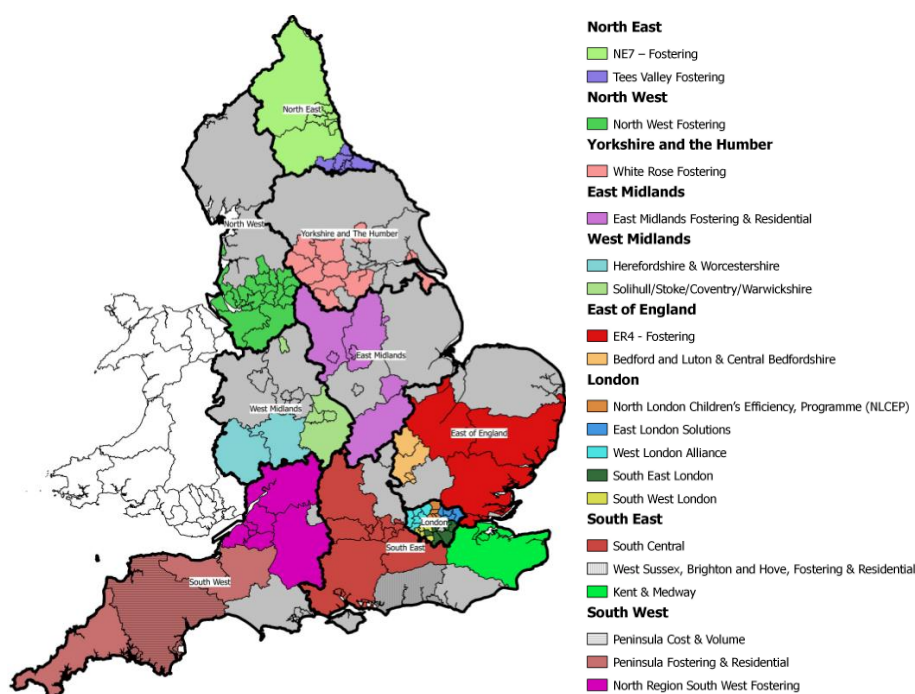
- An **approved list of providers** (APL) who have met certain basic criteria and provided information that is placed on a data base open to the consortium or partnership members. Such arrangements are best described as a facilitated market place. Local authorities use this market place to identify potential providers who could meet their needs, and then deal directly with those providers agreeing prices or other conditions on a spot purchase basis. Usually such lists are open for providers to leave or join at any time or at least at regular intervals.
- A **framework agreement**, which is closed for a defined period of time. A framework agreement has a common specification and contracts with providers who will provide the specified service at the prices agreed. They are typically for periods of two or three years initially, often with a review point with an option to extend by a further one or two years. At the review point, both commissioners and providers may be able to join or leave the framework and there may be mechanisms for resubmission of prices. There are examples of variations to this model with hybrids including approved provider lists and aspects of dynamic purchasing systems:
 - Frameworks typically include several 'lots'. A lot is a category of service i.e. standard fostering or residential child care, enhanced fostering or residential child care, specialist residential or foster care, parent and child placements or placements for disabled children. Lots may be further divided by age bands.
 - Frameworks also typically include 'tiers'. A tier is usually based on an assessment of providers' quality and price, with those offering the lowest price at the required quality on tier one, with other providers placed in tiers two or three as the price and or quality threshold rises. Those on tier one will normally be approached first for available placements. Therefore, they will be more likely to get regular placements under a framework agreement.
- A **dynamic purchasing system** (DPS) is continuously or almost continuously open for providers to join or leave the contract. Otherwise it operates much like a framework agreement with agreed specifications and contracts. As with frameworks DPSs can have lots and tiers.
- **Block contracts** are where local authorities agree to purchase a specified number of places from one or more providers. A number of individual local authorities have developed block purchasing arrangements with providers. They are less common for consortia and where they are in place they tend to be between only a few local authorities.
- **Cost and volume contracts** are where no specific volume of purchases of placements is guaranteed, but there is agreement that as spend with a particular provider increases, prices will be reduced.

Whatever the procurement arrangements, nearly all consortia use a contract which has been based on the appropriate national contract for residential and/or foster care. These national framework contracts were developed to assist local authorities and providers to avoid duplication of effort; they are overseen by the National Contracts Steering Group (NCSG), a voluntary group consisting of local authority commissioners, representing most, although not all regions, and independent providers from the fostering, residential child care and residential schools sectors. National contracts set out standard terms and conditions under which individual placements can be made or 'called-off' within the contract. Some consortia require local authorities to follow the same prescribed call-off procedures, which prescribe when and how providers must be contacted with requests for placements, while others allow each participating authority to determine how it uses the framework or DPS or approved list.

3 Current Consortia Arrangements

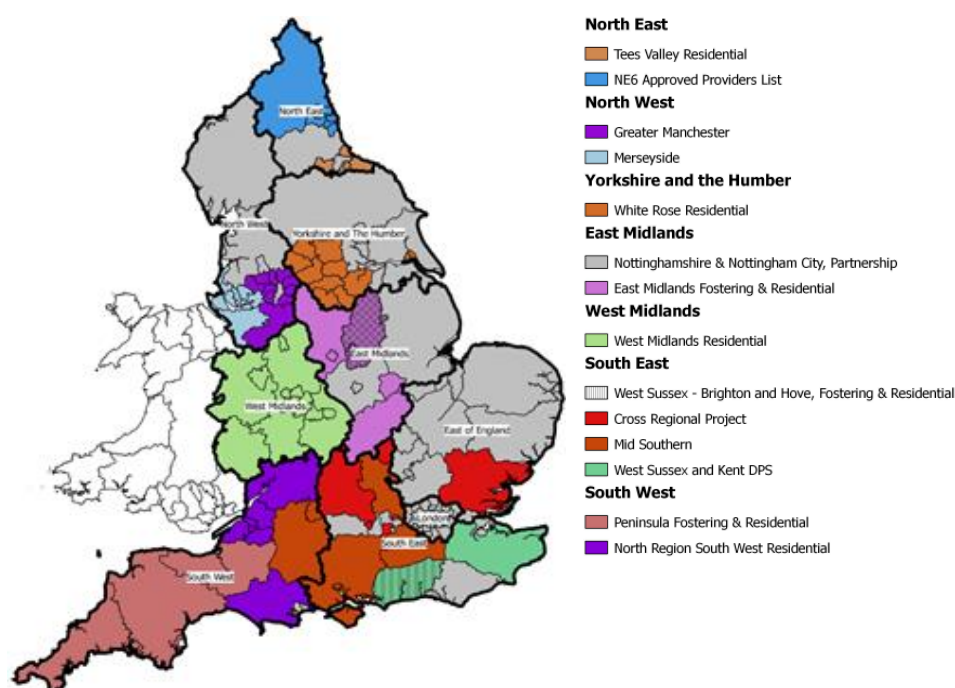
The maps below show the diversity of consortia and partnership arrangements and their complexity. The membership of consortia is often fluid depending on the perceived benefits or impact of collaborative working. Each local authority makes a decision on whether to join, or leave, a consortium based on an assessment of their needs and interests at that moment in time. It must be noted that the arrangements shown below represent a snapshot in time and that consortia/partnership arrangements and memberships are ever evolving.

Figure 1 Map of regional and sub-regional fostering consortia as at 22 May 2015



There are 20 regional or sub-regional consortia relevant to fostering, including 3 that are both fostering and residential, shown in figure 1. 14 local authorities are not in any fostering consortia or partnerships.

Figure 2 Map of regional and sub-regional residential child care consortia as at 22 May 2015



There are 14 regional or sub-regional consortia relevant to residential child care, including 3 that are both fostering and residential, shown in figure 2. 22 local authorities are not in any residential consortia or partnerships.

In total there are 31 regional or sub-regional consortia or contracting partnerships (including 3 that are both fostering and residential) and 3 overarching regional consortia as well as one cross-regional partnership (CCRAG). Many local authorities are members of several consortia or partnerships and in some regions there are layers of consortia arrangements. For example, in the North West, West Midlands and London, there are sub-regional consortia that operate under an overarching regional consortia arrangement and the participating local authorities may make financial contributions towards two or more consortia. Conversely, some local authorities do not engage in any consortia or partnership arrangements: 14 local authorities are not in any fostering consortia and 22 are not in any residential child care consortia.

Consortia and partnerships were identified by discussion with regional fora, the national Contracts Steering Group, and provider representative bodies as well as interviews with consortia lead authorities. Information about the 35 consortia or partnerships that we identified as operating in England, at the time of writing, is summarised in Appendix 1 and the arrangements in each region are described below, which is based on our interpretation of information supplied by, and views of, the consortia.

3.1 North East

There are twelve local authorities in the North East region and a number of sub-regional consortia arrangements are operated, including three fully established sub-regional consortia for services for children and young people who are looked after as shown in table 1 below. All local authorities in the region are members of one of the independent foster care agencies consortia, and ten local authorities are part of existing or developing consortia arrangements for the purchase of placements for out of authority residential child care.

Table 1 North East sub-regional consortia as at 22 May 2015

NE7 Independent Foster Care Agencies (IFA)	NE6 Out of Authority Residential Child Care	Tees Valley Independent Foster Care Agencies (IFA)	Tees Valley Out of Authority Residential Child Care
Durham		Darlington	Darlington (L)
Gateshead	Gateshead	Hartlepool (L)	Hartlepool
Newcastle (L)	Newcastle (L)	Middlesbrough	Middlesbrough
North Tyneside	North Tyneside	Redcar and Cleveland	Redcar and Cleveland
Northumberland	Northumberland	Stockton-On-Tees	
South Tyneside	South Tyneside		
Sunderland	Sunderland		

The [North East Purchasing Organisation](#) (NEPO) procures high value contracts on behalf of north east local authorities in order to secure significant savings for the public sector, whilst developing and supporting a supply base that is better able to compete for public sector contracts. The NEPO protocol for collaborative procurement arrangements covers all kinds of procurement that local authorities in the North East region may undertake. The presence of this wider agreement supporting collaboration has made it easier to establish the consortia described below. The protocol defines what categories are procured on a local, regional and national level and identifies whether a procurement exercise will be 'Hub' led by NEPO or 'Spoke' led by one of the participating local authorities. The protocol agreed across the 12 local authorities sets out how regional collaboration arrangements for procurements operated through NEPO will work across the region. Local authorities sign up to formal arrangements, including funding and shared risk protocols, to enable them to access NEPO supported arrangements.

NEPO supports the work undertaken to procure the NE7 IFA, NE6 residential child care and NE12+ collaboration contracts.

All 12 North East local authorities meet regularly to explore opportunities for collaborative commissioning although not all local authorities take part in each collaborative exercise. Four Tees Valley local authorities are currently developing arrangements for the purchase of placements in out of authority children's homes and the Tees Valley local authorities already operate a framework for placements in independent foster care agencies.

In addition to the collaborations detailed in table 1 above, all twelve local authorities in the North East region, plus their Clinical Commissioning Groups, are in the process of developing a tender for September / October 2015 for placements in Department for Education registered, non-maintained and independent special schools and colleges for children and young people 0 – 25 years (day and residential placements): the NE12+

Collaborative. These services are currently spot purchased. New NE12+ arrangements will ensure that services will be procured in line with the new European Public Contract Regulations and meet the requirements of the Special Education Needs and Disabilities (SEND) reforms. It is anticipated that the N12+ framework will operate eight lots with four categories within each lot.

NEPO regional collaborative protocols mean that it is anticipated within five years there will be a single, North East wide, procurement solution for each of the three categories below:

1. Independent foster care
2. Out of authority children's residential homes
3. Non-maintained and independent special schools and colleges

3.1.1 NE7 Independent Foster Care Agency (IFA) Consortium

This consortium has seven members all from within the North East region. Participating local authorities procure services from independent foster care agencies for children and young people who are looked after. The framework has one lot with seven different arrangement types for:

1. Mainstream fostering.
2. Mainstream fostering with additional needs.
3. Intensive support fostering.
4. Parent and child foster placements.
5. Parent and child foster placements with assessment service.
6. Solo fostering placements; for example, no other children can be in placement.
7. Staying put arrangements.

This is a framework contract which has no tiers and is closed for a defined period of time. All local authorities follow the same process to award placements through the contract.

Under the regional collaborative procurement protocol Newcastle City Council, as Lead Spoke has overall responsibility for the contract monitoring for the seven local authorities. Newcastle coordinates the contract monitoring through a system of 'Link Officers' and ensures that the participating local authorities discharge their monitoring responsibilities. The Link Officer system means that each participating local authority is 'linked' with a number of IFA providers on the framework and is responsible for the day-to-day contract management activity on behalf of all members of the framework. There is no financial contribution from participants, but what is expected in time and officer hours is detailed in the governance arrangements and gives accountability for each local authority's contribution and performance on that contribution. There are quarterly Provider Forums and an Annual Conversation with each provider; a more private meeting with each provider, chaired by their Link Officer and open to all NE7 participating local authorities who use them. There is an annual monitoring visit supplemented by regular conversations in the year which encourages strong, positive working relationships to be developed and creates a clear line of communication between providers and the NE7 local authorities. NE7 recently asked providers about

the effectiveness of monitoring arrangements and reported that the feedback evidenced that providers thought these worked well. This monitoring of, and communication with, providers is resourced by each local authority undertaking the tasks allocated to them. The consortium reports that the contract has led to significant cashable and non-cashable savings. It estimated the cashable savings based on comparison with what local authorities were paying under the previous spot purchasing arrangements for a similar number and type of placements. The non-cashable savings reflect that prices have been frozen since 2011 and will be held for four years of the new contract. For example, it is assumed that the consortium has saved a 2% uplift compounded over four years on all placements on and off previous contracts.

3.1.2 NE6 Residential Child Care Approved Provider List (APL)

This consortium has six members all from within the North East region. It operates an Approved Provider List (APL) for placements in Ofsted registered, out of authority residential children's homes. The APL is opened for applications from new providers a minimum of every six months. Newcastle City Council leads on commissioning with NEPO leading on the procurement. Representatives from Northumberland County Council and Newcastle City Council act on behalf of the NE6 local authorities to manage NEPO's performance in relation to this APL. The agreement operates in line with the agreed regional collaborative protocol, which ensures a clear understanding between NEPO and the partner local authorities on how arrangements work and where responsibilities sit.

All local authorities operate the approved list in the same way. Contract management is carried out via a Link Officer system similar to NE7 arrangements with each setting having an identified lead local authority who takes a lead on contract management activity on behalf of the other participating local authorities. Provider forums are held approximately three times a year and it will be recommended that annual conversations form part of new arrangements when they are procured. The Link Officer monitors settings located outside of the region when this is needed. There are approximately 60 individual settings on the APL and the use of Link Officers could potentially result in a greater level of monitoring work for small local authorities than they would have carried out if they were not part of the NE6, however, all participating local authorities agree that the benefits of the APL arrangements outweigh this potential disadvantage.

The NE6 APL will expire within the next 18 months and work has already started on the longer-term vision for this category. New arrangements will ensure greater financial savings and a focus on improving outcome measures and approaches to defining value for money.

3.1.3 Tees Valley Independent Foster Care Agency (IFA) Consortium

This consortium of five local authorities commissions independent fostering for children aged 0 to 18 years, including mainstream services, 'staying put', mother and baby and remand placements. This framework contract has two tiers but no lots. The framework started on 11 January 2014 and is for four years with no extension. This was the first time this consortium had tendered this kind of framework agreement.

While Hartlepool is the lead authority for the framework, the work of contract monitoring and management is shared between the five participating local authorities. There is no

financial contribution from members, but the arrangements for managing and monitoring the contract are set out within the framework contract. The participating local authorities' report that these arrangements work well, are based on close working relationships between the five authorities and that the workloads are evened out by sharing tasks related to all the commissioning and contracting activity. All the local authorities operate the contract in the same way and use common processes for accessing placements under the contract and for their shared monitoring activity.

The consortium has not evaluated savings accrued under the framework. The focus in developing the framework was on developing a seamless approach between the local authorities and consistency in working with providers. This objective has been judged to have been achieved. However, cashable savings are hard to estimate as they arise from issues such as how additional costs are treated i.e. transport and the better use of time across the authorities and providers through shared systems and reduction in duplication of effort.

3.1.4 Tees Valley Out of Authority Residential Child Care

This is a relatively new consortium working under the umbrella of the Tees Valley Commissioning Group. It is developing a framework contract for residential child care including some which will offer education. The service specification will not focus on disabled children or on short breaks for disabled children or residential special schools which will be covered by the developing NE12 consortium project.

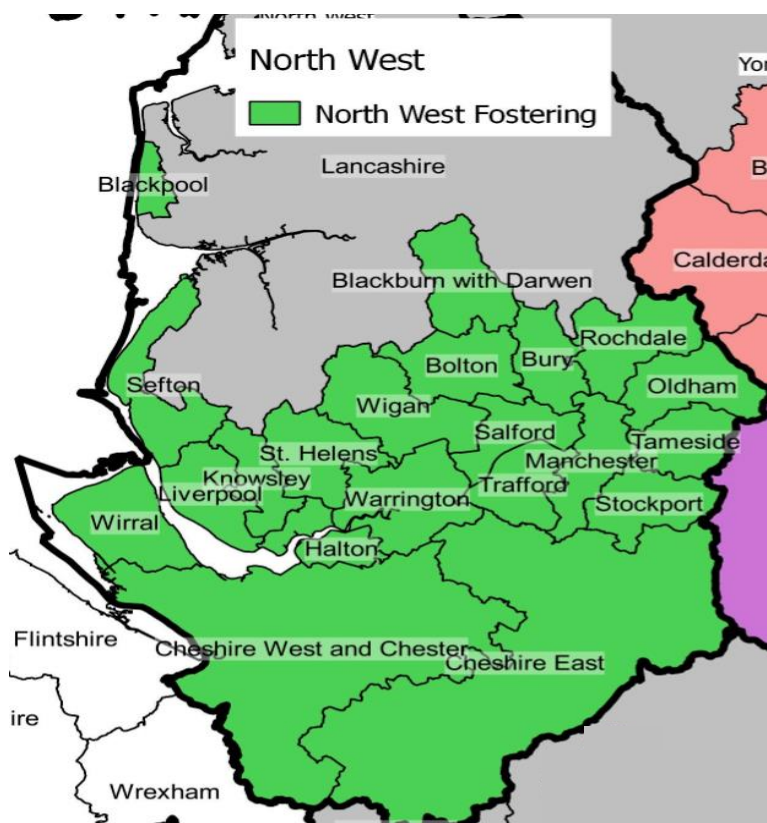
The framework agreement is due to start on 1 April 2016. The consortium is currently developing the specification and plans to tender in autumn 2015. Stockton-On-Tees is not a member of this framework as they have developed a partnership agreement with a provider where Stockton-On-Tees provides the accommodation facilities and the provider runs the accommodation under a partnership agreement. Therefore they do not need a framework agreement to help meet the majority of their need for local residential provision.

The four local authorities already work closely on the fostering framework and they have continued to work together in developing this framework agreement. They expect this contract to be operated in a very similar way to the fostering framework agreement. This will mean a shared approach across the participating authorities with common processes and recording systems. Darlington will lead the monitoring and contract management process and collate the information provided by the other participants.

3.2 North West

There are twenty three local authorities in the region and all local authorities except Cumbria are members of Placements Northwest (PNW), an overarching regional consortium and children's service project, which supports local authorities and/or sub-regional consortia seeking placements for looked after children (LAC). All local authorities in the region except Cumbria and Lancashire are also part of the regional North West fostering framework agreement. In addition, the twenty one local authorities operate a regional leaving care framework contract for group living and floating support. The contract will be replaced in October 2015 with a dynamic purchasing system, which is currently being tendered on behalf of the region by Tameside with PNW's support.

Figure 3 Map of North West fostering regional consortia as at 30 April 2015



There are two other sub-regional consortia as shown in the table below.

Table 2 North West sub-regional consortia as at 22 May 2015

Greater Manchester Residential Child Care	Merseyside Residential Child Care
Bolton	Cheshire East
Bury	Cheshire West and Chester
Cheshire East	Halton
Oldham	Knowsley
Rochdale	Liverpool
Salford	Sefton
Stockport	St. Helens
Tameside	Warrington
Trafford (L)	Wigan (L)
Wigan	Wirral

Placements North West (PNW) is commissioned at Assistant Director level by the North West Strategic Leads for Safeguarding Vulnerable Children (SLSVC) group. PNW has a full time manager who is responsible for taking forward the work plan set by SLSVC. If SLSVC decide to commission a service, the PNW manager will identify a lead local authority and negotiate how much funding is required to undertake the procurement activity and any ongoing contract management functions. PNW provides programme management and oversees the sub-regional projects. It is also responsible for coordinating collaborative working arrangements, facilitates meetings and organises and chairs provider forums and consultations. It is seen as a conduit for sharing information and coordinating the SLSVC work plan. The PNW manager has capacity to link with other regional initiatives and is a member of the National Contracts Steering Group and provides feedback from these to the commissioners in the sub-regional consortia.

PNW is funded as a service rather than for specific activities. PNW provides support and intelligence i.e. local authorities get benchmarking information, monitoring information, expertise and input into national consultations etc. PNW supports market development by providing an advice service to potential providers looking to set up services in the area. This takes a significant amount of PNW resource and saves officer time in local authorities.

3.2.1 NW Fostering

This contract is led by Manchester City Council who received funding from PNW for the procurement exercise. This framework agreement covers foster care along with enhanced foster care often referred to as stepdown/specialist foster care. The framework agreement was tendered in 2013 and will be for a period of 2 years with the option to extend it annually for up to 2 years.

It was anticipated that 740 new placements would be required by the participating local authorities in 2014/2015, totalling an anticipated spend of £31 million. The consortium reported that savings had been made on the previous fostering framework and it is anticipated that this new framework will make further savings. It aims to develop the required sufficiency of placements in the region.

3.2.2 Greater Manchester Residential Child Care Framework

This sub-regional contract is led by Trafford Council who receive a contribution from PNW towards the procurement costs. This framework started in 2014 and has the potential to be extended until 2018. The contract was awarded on a 60% quality and 40% cost basis. The contract has lots made up as follows:

- Standard residential - 3 tiers.
- Therapeutic and specialist medical - 3 tiers.
- Solo placements - 1 tier.
- Rural and complex - 1 tier.

Consortium members believe that the arrangements help them to understand the market and enable them to work collaboratively.

3.2.3 Merseyside Residential Child Care Framework

Ten local authorities are operating this framework contract. Wigan is the lead authority and they have received funding from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract. PNW continues to provide support by facilitating joint working amongst the local authorities and with providers. The framework agreement is structured in such a way that there are lots based around various cohorts of need. Within each lot providers are allocated to a tier, which has been decided on providers' ability to provide services that offer quality and value for money. Local authorities are expected to approach providers on the lowest tier before moving on to the next tier. There is a standard template for monitoring services and this is used by all participating local authorities. Although each local authority is responsible for monitoring the services it uses, there is recognition that this is resulting in some duplication of work and is adding unnecessary cost to providers. A focus is therefore being placed on how this can be streamlined and monitoring information shared more effectively.

3.3 Yorkshire and the Humber

There are fifteen local authorities in the region and two regional consortia as shown in the table below. The East Riding of Yorkshire, North Lincolnshire and North Yorkshire are not currently part of either consortium, although East Riding and North Lincolnshire are currently progressing approval to join the consortium for fostering and possibly residential care.

Table 3 Yorkshire and the Humber regional consortia as at 22 May 2015

White Rose Fostering	White Rose Residential Child Care
Barnsley	Barnsley
Bradford	Bradford
Calderdale	Calderdale
Doncaster	Doncaster
Kingston upon Hull	Kingston upon Hull
Kirklees	Kirklees
Leeds (L)	Leeds (L)
North East Lincolnshire	Rotherham
Sheffield	Sheffield
Wakefield	Wakefield
York	

The White Rose Strategic Commissioning Group oversees both the White Rose IFA and Residential Child Care Frameworks, which have different memberships. There are also White Rose arrangements for post 16 and care leavers accommodation and support and for residential special schools. Each of these arrangements has different participants. The White Rose consortia are best seen as regional arrangements as though they do not include all the local authorities in this large region they do include the majority of local authorities. Both East Riding and North Lincolnshire are progressing joining the White Rose fostering framework, and North Lincolnshire may join the residential child care consortium.

3.3.1 White Rose Independent Fostering Framework

The framework has eleven members. Two local authorities have expressed a firm interest in joining. The framework has three lots:

1. Standard fostering placement.
2. Solo fostering placement.
3. Parent and child fostering placement.

Each lot has three age bands: 0 to 4, 5 to 10, and 11 to 18 years. There are three tiers within each lot. The framework covers all fostering services but add-ons can be purchased within the contract. The contract is a framework closed to providers, but local authorities can join at certain points. The contract is for 2 years plus two one-year extensions. All participating local authorities are required to follow the same prescribed call off procedures when using the framework. These prescribe when and how providers must be contacted with requests for placements. Monitoring is by each local authority, who monitor allocated providers using shared templates, and then share the findings. The monitoring allocation reflects local authority use of IFAs. There is no central resource for this. The consortium brings all the partners in the framework - 28 providers and the local authorities - together once or twice a year.

Leeds City Council leads on procurement, but does not charge the other local authority members. There is a commissioning group which allocates activities between the members of the consortium e.g. developing the specification. In that sense the commissioning activity is shared between the participating local authorities. Leeds chairs the contract monitoring and management group. They have a partnership agreement in draft, which is about to be finalised, and are working to a mandate from the regional ADCS group and report to them.

The consortium has looked at what savings have been achieved by comparing average costs pre and post- framework. They estimate that they achieved 6% efficiency savings. Prices have been held on the framework.

3.3.2 White Rose Residential Child Care Framework

This is a framework agreement, which is closed to new providers for a defined period of time (two years plus one plus one year extensions), but framework providers can add and remove children's homes through the lifetime of the contract through a pre-determined process. Yorkshire and Humber local authorities can also join at refresh points. The framework has four lots:

1. Standard residential placements.
2. Specialist residential placements.
3. Specialist residential placements with education.
4. Parent and child residential placements.

There are some special schools on this framework. All participating local authorities are required to follow the same prescribed call off procedures, which prescribe when and how providers must be contacted with requests for placements. This is prescribed in the tender document and standard forms are used.

There are ten members in the consortium and while there is substantial overlap with the membership of the fostering framework the members are not exactly the same. Two other local authorities in the region are showing an active interest in joining, and another is showing an early level of interest.

Leeds City Council leads on procurement, but does not charge the other local authority members. There is a commissioning group which allocates activities between the members of the consortium e.g. developing the specification. In that sense the commissioning activity is shared between the participating local authorities. Leeds chairs the contract monitoring and management group. The consortium divides providers amongst the member local authorities for monitoring. The allocation of providers is done on local authorities' usage of providers. Monitoring is by each local authority, who monitor allocated providers using shared templates, and then share the findings. The consortium brings all the partners in the framework - providers and the local authorities - together once or twice a year before the annual refresh and they share their perspectives.

The consortium has looked at what savings have been achieved by comparing average costs pre and post- framework. However, identifying whether savings have been achieved was more difficult to do than for the White Rose IFA framework because residential placements are more difficult to categorise as there are so many different packages of care. The consortium believes savings have been achieved as they have not accepted any uplifts for two years and some refresh prices were pushed down.

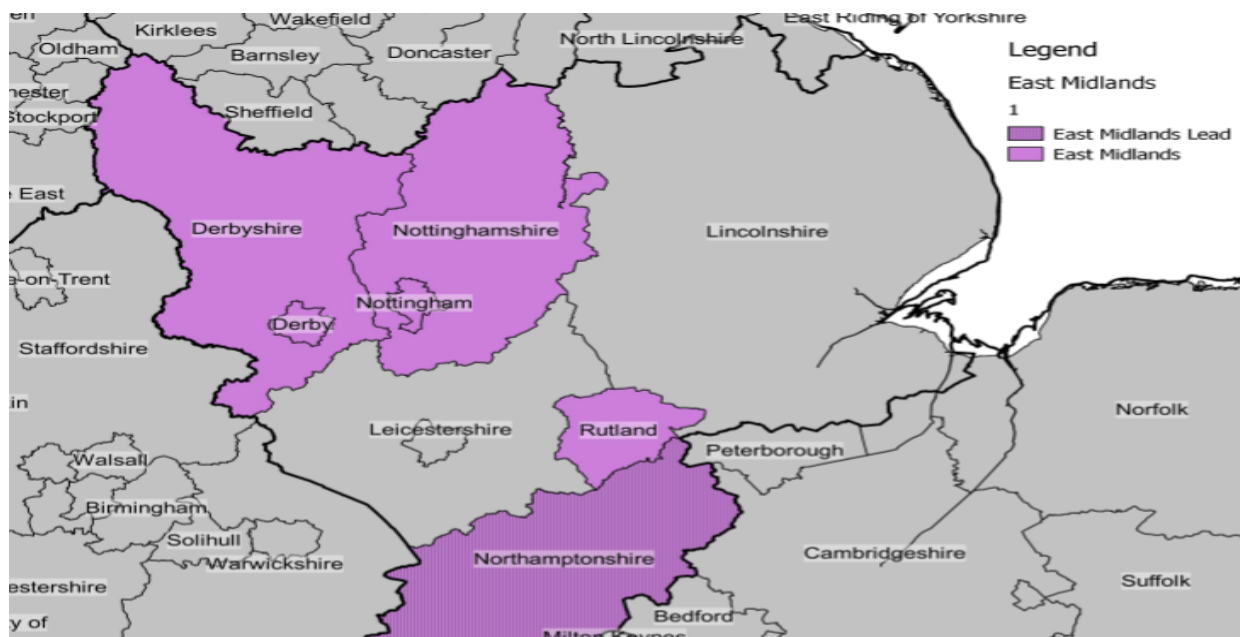
"The market is feeling squeezed."

Any provider who wants to increase prices is asked to justify this, and as yet the consortium hasn't seen sufficient evidence to allow increases.

3.4 East Midlands

There are nine local authorities in the East Midlands region and six of these local authorities take part in sub-regional consortia arrangements. Six local authorities are members of the East Midlands Fostering, Residential Child Care and SEN regional consortium as shown in the map below.

Figure 4: Map of East Midlands fostering, residential child care and SEN regional consortia as at 30 April 2015



Nottinghamshire and Nottingham City also have a joint block contract partnership for residential child care. Nottinghamshire have an approved provider list for residential child care on a DPS contract.

There is oversight of consortia arrangements by the regional DCS group which involves all nine local authorities in the region i.e. including Leicester, Leicestershire and Lincolnshire who are not members of the current regional consortia. There is also an East Midlands Commissioning Champions Group which leads on commissioning. This is an interagency group with membership including CCG Directors of Commissioning and links to the East Midlands DCS Group.

3.4.1 East Midlands Regional Framework for Looked After Children

This framework contract covers residential child care and fostering. There are three lots for fostering with no divisions for age:

- Core.
- Enhanced.
- Complex.

There are two lots for residential child care:

- Enhanced.
- Complex.

Residential child care does not include accommodation linked to special schools. This contract has tiers with tier 1 having the combination of high quality and best price. It commenced on 1 April 2011 for four years to 31 March 2015 and has been extended to 31 December 2015.

Northamptonshire led the commissioning and procurement exercise for the existing contract which is soon coming to an end. A designated officer has been appointed to lead on planning the strategy for future commissioning arrangements. The joint appointment and the governance is to the nine directors and the development group of nine East Midlands local authority commissioners. This consortium does not commission other LAC services but it is tasked to look at SEN services. For the future the scope of the framework will include SEN but there is no further detail at this stage.

There is no partnership agreement in place even though there are payment arrangements to support this consortium. An agreement is to be put in place but to date its absence has not been a problem.

There are three members of staff based in Northamptonshire responsible for managing and monitoring the framework agreement. The cost of operating this team is £140,000 a year. The cost is divided between 6 local authorities depending on their use of the framework by volume of placements. This equates to half a member of staff per local authority, the cost of which is felt to be covered by the savings realised.

All participating local authorities are required to follow the same prescribed call off procedures, which prescribe when and how providers must be contacted with requests for placements. However, it is reported that local authorities do go off framework if they do not get what they need.

Considerable work has been put into estimating savings. There are savings from shared monitoring arrangements which are estimated at £35,000 to £45,000 a year for a large local authority. Savings on placements are from a cost and volume discount arising from the contract. They set out to achieve 3% discount over and above the contract prices which were fixed for four years. The consortium has achieved a 4 to 5% discount over each year of the contract. Across the whole contract, with average fees of £3,200 on 169 places, this is a substantial sum. Full year cost and volume discount has never fallen below 4%.

Contract monitoring and quality assurance is the responsibility of Northamptonshire. There is a full time person who does all the quality assurance visits and who maintains details of these visits for participating local authorities to access. Two full time contract managers are employed and they complete quarterly performance reports. These analyses are used to provide feedback to the local authorities in the consortium. The participating local authorities undertake some additional visits to monitor the quality of provision.

3.4.2 Nottinghamshire County Council and Nottingham City Council Partnership

This is a partnership between two local authorities for the joint procurement of three separate block contracts for residential child care. It does not include any education element. There is a joint specification for common areas with individual specifications to the City and County to reflect their different purchasing needs i.e. there is already residential provision in the City but not in the County.

The contract is for seven years plus two years initial extension option plus one year extra extension option for Nottinghamshire and for five years plus three years plus two years for Nottingham City. There were two separate procurements (hosted on Nottinghamshire County Council procurement portal). There were three lots:

1. City.
2. County.
3. City and County.

The requirement was for 24 places for Nottinghamshire and 20 places for Nottingham City with no individual provider providing more than 22 places and at least three providers between the two local authorities. Procurement activities are shared between the two local authorities and the contracts are operated separately by each local authority. The two local authorities monitor the contracts together unless the issue is a specific concern about one of the authority's children, which helps reduce everyone's costs.

To calculate the cashable savings they used the average bed cost using internal data and information on what they were paying for a level of need and compared that with what they pay on the block for equivalent placements. It is estimated that substantial savings have been achieved.

3.5 West Midlands

All 14 local authorities in the region are members of the West Midlands Placements Database, which is part of the West Midlands Children's Strategic Commissioning Group (WMCSCG), an overarching regional consortium. WMCSCG is funded by Improvement and Efficiency West Midlands (IEWM) through legacy funding from the now expired Regional Improvement and Efficiency Programme (RIEP). All authorities in the region use WMCSCG, but there is no partnership agreement in place. The WMCSCG is currently a 'free service' i.e. there is no local authority contributions, and funding is expected to expire in 2017. Discussions are taking place to consider whether or not the service will be continued and in what format.

The WMCSCG aims to have strategic oversight of a variety of services for children and commissioning placements for looked after children is a key focus area. The group reports to the ADCS West Midlands network which sets the WMCSCG work plan. There is also a contracting group which consists of officers from the local authorities who are involved in the day to day operational work of sourcing placements and maintaining contractual relationships with providers. This contracting group is very influential in shaping the work plan of the WMCSCG as they are aware of changes in legislation and trends both in children's needs and in the market. So there is both a 'top down' and 'bottom up' influence over the work plan.

The WMCSCG operates the West Midlands Placements Database (WMPD) which is a web-based platform available for every provider in England and Wales to register their services. The WMPD is accessed by social workers or placement officers seeking a placement. All providers on the frameworks that are commissioned by the sub-regional consortia are required to be registered on the WMPD and through this there is a system for ensuring there are up to date documents and checks. Whilst the database aims to

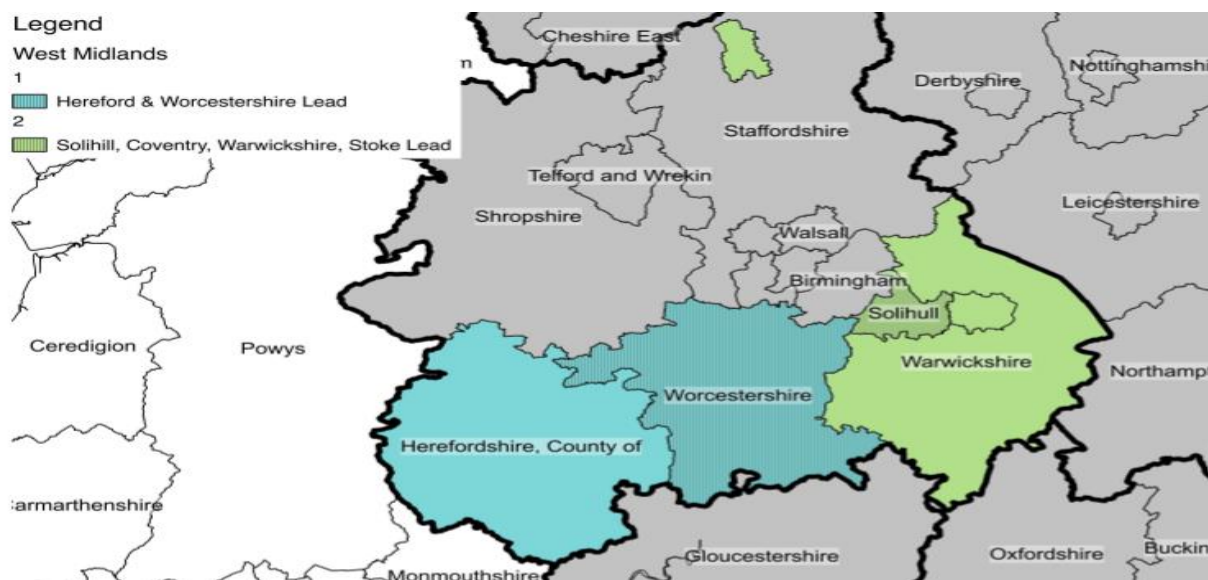
maintain information on essential checks, the WMSG is not resourced to effectively coordinate monitoring information and to support local authorities to work together to implement effective ways of monitoring. This is viewed by some as a significant gap. There are also some concerns regarding how effective both providers and commissioners are at ensuring that the information on the platform is current.

All local authorities in the region are part of the West Midlands Residential Child Care regional consortium, which has a framework contract with lots based on numbers of beds in a home.

The West Midlands fostering framework expired in 2015. It was not possible to extend this under the terms of the current framework and the 6 participating local authorities are making their own arrangements as to how they will procure placements over the next year. This includes reverting to spot purchasing, tendering imminently, joining another sub regional arrangement or looking at using existing lists of providers. In addition, there are two active sub regional fostering frameworks. All fostering frameworks in the region are due to expire by 2018 although it is possible that the fostering frameworks will merge into a whole region framework in 2016.

All frameworks overseen by the WMCSG are based on the relevant national contract but with some amendments in terms and conditions. Spot placements continue to be made, mainly using the relevant national contract in its official form.

Figure 5 Map of West Midlands sub-regional fostering consortia as at 30 April 2015



3.5.1 Herefordshire and Worcestershire Fostering Framework

A wide range of foster care services are commissioned through this framework contract. Staffordshire is about to join the consortium and a number of other local authorities are looking to join this framework as a result of the West Midlands Foster Care Framework recently terminating (under EU procurement regulations it was not possible to further extend this). This means that some local authorities that are not currently members of a

fostering framework are looking to join other sub-regional arrangements until such time that a regional framework for foster care can be developed.

The consortium reported that savings are not calculated at a 'whole contract' level and participating local authorities are responsible for determining their own savings. Worcestershire estimated that they made a saving from the commencement of the agreement and transfer of placements across to the end of the financial year 2014/15 of £380,000 (37 weeks at a saving of £10,243 per week) so annualised this is an estimated cost reduction of £535,000.

3.5.2 Solihull, Stoke, Coventry and Warwickshire Fostering Framework

In 2010, Coventry City Council, Solihull Metropolitan Borough Council and Warwickshire County Council signed a Memorandum of Understanding and formed the Procurement Shared Service. From November 2009 to April 2014 these three local authorities operated a joint framework for the procurement of foster placements with 12 providers. In the first three years of the contract (2010 – 2013), Coventry reported savings of £1,495,744, Solihull £693,121 and Warwickshire £676,763. This success led to the decision that a further procurement exercise was required and Solihull led a collaborative contract on behalf of the same three authorities plus Stoke City Council. They developed a framework agreement where 39 providers were selected following the procurement evaluation. This new framework consists of lots and tiers and commenced on 1st May 2014.

The now four participating local authorities report the benefits as follows:

- Savings - existing placements moved on to the new framework prices where these were lower, which delivered an initial saving at implementation. The pool of providers in tier one has significantly increased whilst offering a lower average cost in this pool.
- Quality - the framework seeks to make placements at the lower end of the tariff market whilst still ensuring that these are with high quality providers.
- Sufficiency - there is pressure to increase local sufficiency of placements and the framework is one of a range of tools that is in line with the Department of Education's Sufficiency Guidance.
- Market development - working together, the four authorities are able to analyse supplier development and capacity building for the framework.

3.5.3 West Midlands Residential Child Care Framework

In 2012 a collaborative procurement, led by Worcestershire County Council on behalf of all fourteen authorities, was undertaken for a framework agreement for the provision of residential child care placements for looked after children. Following completion of the procurement process framework contracts were entered into with 120 providers. The framework arrangement increased the pool of providers, ensuring that local authorities in the region were better placed to meet the varying needs of children that require a residential placement. Local authorities transferred existing placements to the terms and conditions of the new framework contract. The initial two year period ended on 8 May 2014 and was extended for 6 months to 9 November 2014 to allow the contract to be re-tendered.

Sandwell Metropolitan Borough Council led on the procurement for the new framework contract (November 2014 for a period of 3 years with an option to extend for a further year). Providers successful in being placed upon the framework following the procurement process are not guaranteed placements, but have the opportunity to accept individual purchased placements (call-offs) which are made under the terms and conditions of the framework agreement. Each local authority signs a contract with successful providers on an individual basis.

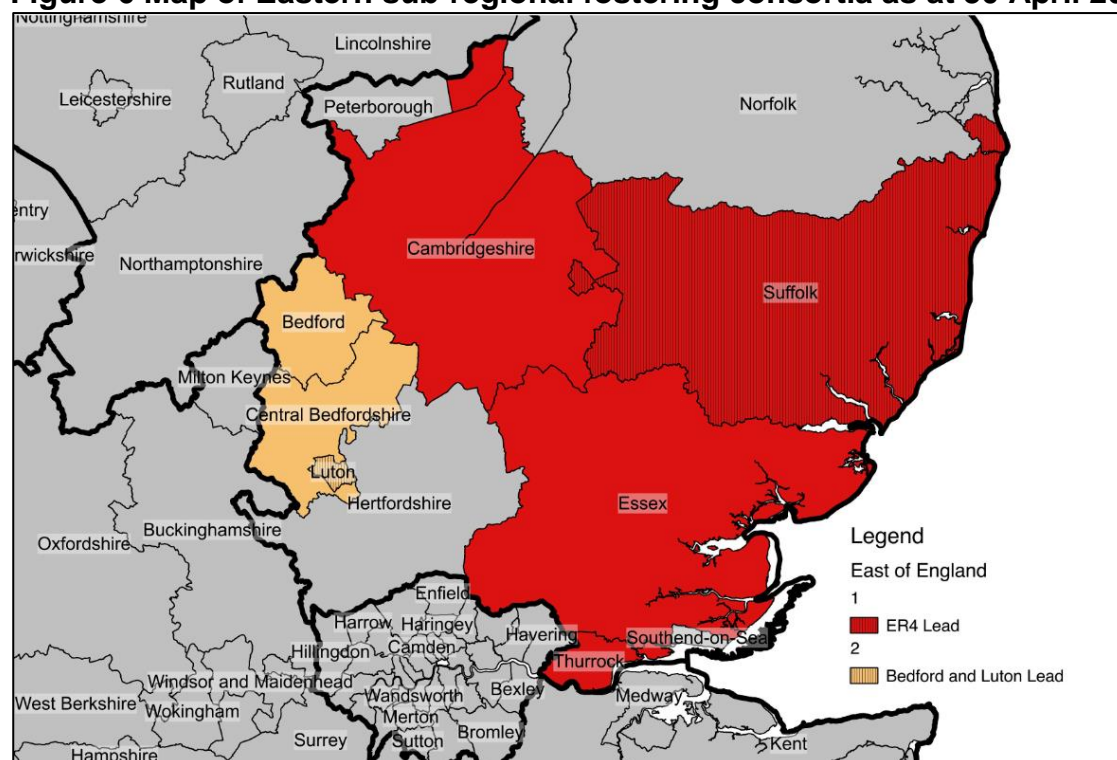
The framework agreement is for the provision of both residential child care and residential care with education: it covers all children in need of residential care including children with a disability. Lots have been based on size of home and cover solo, standard, complex and specialist provision. The WMCSG support the consortium with project management and Sandwell fund the procurement costs.

The consortium reported that the procurement exercise was heavily challenged by independent providers who asked the [Independent Children's Homes Association](#) (ICHA) to raise concerns regarding the procurement approach on their behalf. There are mixed views amongst providers and commissioners as to whether or not these issues were all satisfactorily resolved and what the long term impact on the contract will be. As the contract is relatively new, there has not yet been an evaluation of the benefits or shortfalls of this arrangement.

3.6 Eastern Region

There are eleven local authorities in the Eastern Region. This region appears to have the least extensive regional and sub-regional arrangements with only seven of the eleven local authorities involved in regional consortia.

Figure 6 Map of Eastern sub-regional fostering consortia as at 30 April 2015



However, a number of local authorities in the Eastern Region are part of other consortia arrangements e.g. CCRAAG, London Care Placements and the Cross Regional Residential Care Project, which may explain why within-region arrangements appear limited. There are no arrangements at a regional level.

3.6.1 Eastern Region 4 Fostering

This arrangement is called the “Eastern Region Foster Care Rolling Select List” and is usually known as ER4. It started on 1 October 2013 for four years with a 15 month extension and has four participating councils. The select list was advertised with minimum standards for entry and is re-advertised annually for new entrants to join. The select list is co-ordinated by Suffolk County Council, whose eTendering system is used to issue the documentation for bidders. A rolling select list was used rather than a DPS, as the participating councils have used a model with tiers within the contract. The procurement process establishes a select list for each of the participating councils, which is then contract managed by the council using a commonly agreed approach with shared responsibility regarding annual contract monitoring visits. The participating councils operate their contract sequentially by going to tier 1 providers and then approach tiers 2 and then tier 3. There are three levels of need:

1. Limited support
2. Standard
3. Intensive

In addition, there are categories for parent and child with and without assessment.

There were two additional councils involved in developing the model, but they dropped out at the award stage leaving the current four. There have been enquiries to join ER4, however these have not been encouraged as there is no additional funding to support the model and due to the additional work involved in absorbing new members.

Suffolk is the lead and coordinates the procurement process. Each of the four participating councils has a role in the evaluation of the bids to share the work load. They jointly developed a common specification and requirements. The select lists are awarded and managed by each council. Separate contracts are issued by each participating council with each provider. There is a Memorandum of Understanding signed by the participating councils regarding the agreed approach.

There is a jointly agreed contract monitoring approach, with shared responsibility to complete annual contract monitoring visits. Contract management is in two parts:

1. Each provider has an allocated link council based on geographic location and the number of placements with each council. The council undertakes annual monitoring / compliance checks sharing the information with the other participating councils on a standard form; and
2. Each council meets providers to review child outcomes for their placements.

Each council evaluates the effectiveness of the contract for themselves. Monitoring is done by each local authority monitoring their own providers using a common approach and sharing the findings. Each council is responsible for resourcing any additional contract management/monitoring. An annual ER4 provider forum is hosted by Suffolk with participating councils also meeting with providers and running events over the course of the year. Individual councils meet with the providers they use, especially their tier 1 providers.

The preceding contract ER5, was a framework which had had static prices for both the original contract period and the extension totalling 5 years.

ER4 estimates that savings of over 4% of the placements budget have been made. The method used to calculate savings is to look at placements made in the last year and compare to a similar basket of placements made under ER5 and also to placements made on spot arrangements. In ER4, providers are able to offer a price per council and also to vary their prices annually at the annual review point. When a placement is made however the price is then fixed for a period of 4 years for that placement. This encourages providers to ensure their fees are right at the start of a placement.

3.6.2 Bedford and Luton Fostering

Luton is the lead authority for this consortium, which also includes Bedford Borough and Central Bedfordshire. Bedford Borough and Luton are also members of CCRAAG. Initially there were two other authorities in the consortium - one from the Eastern region and one from the South East region – but they withdrew at the time the framework went out to tender. Both of these local authorities are also members of other consortia arrangements.

This framework agreement is for independent foster care and does not include short breaks for disabled children. There are eighteen preferred providers on the framework, which has neither lots nor tiers. The framework has standard and enhanced providers with the same specification, but there are criteria for a placement to be classified as enhanced and these placements have different bands for pricing. This can depend on need or whether the placement is a solo or sibling placement or for 3 or more children. There are no differences in payment for age. The contract started on 1 November 2011 and was for three years plus two years extension. Members use standardised processes and paperwork to access placements i.e. same referral form etc. Call offs are made for either standard or enhanced placements, which is decided prior to putting the placement request out to providers. Monitoring of the contract is shared by the three members with each leading for a number of providers and Luton providing overall coordination of the information from the monitoring activity.

The consortium has estimated that significant savings have been achieved through the framework contract: approximately 8% compared to estimates of continuing with their previous arrangements. These savings are across each year of the contract, which also included no RPI increase throughout the time of the contract and no other price uplifts.

3.7 London

London Care Services (LCS) is an overarching cross regional consortium and database hosted by London Councils. It is used by all of the 33 London boroughs and 8 partner authorities (Buckinghamshire, Essex, Hertfordshire, Oxfordshire, Milton Keynes, Peterborough, Slough, Windsor and Maidenhead) to find quality children's services for children and young people placed away from home.

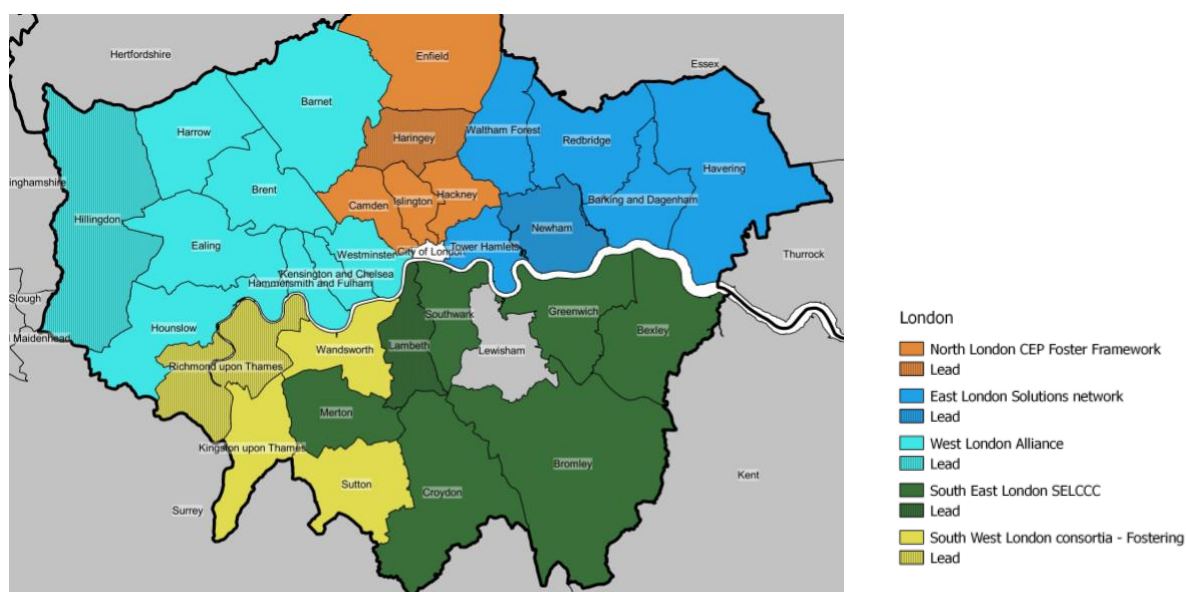
Providers can qualify to join the London Care Services database by agreeing to sign up to the London Model Contract and by meeting a quality standard. This qualification process is overseen by London Care Services. Providers of foster care, residential child care and residential special schools offer information about their services, quality, vacancies and fees on a secure area of their website ([Website for London Care Placements](#)) accessible to the provider and local authority commissioners. Providers see and access information about their own service(s) whilst commissioners can see information about all providers.

Local authorities use the site to:

- Search for providers and find placements for children and young people.
- Check quality and price.
- See key registration documents.
- See inspection reports provided by OFSTED/CSSIW.
- Find links to other statutory bodies and related organisations.

Each authority pays an annual subscription of £5,800 with the exception of City of London who pay less due to their exceptionally low numbers of looked after children. The annual subscription was reduced from the £8,000 charged previously, although this may need to be increased again. There are mixed views from local authorities about the value of the subscription. London Care Services is currently undergoing a review of their offer to the local authorities to clarify the value it provides to subscribing member authorities.

There are also sub-regional arrangements, which are not resourced by the funding provided to London Care Services. Instead, consortia negotiate their own partnership agreements and decide on funding contributions and the arrangements for procurement and contract management. This means that some local authorities are paying a subscription to be part of a sub-regional consortium arrangement and a further subscription for the wider London Care Services. This allows the local authority to manage risk when a sub-regional framework is unable to meet the placement needs of their looked after children. It manages risk by aiming to ensure that placements outside of a sub-regional framework still meet due diligence for quality provisions and value for money. The sub-regional fostering consortia are detailed below.

Figure 7 Map of London sub-regional fostering consortia as at 22 May 2015

3.7.1 North London Children's Efficiency Programme

Five Boroughs are members of this sub-regional fostering consortium. They each pay £17,000 to fund North London Children's Efficiency Programme (NLCEP), which funds commissioning work for both SEN and LAC, and which is in addition to the subscription paid to LCS. The NLCEP hosts a select list for fostering which is also used by East London Solutions (see below). Membership includes a shared quality monitoring framework for alternative provision and facilitating shared training as well as hosting provider forums and chairing joint meetings between commissioners and providers. The consortium has recognised flaws in their monitoring arrangements that require a significant duplication of work. A senior manager is looking into ways of streamlining this to create efficiencies. The NLCEP consortium does not operate a residential child care framework or list and boroughs will go directly to London Care Services to source residential child care placements.

The consortium was recently successful in their bid to the [innovation](#) project to commission a 5 bedded residential home that can be used for an emergency assessment and planning provision for a maximum 12 week period. This is deemed necessary as the participating boroughs have identified that they are struggling to meet the needs of a small cohort of young people, many of whom have had an average of seven foster placements before they enter residential child care. The hypothesis is that the boroughs are struggling to match children to the right placements in the limited time that they have to do this (it can sometimes be a matter of a few days or even a few hours). Placements made in emergencies are more difficult to sustain and having the opportunity to use the specialist 12 week provision will provide adequate time to hold a young person safely whilst the right placement is sourced and the necessary planning undertaken. It is anticipated that this service will enable the consortium to better meet the needs of hard to reach young people and adolescents on the edge of care.

3.7.2 East London Solutions

Six councils in East London formed East London Solutions (ELS) in 2009 to deliver and commission shared and collaborative services. A memorandum of understanding exists setting out their values, objectives and responsibilities. The ELS children's programme has recently lost their Children's Programme Manager and discussions are being held to determine future arrangements. In the meantime these local authorities have been invited to use the fostering framework set up by the North London Children's Efficiency Programme. No charge is being made to use this framework as there is a view that the increase in buying power benefits both commissioners and providers working across both sub regions. The ELS councils use London Care Services database to source placements in residential child care. There are no plans at present to commission these services on a sub-regional level.

3.7.3 South East London

This consortium has not tendered for a framework agreement, but members are working together to share intelligence and to scope whether or not they wish to enter any formal arrangement. Lambeth are leading on this and do have their own framework contract for foster care which is open for other boroughs in South East London to join. Part of the pre-qualification for this framework was being registered with London Care Services.

3.7.4 South West London

This consortium does not operate a framework contract but has an approved list that is used in addition to the London Care Services database. The reason for operating a sub-regional approved list is due to the pressure the local authorities are under to make cashable savings and prices on the sub-regional APL have been further negotiated. The consortium is currently engaging with providers to develop its strategic commissioning plan.

3.7.5 West London Alliance

There is a West London fostering framework led by Hillingdon which was commissioned to increase the choice of placements for children with complex needs and also parent and baby placements. The consortium based the contract on the London Model contract but adapted it for sub-regional use. The consortium is working with local residential child care providers to share information on what is needed. As yet there is no plan to establish a residential child care framework and participating boroughs continue to use the LCS database to make residential child care placements.

3.8 South East

There are nineteen local authorities in the South East region. The region has no overarching regional arrangements for consortia commissioning. This reflects its very large geographical size and the diversity of the local authorities within the region. There are a range of sub-regional consortia and partnerships: a number of these include local authorities from the Eastern and South West regions. East Sussex is not a member of any sub-regional consortia.

There are 2 sub-regional fostering consortia, one residential child care consortium, one partnership and two consortia, both led by West Sussex, that commission residential child care as well as fostering placements.

Table 4 South East regional and sub-regional consortia as at 22 May 2015

Cross Regional Project – Residential Child Care	Mid Southern SEN and Residential Framework	South Central Fostering Framework	Kent and Medway Fostering Framework	West Sussex and Brighton & Hove - Fostering and Residential	West Sussex and Kent DPS – SEN Residential and Fostering
Bucks (L)	Hampshire (L)	Hampshire (L)	Kent (L)	West Sussex (L)	West Sussex (L)
Bracknell Forest	Bracknell Forrest	Bracknell Forrest	Medway	Brighton & Hove	Kent
Milton Keynes	Bucks	Oxfordshire			
Oxfordshire	Isle of Wight	Portsmouth			
Reading	Portsmouth	Reading			
Hertfordshire	Reading	Slough			
	Slough	Southampton			
	Southampton	Surrey			
	Surrey	West Berkshire			
	Swindon	Windsor & Maidenhead			
	Wiltshire	Wokingham			

3.8.1 South Central Authorities IFA Framework Agreement

This consortium commissions foster care placements, including parent and child, and for disabled children, but not short breaks for disabled children (Hampshire have a separate contract for this). This is a framework agreement with lots and tiers. There are three lots:

1. Children and young people 0 to 4 years, 5 to 10 and 11+ years.
2. Parent and child.
3. Disabled children.

There are three tiers. The framework started on 1 April 2012 and is for three years with one year plus and a further one year plus extension options. Southampton City Council led on commissioning and procurement arrangements, but Hampshire County Council took over as lead in 2013. There are eleven local authorities in the consortium all of which are in the south east region. The Isle of Wight is not strictly part of the consortium, but it has voluntarily agreed with providers to work with IoW on the same terms and conditions as this framework offers.

There is a partnership agreement for the operation of this consortium. Building the specification and ensuring that the needs and priorities of the different local authorities were met was difficult and took a long time i.e. the whole process took two years. However, getting sign up after this was not too difficult. It was a new arrangement and the local authorities were very positive and committed to making it work. This was the first time the consortium had developed a framework agreement.

All the local authorities operate the contract in the same way. They pay on bed night usage for the infrastructure of the framework. The framework involves £50 to £55 million purchase value per year. There is 0.5FTE project manager in Hampshire who manages the data, monitoring and events that support the framework plus about 5% of another post. This is about to change to increase administrative support and diminish the management resource. It is hoped that this new arrangement will have a sharper focus on contract management and will support this framework and the residential child care and special schools framework.

The consortium has reviewed costs and savings and concluded that the prices on the framework are very competitive. There have been savings, but a significant amount of the savings has come from tighter contract management and control of spending commitments through the contracting process i.e. control of additional costs.

There are twice a year provider events at which progress and issues are discussed. This has allowed development of the agreement and the consortium feels very positive about this. Care staff are not part of these events. There is consultation with teams about providers' performance. Part of the local authority appraisal of providers is asking Independent Reviewing Officers (IRO) and others how well placement needs are met. Work coming from such events includes the voluntary staying put agreement which was developed together by a group of providers, commissioners and care practice staff.

Monitoring is co-ordinated by Hampshire. Each local authority conducts an annual review of providers allocated to them and Hampshire collates KPIs. It is this activity which is funded i.e. data aggregation and managing the monitoring by local authorities. There is a shared specified process. However, local authorities do not consistently submit their monitoring to time and specification. The lead local authority often has to devote more resources than is paid for by the consortium. Monitoring is not as effective as it could be because of its dispersed nature across many local authorities.

3.8.2 Mid Southern SEN and Residential Framework Agreement

The Mid Southern consortium for residential child care and special schools has a membership which substantially overlaps with that of the consortium for IFAs. Three members of this consortium, and IoW, also have a prevention of offending contract which procures short term remand and emergency Police and Criminal Evidence (PACE) beds.

This framework contract covers residential child care, including emergency placements, special schools and independent education day schools. There are no lots or tiers. This is a framework agreement which is opened regularly to encourage new providers to develop services. The framework can be opened as often as needed, but will probably be opened once or twice a year. The contract is for 2 years with an extension for one year plus and one year further extension from 1 October 2014. Prices are fixed for two years. It operates like a select list. This framework is a pilot and if it works the consortium will move to a tender which is more formal and for longer.

Providers were asked to look at a list of needs and identify which needs they met at three levels in each category i.e. level one standard to level 3 just below very specialist provision such as secure welfare placements or tier 4 CAMHS. The consortium's assessment of the market was that it was not ready for something more formal and they should work to improve the arrangements so that the next iteration of this framework could be tighter. They identified compliance problems in parts of this market e.g. special schools that refuse to sign contracts. There is standardised paperwork for the operation of the framework: in practice, local authorities look at need and location and then send out their placement request.

Hampshire is the lead authority and there are 11 members, 9 of which are also part of the South Central IFA framework and two are not. These authorities are in the South West Region. There is a partnership agreement which reflects lessons learnt from the IFA agreement. There is a more formal setting out of the scope of what the lead authority will do under this agreement compared to the IFA framework. Allocation of costs to members is done proportionately as some local authorities are only in the consortium for some elements i.e. residential child care or special schools. If a local authority is in both elements then for a large council the cost is £8 to £9,000 a year and for a small council as low as £900 a year. The total cost of the contract management and monitoring is £38,000, which is about the same as for the IFA contract.

The consortium has reviewed cost savings by making a comparison of what they are paying under this framework agreement with what they paid at a previous point in time under the previous arrangements. In this agreement some prices remained the same, some went up and some down. There was an evening out of prices between members and it appears some local authorities were previously consistently paying more than others. There was an effort to consider value for money. The consortium knew the acceptable profit element and knew average price. They asked providers for a breakdown of costs. However, it was hard to get an agreed outcomes framework as their experience was that the market was not ready for this approach. The consortium could also see the impact of the property dimension on how these businesses are run. Many members are in areas with high and rising property prices. There was also consideration of the impact of each authority's residential care strategy and what the view within the local authority is of the future of their own provision.

3.8.3 West Sussex and Brighton and Hove Fostering and Residential Framework

This consortium is procuring independent fostering placements and residential children's services both with two tiers. It is limited to 10 IFAs at tier 1 and unlimited number of providers at tier 2. For residential children's services it is limited to 5 providers at tier 1. There are no lots. Providers are asked to price in terms of age bands. There is a distance criteria linked to the tiers. Tier one must have provision and a management presence within the authorities. Tier two can have provision within 20 miles of the authorities, and be able to demonstrate that they can successfully provide a management service to those placements.

The contract started on 1 November 2012 and is for four years with extensions for one year, plus one year and a further one year extension options. West Sussex led on commissioning and procurement.

This is a framework agreement with annual opening to apply to join or to apply to another tier, but not to apply for a price refresh. However, providers can apply for a change in prices where this is agreed with the local authorities. Prices quoted are maximum prices for that provider. The provider can lower prices if they chose to and there is negotiation of price on individual placements.

There is a memorandum of understanding for this consortium, which is substantially unchanged since it started in 2008. The contract operates by referral from either local authority which goes to all providers on the framework, IFA and residential child care. Tier 1 responses are considered first and they award the placement to the most appropriate provider, if not the award then goes to tier 2. In evaluating the response the consortium uses outcomes from Every Child Matters for provider responses and price is considered for all providers where there is sufficient quality: effectively a mini competition is run for each placement.

This framework has helped achieve substantial cost savings. The framework came after the end of the existing cost and volume arrangements and there have been no inflationary increases since 2008. However, the biggest savings came from individual placement tendering which led to reduced placements in residential child care. IFAs met needs of children who might otherwise have gone to residential child care. Residential placements fell over 50% in four years of the first contract, from 90 to 40, reducing costs of external placements. This has not happened post 2012, but the established pattern of lower use of residential has continued. This has achieved savings of about £9 million a year for West Sussex. There has been an overall small decline in LAC numbers.

Each authority does their own monitoring and shares the results with the other. The local authorities focus their monitoring on where their children are placed rather than allocating providers to each. The authorities meet regularly and allocate work on a short term basis. West Sussex holds the coordinated records of monitoring. The consortium believes that monitoring could be deeper as it is reliant on provider self-assessment. In addition, there are quarterly forums which are open to all providers on the framework. All providers are engaged and encouraged to work together.

While there are no plans for other local authorities to join this consortium West Sussex are delivering an innovation project to explore a wider regional arrangement. This will grow from the current DPS (see below). West Sussex aims to commission a DPS for residential schools, IFAs and residential child care. This will be across the SE region or the SE part of the SE region i.e. Surrey, East and West Sussex, Brighton and Hove, Kent and Medway. There is also potential for the ten South West London consortium local authorities to join. This project will be known as South East Together.

3.8.4 West Sussex and Kent DPS for Residential and Specialist Fostering for Disabled Children

This DPS is for:

- Day and residential placements in independent and non-maintained special schools – all types of need in this sector.
- Placements of residential child care for children with disabilities.
- Residential short breaks for children with disabilities.
- Specialist foster care agencies for children with disabilities.

West Sussex established and procured the DPS, which started on 1 March 2012 and Kent joined as a partner on 1 May 2014. West Sussex and Kent are both part of other commissioning consortia.

It is a DPS with no lots or tiers and it is continuously open. The process for using the DPS is prescribed and both authorities adhere to it. This will still be the case for the development of a wider regional DPS South East Together.

The consortium is undertaking work to base line and model savings. Savings are difficult to measure for this DPS as previously all services were spot purchased. When the DPS was established a post was also established to manage the process, address relationships with providers and to get a much better understanding of costs so they could be challenged. The climate provided by the messages about austerity provided the opportunity for the consortium to address costs with providers and to drill down into costs and prices. It is thought that this greater scrutiny, and joint working, has led to savings, however, the consortium will have a clearer view of savings in 12 months' time. For now it is hard to attribute savings between the DPS and the better market management and relationships achieved by having a dedicated post holder focused on the area of service covered by the DPS.

The structure of the DPS, and the development of provider forums, has improved dialogue with providers and brought the potential to engage in more developmental dialogue with providers. There is limited capacity to monitor the DPS. Monitoring is done on an as-needs basis and relies on Ofsted to monitor and make judgments, but they log concerns raised e.g. by parents, social workers etc. Parents and others are quick to get back to them if there are issues. There is an annual contract compliance process and, based on this, the consortium monitors by exception. They would like to be more proactive, but they are not resourced for a more proactive role. Under the DPS there are 300 children placed in 70 different schools with 1.5WTE staff to monitor and manage this activity. The lead for each provider is with Kent or West Sussex and each authority has their own system.

3.8.5 South East Together

West Sussex are now working with a wider group of local authorities including those in the south east of the south east region and from south London to build on the West Sussex and Kent DPS to develop a second model which covers a wider group of services including residential child care and foster care. This project is funded as part of the DfE [innovation](#) programme and also receives contributions in kind from the partner authorities and independent providers.

As part of this work, South East Together are looking to review and update the national contracts for residential schools, residential child care and foster care, and use these as overarching contracts for the services that are commissioned. Whether or not these updated versions will be adopted as the formal national contracts will be dependent on the agreement of the National Contracts Steering Group that represents local authorities and providers. This project also includes the development of an outcomes framework and there is a proposal to link this with the contract documents. This in effect could be adopted as the national outcomes framework.

3.8.6 Kent County Council and Medway Council Joint Multi-Supplier Framework Agreement for Independent Fostering Provision

This is a Framework contract, which is closed for a defined period of time and includes lots and tiers. It is for all fostering services including disabled children and those with challenging behaviour. There are three lots: standard; specialist; and complex. Each has age bands or categories. Parent and child placements are included in the lots. Tiers are allocated on price. However, the consortium has reviewed the framework, which began in 2013, after two years and is looking to remove the tiers. The bulk of providers are in tier 1.

Kent is the lead local authority and undertook the commissioning and procurement in consultation with Medway. The two local authorities operate the contract separately. Kent developed a portal that allows providers to upload information on their performance management and both local authorities use this to manage the contract. Each authority is responsible for management and monitoring of the contract. Both authorities have developed the same performance and contract management tools and share information on a regular basis. There is a partnership agreement between the two local authorities and no money transfers between them.

The local authorities negotiate costs of placements and individual care packages of care which is done by their Access to Resources Teams to achieve best value for money. At the review point they will look at cost savings as part of the review and are introducing mini competitions. In addition, the Kent transformation programme carries out comparisons to other local authority's costs. There is a methodology used across the transformation programme for identifying cost savings developed by their transformation partner. The consortium has not defined value for money, but would like to look at whole term/whole life costs, i.e. high early investment pays off with later lower costs, as part of the review of the framework.

Kent and Medway hold six monthly forums with all providers. Operations managers attend as well as commissioning and procurement staff. Each authority monitors and contract monitors the providers they use although they do sometimes monitor for the other authority and sometimes jointly where this is agreed. The current resource is judged as just adequate for this task. They risk assess where to focus their monitoring effort.

3.8.7 Cross Regional Residential Project

This project is a contracting partnership of 6 local authorities, 5 of which are from the South East region and 1 from the Eastern region. All members are part of other partnerships or consortia.

This partnership was established to commission and procure 20 residential child care places and a special EBD school with 24 places, 20 of which are directly linked to the residential child care places. The school has four day student places. The provision is for children in KS3 and above and aged 11 to 18 years and includes therapeutic provision. Each partner has an allocation of beds. There has been reallocation of beds during the life of the project. The project has achieved 95% occupancy.

The partnership tendered a block contract, which was won by an independent provider, and was for five years plus three years. It started on 1 January 2010 and has now been now extended by two years to December 2017. These residential child care places were new provision as this group of local authorities had very little local provision prior to the partnership. A key aim of the project was to increase local, high quality therapeutic residential provision. The project has led to the establishment of six new children's homes in the area covered by the six local authorities and the school which is in High Wycombe, Buckinghamshire. The residential child care provision must be within 1 hour peak time travel time of the school, but within the locality of each of the 6 local authorities i.e. within 20 miles. Two are in Buckinghamshire, two in West Hertfordshire and two in Windsor and Maidenhead.

Oxfordshire was the original lead for the contract and still hold the contract but day to day management is with Buckinghamshire who have overall responsibility for monitoring and project management. The project manager is employed by Buckinghamshire but funded by the six participating local authorities. There is a rotating chair or lead for the project group which changes every six months so all authorities have to take the lead.

This partnership has a tight partnership agreement whereby if any partner leaves the partnership is dissolved. It was designed so that it would be hard for a partner to leave once the commitment to the project was made. This security was needed given the long term nature of the project and the need to ensure it could not be disrupted easily by changes of personnel or shorter term changes of view in participating local authorities. Developing and agreeing the partnership was time consuming and took a great deal of work. Renegotiation of aspects has also been difficult as there is a need to accommodate the differing needs and priorities of members with different needs and of very different sizes.

While the partnership has not commissioned other services they have worked together informally to manage the market locally. They have a dataset of all providers of residential child care and foster care but not of residential special schools. They have also looked at parent and baby placements and alternatives to remand. They have analysed their main providers and presented to each of them individually on their market position, changes in use over the years, strengths and weaknesses. This led to open dialogue and helped explain needs to them. For residential child care there were very few local providers and fewer beds than the local authorities needed. This work led to 3 of the 5 providers engaged in this exercise adding to their provision and doubling the level of local resource after they had the information even without any block or framework contract. This work runs in parallel to CCRAAG which a number of local authorities in the partnership are members of.

Work to support the partnership is shared across the 6 local authorities with Buckinghamshire undertaking more of the management activities. There is a charge to each member based on bed allocation which pays for a 0.5 WTE project manager, and legal and commercial service support.

The partnership estimates that the contract price has saved £500 per week per placement. For Buckinghamshire with 7 places this is a saving of £3,500 per week i.e. £200,000 per year. There is a focus on cost avoidance rather than saving per se. They considered value for money and total placement costs and savings made through more local provision which were calculated as £9,000 per year per child placed locally.

The six local authorities undertake contract monitoring activity, which is monthly by telephone conference and with quarterly face to face meetings with the provider to look at activity and quality. Each local authority has a home to monitor twice a year and uses CCRAAG forms B & C for assessment. There is a twice yearly school assessment by a virtual school head and an annual review of the therapeutic provision. Smaller local authorities report that they find the level of resource needed to support the running and monitoring of the contract hard to sustain so the larger authorities support them.

3.9 South West

There are sixteen local authorities in the South West region and four sub-regional consortia as shown in the table below. Due to the size of the South West, commissioning activity related to looked after children is largely divided into two sub-regions: the local authorities based in or near the peninsula and local authorities based in the northern and eastern region of the South West. Both these sub-regions operate separately from each other and there is no overarching regional body overseeing commissioning activity across the region. Bournemouth and Poole are not members of any sub-regional consortia.

Table 5 South West sub-regional consortia as at 22 May 2015

Peninsula Commissioning and Procurement Partnership	Peninsula Fostering Cost and Volume	North Region of the South West Fostering	South West Region Residential Child Care
Cornwall	Devon	Bath & NES	Bath & NES (L)
Devon (L)	Plymouth (L)	Bristol (L)	Bristol
Plymouth	Torbay	Dorset	Dorset
Somerset		Gloucestershire	Gloucestershire
Torbay		North Somerset	North Somerset
		S Gloucestershire	S Gloucestershire
		Swindon	Swindon
		Wiltshire	Wiltshire

3.9.1 Children's Peninsula Commissioning and Procurement Partnership

The Children's Peninsula Commissioning and Procurement Partnership is a longstanding collaboration between Cornwall Council, Devon County Council, Plymouth City Council, Somerset County Council, and Torbay Council. These authorities have an agreement to collaborate on the commissioning and procurement of children and young people's services and have jointly tendered for services since 2009, and co-operate on the monitoring of the quality of provision.

It is a requirement that providers are based in the South West in order to qualify to be on the peninsula framework. The framework includes 4 different lots:

- Lot 1 Independent residential child care.
- Lot 2 Independent fostering services.
- Lot 3 Day and residential independent and non-maintained special schools.
- Lot 4 Support and accommodation for 16-25 year olds (including care leavers and those who meet the threshold for local authority support).

Devon County Council led on the procurement on behalf of the peninsula authorities. Contributions by the local authorities vary and are proportional to the number of children in care, but on average each of the five participating local authorities pays £20,000 each year to fund the procurement activity, a full time manager and monitoring capacity. There is some funding set aside to facilitate meetings on average every six weeks for the Peninsula Board and Peninsula Team members. There is also funding to provide Peninsula provider events – usually two per year.

3.9.2 Peninsula Cost and Volume Fostering Contract

There are three local authorities participating in the Peninsula Cost and Volume contract. It was instigated by Plymouth in 2007 who commenced the commissioning activity and then invited other local authorities in the peninsula to join the project. This offer was accepted by Devon and Torbay in 2008. Seven providers are on the cost and volume contract and they offer a discount based on the overall spend rather than on the number of beds. The three local authorities send referrals to those providers on the cost and volume framework before it is sent to other providers on the peninsula framework.

The management of the contract is funded by Plymouth City Council and there are no contributions from Devon and Torbay. Plymouth has calculated that since 2007 they have saved over £1 million through the discounts that have been secured. An unexpected benefit of the cost and volume contract is that providers outside of the contract have negotiated their prices downwards.

Participating local authorities feel that the contract works well and that there is positive partnership working with providers who also work well amongst each other to share good practice. Providers have brought some healthy challenges to commissioners that have improved local authority commissioning practice and which have meant that there are fewer disputes to resolve. The main risk with the cost and volume contract is the possibility that placements may be chosen which may not fully meet a young person's needs, but which offer a local authority an attractive price. To date there has not been any independent evaluation of the placement decisions made under the contract and there are not any plans to do this.

3.9.3 North Region of the South West Fostering

This consortium procured a framework contract closed for a period of time for:

- Standard.
- Complex – primarily disability and health issues.
- Parent and child placements (which can include assessment which is included in the pricing schedule).

The framework does not cover short breaks for disabled children. There are no lots but the pricing schedule asked providers to submit prices for different groups outlined above. There are four tiers. These are different for each local authority in terms of which providers are on which tier. The prices offered from each provider are the same regardless of tier or location. Tiers are a mix of price and quality and there is an additional scoring on local capacity within each local authority i.e. a provider with lots of provision in one local authority, if they meet the price and quality threshold, will be on that local authority's tier 1, but in another local authority where they have little provision they would be on a lower tier.

The framework started on 1 April 2013 and was for two years plus two years. Prices were submitted for the first two years and then held for the next two years through negotiation.

Bristol is the lead authority and led on the commissioning and procurement for this contract. The eight members of the consortium share the costs of the procurement by paying an agreed amount to the lead local authority.

There are no plans for other local authorities to join this consortium and the membership is largely the same as the consortium for procurement of residential child care placements. This is a well-established and stable consortium which has in place a formal partnership agreement.

The participating local authorities individually monitor the providers they use. Information is shared informally with each other as appropriate. There is no central monitoring of individual contracts as part of this framework contract, however, the lead authority completes annual data collection from providers, for example carer capacity, which is shared with members of the consortium.

While the consortium has not formally evaluated what savings the contract has achieved across the local authorities there is confidence, based on local authorities' own information, that the framework has led to savings as prices on the framework are below those paid on spot purchased IFA placements.

The contract has achieved a reduction in the bureaucratic burden on local authorities and providers of completing numerous tenders and provides a clear message to the market about the needs of children in the consortium.

3.9.4 South West Region Residential Child Care Tender

This is a dynamic purchasing system for the procurement of independent residential child care. It does not include residential provision linked to schools. The existing contract is due to expire on 31st January 2016. Each local authority will sign its own framework agreement contract with each provider and then individually manage and monitor each provider they use. Information from monitoring is shared within the consortium. The current procurement will cost each local authority £4,000 and is being led by Bath and North East Somerset Council. There is limited resource for ongoing management and monitoring.

It is anticipated that the new contract will run for four years and discussions are taking place regarding whether this will include lots and tiers. A provider engagement event was held in June to scope the structure of the contract and the arrangements to support it.

The DPS will be open at 6 monthly intervals to allow new entrants to the market place. There is a partnership agreement between the local authorities for their shared work. There is uncertainty about whether the existing framework has delivered savings. No formal work has been done to establish what if any savings have been achieved.

3.10 Children's Cross Regional Arrangements Group

The Children's Cross Regional Arrangements Group (CCRAG) is a partnership of, currently, eighteen local authorities from the East, South East and South West regions. Previously the group has had as many as 48 local authority members, but over recent years the size of the group has reduced. Following a review of CCRAG 18 months ago it became evident that not all local authorities were fully paid up members or were conducting monitoring visits. The steering group introduced a partnership agreement that all CCRAG members were requested to sign and return in order to ensure that they were clear about the expectations within the partnership.

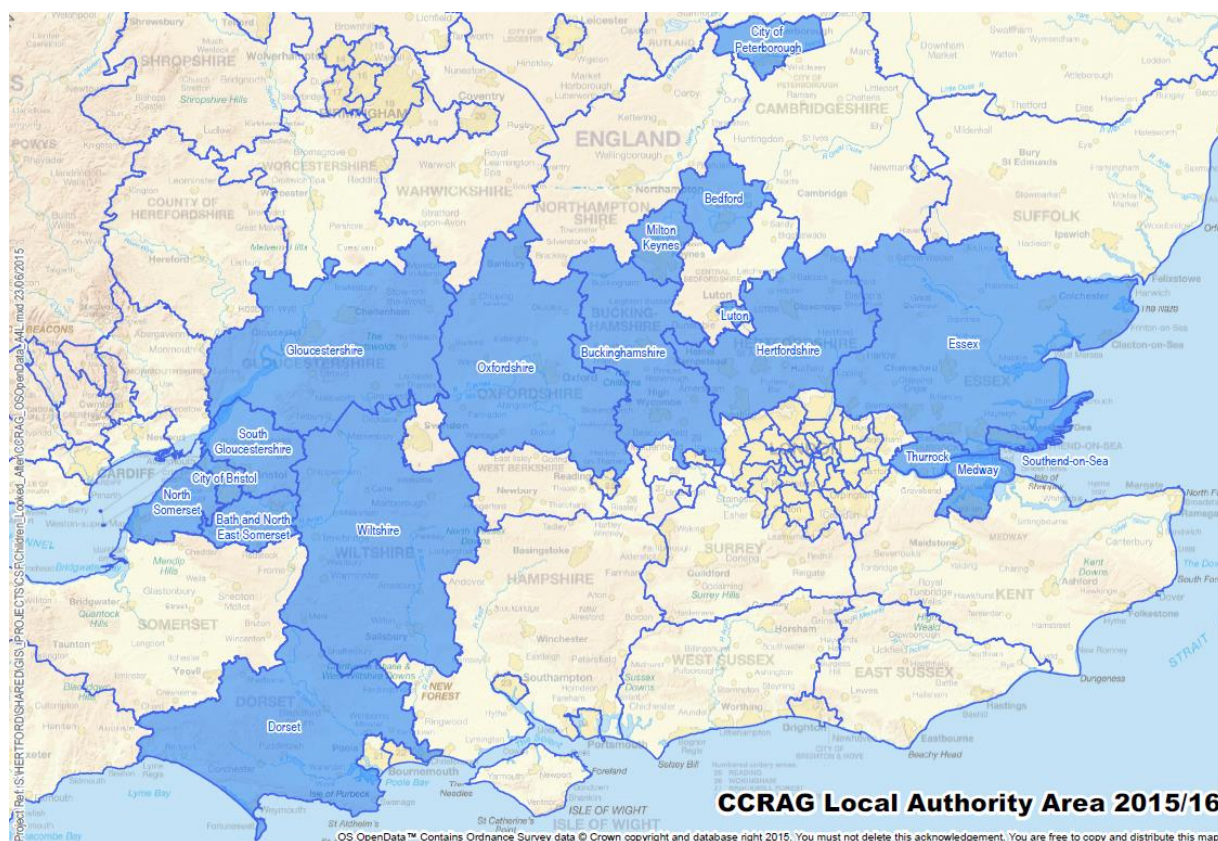
CCRAG is hosted by the Children and Young People's Commissioning Service in Hertfordshire County Council. Members commit to working together to develop and implement effective and consistent working practices throughout the CCRAG partnership. Subscriptions for CCRAG for 2015/16 are £1,966 plus VAT.

The partnership maintains the CCRAG Providers' Database, which supports the sourcing, contracting, monitoring and annual fee negotiations for children's placements. The database is best seen as a facilitated market place for residential child care, IFAs and residential schools with registered children's homes as their means of providing accommodation. It provides a set of managed information to support local authorities in making placement decisions and is a means for providers to offer themselves to local authority partners. Providers evidence Ofsted registration and grade, insurance and such like. The database holds quality assurance information from participating local authorities and there are expectations of what information providers will supply. Local authorities use the data base to undertake a search for a placement and then spot purchase directly from a provider. It includes maps and distance ratings to support local authorities to find provision local to their area/region.

Monitoring is done by each local authority undertaking this for allocated providers. This is coordinated by Hertfordshire with each participating local authority being allocated a provider to monitor. CCRAG is not involved in facilitating or developing communication with providers, but there are quarterly forums with delegated decision making for CCRAG. In addition, the steering group facilitates annual workshops for CCRAG members on recent initiatives, changes in policy and opportunities to share good practice.

CCRAG has recently commissioned a new database to update and hold more relevant information, including prices and vacancies. The revised and improved database is expected to attract new members who will see the contribution to CCRAG as value for money. There is some thought of procuring services together with CCRAG partners in order to support sufficiency audits and achieve cost savings in both the procurement of services and the cost of placements. CCRAG does not currently evaluate whether local authorities are achieving savings or improved value for money through use of the CCRAG database. However, the database will lend itself to far greater development and moving forwards CCRAG members are keen to utilise this platform as much as possible to support placement decisions and get best outcomes for children and young people nationally.

Figure 8 Map of CCRAAG members as at 30 June 2015



4 What Did Key Stakeholders Tell Us?

As part of the detailed evaluation, a wide range of interviews were also conducted with the following types of organisations as well as a survey of provider organisations. The material here is the collected views of the participants. They are designed to triangulate views of the sector from a range of perspectives. A few provider organisations were represented more than once i.e. they responded to the survey and were also interviewed. A list of local authorities interviewed is shown in Appendix 2.

Table 6 Interviews by type of organisation

Type of organisation	Number of interviews conducted
Consortia lead local authorities	6
Consortia member local authorities	7
Local authorities not in consortia	4
Provider organisations	8
Other stakeholders e.g. ICHA, NAFFP, ADCS	4
Total number of interviews	29

4.1 Provider Survey

A survey was sent out to members of the [Nationwide Association of Fostering Providers](#) and the [Independent Children's Homes Association](#) in April and May 2015. In total 81 responses were received.

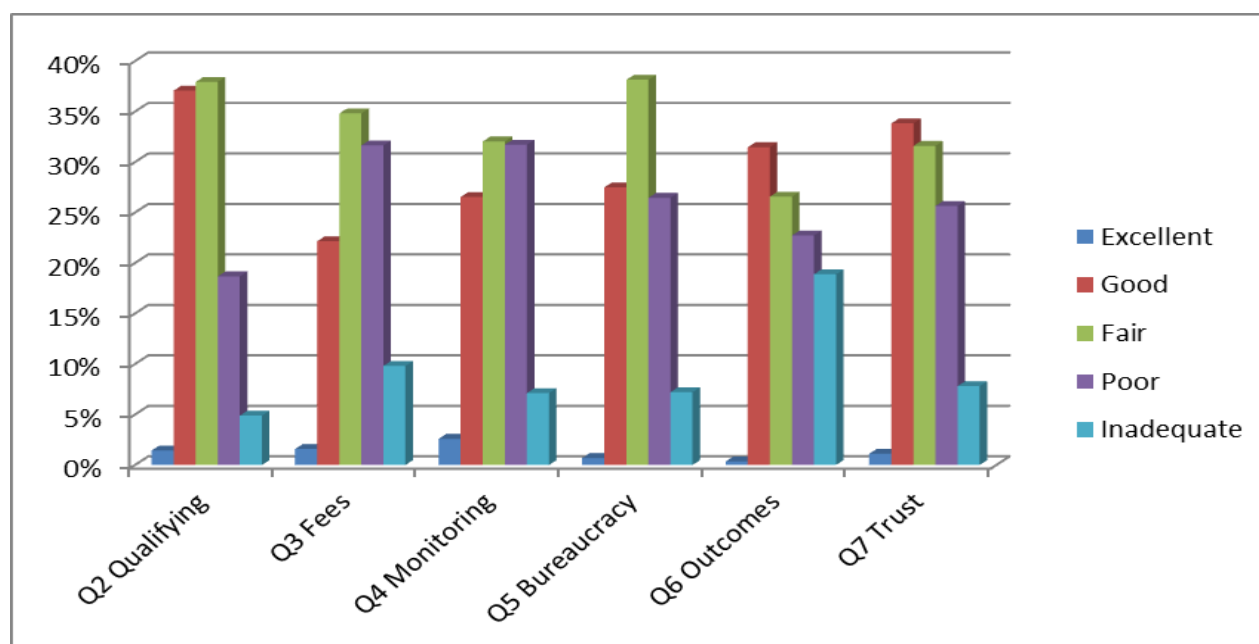
The survey asked respondents to indicate which of 30 consortia they were qualified providers for. The 81 respondents to the survey mentioned many qualified provider relationships, although most only worked with a small number. Half (41) worked with one or two consortia, with 20 providing services for one consortium only. Whereas 13 organisations were registered with 10 or more consortia, with one working with 20 different consortia.

Providers were asked to rate different aspects of consortia arrangements such as their process for qualifying providers, monitoring the quality of the services, or keeping bureaucracy and paperwork to a minimum. A list of questions and a summary of the answers by consortia is given in Appendix 3.

Respondents were able to give more than one answer to these rating questions – as many worked with more than one consortium - so the number of responses do not sum to 81. The number of responses to each question is provided in table 7 below and the percentage breakdown of responses to each question is shown in Figure 9.

Table 7 Number of responses by question

Rating	Q2 How do you rate each consortia's process for qualifying providers?	Q3 How effective is the arrangement in enabling you to provide a fee that is fair and which offers value for money?	Q4 How effective is each consortia's arrangements for monitoring the quality of the services you provide?	Q5 How efficient are the consortia arrangements for keeping bureaucracy and paperwork to a minimum?	Q6 How well does the arrangement enable you to deliver the best possible outcomes for children and young people?	Q7 How well do the consortia facilitate a culture of trust and partnership working?
Excellent	5	5	8	2	1	3
Good	129	70	82	80	90	91
Fair	132	110	99	111	76	85
Poor	65	100	98	77	65	69
Inadequate	17	31	22	21	54	21

Figure 9 Percentage breakdown of responses by question

The majority of the responses to questions asking to rate the quality of different aspects of each consortium was generally positive, although the number considered to be 'excellent' was very low. Despite the positive response overall, it is striking that the number of 'poor' or 'inadequate' responses is also quite high. In short, providers' views were very mixed and often at opposite ends of the scale for the same consortium, which may indicate that providers are experiencing different behaviours or ways of operating consortium arrangements between local authority members within a consortium. In addition, there was no one consortium that stood out as being rated particularly good or particularly bad.

“LAs in frameworks groups need to work collectively and not as individual LAs signed up to frameworks that are no more than an approved list of suppliers to which they have no real accountability.”

Providers were also asked about particular consortia arrangements which worked well. The views expressed covered a wide range of experiences, with positive and negative comments. There was no single theme to the comments, either positive or negative.

Several consortia were mentioned as having aspects of their commissioning arrangements that worked well. For example, the Children's Commissioning Consortia Cymru (CCCC) was highlighted for the outcomes based framework which all the 15 authorities involved use.

“Good relationships established and a clear understanding of what as a provider we are able to offer.”

The use of stringent quality assurance visits required by the Children's Cross Regional Arrangements Group (CCRAG) was mentioned. Similarly, monitoring visits to children's homes by East Midlands were noted and the consortium was commended for the monitoring of progress through educational achievement. CCRAG was commended for the willingness to negotiate on fees. Others which were commended included the Cross Regional Project and Shropshire County Council, Wiltshire, Thurrock and Tower Hamlets.

Issues raised included the level of paperwork required in some areas. The South Central arrangement was praised but the 'disproportionate level of bureaucracy' was mentioned as a problem. Another comment expressed concern that the arrangement within one consortium was not focused on outcomes, instead being too concerned with price. The issue of price was mentioned in several responses as a challenge for providers.

“Maximum fees may not result in fair fees or genuine value for money”

“They need to be clearer about expectations of placement. They need to be more realistic about what it costs to ensure adequate support.”

“There are two main problems with some consortia arrangements: 1. Where individual Local Authorities use providers who are not on the framework 2. When individual Local Authorities seek to reduce rates below what has been agreed in the framework agreement. Both issues undermine the whole purpose of being on a framework agreement.”

Providers were also asked what would improve the way that consortia commission placements for looked after children. Suggestions covered a wide range of areas, but there were a number of clear themes, including duplication.

“Too much repetition, all tenders are different and take a great deal of time. So much duplication of information, considering we are all governed and regulated by OFSTED.”

“Some NW authorities feel that they have to come out and do full-day residential home checks in line with Ofsted, however, we feel this is duplication as Ofsted do this and they do it well.”

The process of decision making and allocation and the relationship between providers and commissioners were referred to a number of times. The need for good communication throughout the process was seen as being of central importance, as was the importance of ensuring that providers were fully involved in the commissioning process.

“Many of the consortia have no arrangement in place for providers to play an active part in strategic planning.”

“Build positive relationships with the providers, understand what they do well and how they do it...”

“Create true partnerships and invite providers to create local and regional strategies. LAs to be obliged to consider the best option for a child and not to use price as the deciding factor.”

A number of comments mentioned the importance of focusing on quality over price in the tender process, with the need to focus on the appropriate support over the whole term of the contract made many times. Several comments highlighted the complexity of individual cases with respondents mentioning the importance of placements being made by suitably qualified professionals and the length of time necessary to source, identify and arrange placements. A number of providers from both fostering organisations and residential child care referred to the needs to use residential care as a proactive choice rather than being considered as a ‘last resort’.

4.2 Summary of Interviews

This section of the report summarises the deep dive interviews conducted with providers, other stakeholders, consortium leads, consortium members and commissioning leads for authorities not in a consortium. The material here is the collected views of the participants.

4.2.1 Providers and other stakeholders

The provider and other stakeholder interviews are consistent with the provider survey responses and provide some more depth to those findings.

4.2.1.1 Procurement and Contracting

Providers reported that procurement and contracting processes are in the main cumbersome and bureaucratic. Providers recognise that working in consortia helps local authorities and also reduces the number of tenders providers may have to respond to, but that there are still considerable opportunities to streamline and standardise the process. Providers reported the following:

- To qualify to be on a framework or APL, this will often require providers to duplicate (albeit in a different format) much of the work undertaken to meet the requirements of the Ofsted registration and inspection process.
- Different consortia ask for the same things from providers but in slightly different ways or to different standards. Examples were given of different consortia requiring different safeguarding and emergency management policies. Not only did this add to providers' administrative cost, but providers are concerned that having different versions of a policy introduces a serious operational risk.
- Consortia asking for information that does not add value to the process.

Some providers reported that despite their attempts they have failed to qualify on framework agreements, as illustrated by this quote from the provider survey:

"We are highly specialised and tailor our packages and fees to each individual child's unique needs. Everything, from the environment, the staffing, and the resources is designed around the individual. It has been impossible for us to complete the financial forms required in the tender process. We can't make our services fit into the boxes they want. As a result most of our placements are spot purchased. It's been okay for us and we have a waiting list."

A number of providers were critical of some of the evaluative questions asked in procurement. They found it hard to see how some of the questions could be objectively evaluated.

Some of the smaller providers are particularly concerned that the complex and cumbersome procurement and contracting processes place smaller providers at a disadvantage and could further help the consolidation they already see taking place in the market. Providers interviewed made reference to their knowledge of smaller organisations leaving the sector due to their inability to respond to the scale of commissioning requirements.

There was strong support from providers for a national repository of pre-qualifying information. This was seen as potentially very useful in reducing duplication and associated wasted effort. There was also support for standardised national contracts and managing contract variations in a way that makes them easier to identify.

4.2.1.2. Call Off Arrangements

Providers reported considerable diversity in how call off arrangements work for the procurement of individual placements under framework contracts. Providers reflected on the variability in practice between authorities within the same consortium. They saw how different authorities managed the relationship between the framework contract, the role of placement officers and the roles of social workers and their care planning practice. For some providers the process has become too transactional with insufficient focus on the child's needs and too little dialogue with social workers about children's needs. These relationships with social workers and their managers were seen as key to the success or otherwise of placements.

The variability in content and standard of referral forms was a difficulty for providers who reported this as a key area requiring improvement.

Providers were critical of local authority practice where they were often asked to provide emergency placements at short notice despite the local authority having been aware for some time beforehand that a placement was required for a particular child. Providers believed this reflected weaknesses in social work practice and was a possible consequence of sequential placement procedures where access to a choice of placements is controlled and restricted.

There was criticism that tiers are restricting access to the widest placement choice i.e. local authorities accessing the placements on tier one first when there may be more suitable provision on tier two. However some providers recognised that tiers are applied to help providers on tiered frameworks get the volume of business which enables them to offer lower prices. There is a trade-off between lower prices and access to the widest choice of placements.

Some providers informed us that, especially with regards to children with complex needs, providers will occasionally work together to try and find a placement for a child. If they receive a referral which they cannot accept and feel confident that a colleague from another organisation could offer a good placement for the child, the referral will be forwarded on to them. This will happen regardless of whether or not this other provider is on a framework contract.

The lack of relationships between commissioners, providers and social workers and their managers in the whole process was seen as a major difficulty by providers and as driving a lack of trust within the sector which inhibited collective problem solving and drove risk-averse behaviour by all concerned, which could add to costs.

Providers expressed a strong desire for more resources to be devoted to the development and maintenance of relationships between commissioners, placement officers, social workers and providers. They saw this as a means to improve the quality of placements and outcomes for children. Some providers reported that relationships were dysfunctional and would benefit from the use of independent mediators to help build a culture of trust.

4.2.1.3. Monitoring

Providers commented on the variability of monitoring arrangements. All can see the need for and value of monitoring of provider organisations, their services and of individual placements. Where this is done well it contributes to positive outcomes for children and good relationships between the local authorities and the providers. However providers' experience is of considerable variability between and within consortia. It is evident to providers that some local authorities within consortia are much more effective in discharging their monitoring responsibilities than others. Generally, providers found those consortia with more robust central monitoring arrangements better to deal with.

For all providers they wanted assurance that the monitoring information they were asked for was used and that duplication with returns to Ofsted was minimised.

Providers reported that where monitoring of the service takes place this usually means an exchange of information between the provider and the local authority commissioning

team. It may also include meetings at the local authority offices or a visit from a contracts officer. Providers referred to what they saw as a lack of effective communication between social workers, IROs and commissioning teams. Providers felt that the disjointed monitoring arrangements created difficulties for all parties and that local authorities need to ensure these are improved and better co-ordinated.

Providers reported the difficulties they have in some cases with receiving Individual Placement Agreements which are meant to outline the clear purpose of the placement and the outcomes required. Without this key document setting out the terms of an individual placement, providers argue that it is difficult to undertake effective monitoring. They also reported difficulties some social workers have in specifying outcomes and completing a good Individual Placement Agreement. While providers want more commonality of approach one provider noted that no common approach will work well unless the staff using it have been well trained in its use and have the time and capacity to use the approach well.

Providers saw opportunities to work much more efficiently and effectively with savings achieved by streamlining monitoring activity.

Providers undertake their own quality assurance processes and there are opportunities for local authorities and consortia to make more use of this work where providers are willing to share this.

4.2.1.4. Market Development

Providers all had experience of receiving information on what placements consortia needed. This was commonly at the point of tendering and then at refresh points during the contract. The information was usually about numbers and types of placements and characteristics of the children needing placements. These were not Market Position Statements (MPS) as they tended not to be forward looking or developmental in approach.

Providers would like to see more partnership working in the development of responses to changing needs. They see the information contained in referrals as a valuable source of market intelligence which is not used. Consortia do not have the capacity to collate referral information and use this to inform market development. Providers were frustrated at the lack of opportunities to become involved in market development. Examples were given of how providers working with a number of consortia may well identify trends and changing cohorts of needs across a region before this is realised by individual local authorities, but that there is a lack of opportunities for providers to share this type of data and become involved in strategic planning. There are examples of good dialogue between consortia and providers on their frameworks but there were also providers who felt local authorities were inhibited from taking part in dialogue by lack of trust and concerns about ensuring fairness to all providers.

Consortia with greater capacity e.g. West London Alliance seem to have made the most progress in taking on an explicit market development function. Other consortia which have a very wide spread of operation see market development as less central to their role and that this is better done at a more local level where it can reflect local strategies, needs and priorities.

Provider views were broadly in favour of developing common frameworks for descriptions of needs and outcomes. However all wanted these developed on a cross sector basis and there were degrees of caution about ensuring that any such descriptors do not become restrictive, lead to more “box ticking” approaches and lead to perverse incentives such as making providers and commissioners more risk averse than they already are.

The strongest message from providers is the need to develop a more relational approach to commissioning and to invest in the development of relationships with providers.

4.2.1.5. Provider Views of Consortia

Most providers agreed that the framework contracts developed by consortia have led to savings but this was not a view shared by all. A few providers felt that the significant levels of bureaucracy brought about by the contract arrangements had led to significant inefficiency in the system. Providers were less sure whether frameworks had led to improvement in placement choice or outcomes for children. Some providers thought that framework agreements had led to more local placements being available.

There was acknowledgment that working in consortia has led to efficiencies compared to working with individual authorities, but frustration that the further opportunities to achieve common processes and consistency have not been realised. This especially applies to procurement, contracting and monitoring processes.

All the providers interviews wanted to see more focus on relationship development, more mutual trust and more subtle and individual approaches to describing and measuring outcomes for children. Providers reported that it was difficult to identify who the commissioning staff are in local authorities and that the turnover of commissioning staff inhibits the development of relationships and can lead to loss of knowledge and skills.

Providers would like to see more open evaluation of how consortia work and of local authority commissioning more widely with provider feedback sought as part of any evaluation.

Providers would be helped by consortia and local authorities providing information about how they work and who the key contacts are on local authority websites. Providers experience difficulties in finding out how placements are sourced.

4.2.2 Local Authorities in Consortia

4.2.2.1. Governance and Structure

All the consortia examined have some kind of governance structure. They have a lead local authority which usually takes responsibility for convening and chairing the consortia meetings. Nearly all consortia have a partnership agreement which supports their work or if not a partnership agreement a memorandum of understanding. Some of the consortia e.g. East Midlands have a clear relationship to a wider regional commissioning group which in the case of the East Midlands includes Clinical Commissioning Groups and to the regional Directors of Children's Services (DCS)

group. These arrangements are more common where the region is well defined and the consortia cover most of the authorities in the region.

Governance structures are more formal where there are cash transfers between authorities to fund a central infrastructure for the consortia. In the consortia where the cash transfers is largest, i.e. West London Alliance, it is notable that this has one of the most formal structures and the structure put in place is seen as having some independence from the subscribing boroughs.

All consortia examined believe that the governance arrangements are sufficient to hold the members to account for their contributions to the consortium, primarily in kind and for the delivery of work agreed by the consortium. Where there are problems there are mechanisms for escalating these through the DCS networks.

4.2.2.2. Resourcing Consortia

There are large variations in the cash resources committed by local authorities towards consortia, which range from no financial contribution to over £34,000 per authority per year. This level of financial contribution affects all aspects of the operation of the consortium including the quality of monitoring and placement information and market development.

The effective resourcing of databases to support commissioning was a common theme. Commissioners and providers both felt that local authority databases have not kept up to date with new technology and are under resourced. For example, they are not easily accessible on smart phones and the most recent posts on web pages are sometimes over three years old. Many referred to these databases as being unfit for purpose and as a result there are concerns about both providers and commissioners adhering to their obligations in keeping information up to date and a lack of resource to monitor this. Some consortia are looking to invest in improved technology. Whilst providers saw some merit in this, there was concern about the potential for numerous databases to be developed across England and the difficulties with capacity for managing the duplication of work in administering them.

There are substantial variations in the resources contributed in kind. These resources in kind are by far the largest proportion of resources provided to support consortia. It should be noted that there is a very wide variety of consortia arrangements and as such it is not helpful to compare the contributions members make as the projects cannot be compared on a like for like basis. For example, one consortium may contribute solely towards procurement costs and local authorities will provide officer time, whilst another consortium may agree a contribution which funds a dedicated post and which covers not just the procurement, but ongoing contract management and monitoring.

It was the view of both large and small local authorities in consortia that the larger local authorities who were often, but not always, the lead in a consortium took on more responsibility for the functioning of the consortium and put proportionately more resources into it. This was seen as reflecting the greater capacity which larger authorities had.

There was also evidence that within consortia there can be tensions over whether all participants are "pulling their weight". These tensions were dealt with within consortia

with the lead local authority usually having the role of holding consortia participants to account for their contributions. These differences in resourcing were most evident in the ability and capacity of the different local authorities to undertake their role in monitoring the providers on the consortia framework contracts.

4.2.2.3. Procurement and Contracting

Regional and sub-regional consortia most commonly use framework agreements: 20 regional or sub-regional consortia have framework agreements, 4 use APLs/DPSs or similar, 2 have block contracts and there is one cost and volume contract. However, many placements continue to be purchased on a spot basis. The use of spot purchasing is more likely when a child with complex emotional and behavioural difficulties (EBD) is placed in residential child care. Due to the growing complexity of need and the fact that demand is outstripping supply, providers are in a strong position to negotiate the terms and conditions in such cases. In many cases, providers prefer the terms and conditions used when spot purchasing rather than those outlined in local authority framework agreements.

Most framework agreements have been set up with lots and tiers. There are some concerns about how well access to placement choice is facilitated in tiered frameworks – see section 2 re the proposed judicial review – and some commissioners reported that the tiered procedure is not always adhered to as the tiered approach means there can be a delay in sending referrals to providers who may be best placed to offer the most appropriate placement to a young person. We were informed that to avoid this delay, there are sometimes occasions when referrals are sent out to all providers on all tiers at the same time. The most common reason for not adhering to the prescribed call off procedure is that the placement is needed so urgently there is not time to go through a process of sequentially going out to each tier and the placement request goes to all tiers at the same time.

This potential non-compliance is a concern to procurement leads who view this practice as potentially being in breach of contract. There are also concerns that by not restricting the placement search to lower tier providers, the local authorities are not benefitting from the reduced prices that have been negotiated as part of the procurement exercise. However, there is also an acknowledgement of the importance to secure the right placement which can potentially offer the best chance of stability and outcomes for a child. Local authorities felt there is a trade-off between lower prices and access to the widest choice of placements. There is a move away from tiers in the more recently established consortia.

The majority of regional and sub-regional consortia have placed a geographical restriction on where providers must be based in order to qualify to be on a framework contract. This helps local authorities to better know their local markets and develop relationships that fulfil their obligations under the sufficiency duty. However, both commissioners and providers said there was risk in having too strict location criteria as there are instances where the need to meet a child's combination of rare or specific individual needs is more important than the location of a placement. There are also examples of unhelpful geographical restrictions. For example where provision in a neighbouring authority, which may have been the most appropriate, was not considered for a child despite it being within relatively close proximity of a child's home and school.

Consortia are largely unaware of the other consortia that exist across the country and there are limited opportunities to share learning. We heard of several examples where wheels were reinvented as commissioners had been unaware that similar work had been previously undertaken by another consortium. Local authorities did not know whether or not it was possible to access the qualified providers on the lists held by other consortia.

Framework agreements that are closed for a period of time can be rigid and may not serve this rapidly changing market well given changing children's needs. This is especially true for the residential child care market. There is more stability amongst providers in the independent foster care market. Theoretically a Dynamic Purchasing System (DPS) would allow new providers to more easily enter the market. However, there is confusion over whether or not Dynamic Purchasing Systems can be used in this sector. Some commissioners understand the requirements of the Public Contracts Regulations 2015 to be restrictive for DPSs and not conducive to commissioning looked after children's placements. We were informed that commissioners are receiving varied and conflicting legal advice about the use of Dynamic Purchasing Systems.

A focus for the deeper discussion with consortia was how far their procurement processes, and in particular the information sought at pre-qualification stage, duplicates what Ofsted have already done. Consortia recognise there is some duplication and some have tried to reduce this by focusing their pre-qualification questionnaires on areas that Ofsted registration and inspection does not cover i.e. financial and some of the business aspects. However, some consortia were led on these issues by their procurement colleagues who relied on a standard process for all procurements which took little account of what Ofsted may have already done. There were also examples given where local authorities were praised by Ofsted inspectors for not relying on Ofsted judgments or registration processes and doing their own checking of provision. From providers' perspective this appeared to generate duplication and consequent wasted effort.

For consortia the shared procurement process was seen as a key area of benefit. It reduced the effort for individual authorities of conducting their own procurements for framework or other contracts. Smaller authorities also benefited from the scale which being part of a consortium brought. They saw consortia as having "clout" in the market place and the ability to get the attention of providers that a smaller authority would struggle to do. Working in consortia also brought benefits in learning from other colleagues about procurement and the conduct of procurement exercises.

Nearly all consortia have adapted the national contracts for residential and foster care placements for use in their commissioning arrangements. Consortia reported that amendments had been made to specifications to reflect local needs; however it was also evident that some changes to terms and conditions had also been made. It was not always clear as to why these had been necessary to meet 'local need'. There was considerable difference between consortia in how they dealt with contract variation with some being careful to clearly identify variation within a separate document while others made variations within the core contract documentation. The latter practice was seen as unhelpful by some providers as it made it harder to identify contract changes.

The wide variety and variation in the national contracts for fostering and residential child care is not seen as a particular problem for local authorities, but is a significant concern

for providers for whom this adds very significant complexity and hence costs. Providers have no choice but to pass the cost of this on to local authorities. There was widespread recognition that the national contract needs to be updated and of the benefits of more consistency in use of the contracts.

In the deeper discussion with consortia the idea of a national repository of pre-qualifying information was tested out. The idea was generally well received. It was seen as useful in reducing effort and helping to achieve consistency. However, there were concerns about ensuring the currency of any information on a national database, about how validation and quality assurance would be undertaken and that everyone would agree to its use as without widespread participation it would quickly lose its utility.

The deeper discussion also explored the use of spot purchasing by consortium members. Most consortia said that spot purchasing with providers on their framework contracts was rare. However, it was becoming more common as some provision was only available 'off framework', either because it did not qualify under the framework specification or because providers purposefully kept some specialist provision off the frameworks. It was evident that within frameworks there is a good deal of flexibility for negotiation of additional services to meet need with the starting point for negotiations being the framework price.

The focus of discussions was on the role of the consortia in procurement and contracting. It was evident that a key element of the process is the role of individual placement officers and their interaction with social workers and managers making placement requests and the providers they are working with. The feedback from consortia leads, other commissioning leads in local authorities and providers all point to the critical nature of this role and how it is relatively underdeveloped in many local authorities and perhaps should have more attention and prominence in considering how well the whole process works for children. There appear to be significant differences in the capacity that placement officers have in different local authorities to project manage referrals, matching, contracting and monitoring.

4.2.2.4. Monitoring

Commissioners identified shared monitoring of providers, and of the overall framework contract, as a key benefit of working as a consortium. However, all acknowledged that this is an area where there is considerable scope for further improvement. In particular, how well monitoring is conducted - in terms of its ability to impact on the quality and value for money of placements - and how efficiently it is done to avoid duplication of effort by commissioners and providers could be improved. There is recognition that contract monitoring arrangements are messy: even in the best organised consortia arrangements are variable. The coordination task for contract monitoring is potentially very complex especially where providers are engaged with a variety of different consortia.

A number of consortia said they have identified the need to improve monitoring arrangements. Issues of trust and capacity are key to improving the quality and efficiency of monitoring. Local authorities are most comfortable when they monitor all the providers with whom they have a significant relationship. They have a direct line of sight to what is provided for their children and know that the discharge or otherwise of their statutory duties is in their hands. Local authorities can be reluctant to rely on the

monitoring undertaken by another local authority and there is a lack of consensus regarding accountability where another local authority's monitoring practice does not identify risks and shortfalls. This, in the current risk averse atmosphere, leads to providers being monitored by multiple local authorities. Consequently providers have to set aside considerable resource to ensure they have capacity to respond to overlapping monitoring demands.

In adhering to their monitoring requirements, providers experience very different standards and demands from different local authorities. Some local authorities within a consortium will use different monitoring templates and have different processes for undertaking monitoring. In other consortia some providers will receive few or no site visits from local authorities. The majority of providers and commissioners interviewed said that monitoring was not efficiently undertaken and can be wasteful, but that there are opportunities for monitoring to be more efficient and effective.

Some consortia recognise the burden monitoring places on providers and that ultimately it is the local authorities that pay for this in higher charges. They are trying to reduce this by, for example, not asking for additional information beyond what providers are required to provide for OFSTED and through carefully considering what they do with information requested. Where there is central co-ordination of monitoring by a consortium this will either be:

- Providers are divided between the participating local authorities for monitoring purposes with the lead local authority organising and coordinating this process. The local authorities use a common process and completed monitoring templates are submitted to the lead local authority to collate and share with participating local authorities.

or

- A central monitoring team is funded by the consortia and this is resourced to monitor providers on behalf of all the participating local authorities. However, even where this arrangement is in place, there are still some participating local authorities that undertake their own individual monitoring of providers in addition to that which is provided and funded by the central resource. A culture of distrust and risk averseness was thought to be the reason for this duplication.

Most consortia recognised that while their monitoring of providers and consortia contracts was adequate this was an area where more resource could bring benefits in terms of quality and provider engagement and possibly financial benefit through improved monitoring of how well placements are working.

All consortia were aware of the need to connect feedback from individual placements and the monitoring of placements by social workers and independent reviewing officers with the monitoring of provider contracts and the framework contract as a whole. Efforts were being made to strengthen this process but it was another area where resource pressures, i.e. delays in individual placement agreements being put in place, was having an impact. Doing this well was seen as potentially powerful in improving quality of placements, outcomes for children and commissioning of placements in the future.

Some consortia operated a suspensions protocol which enabled them to suspend providers from a framework if there were safeguarding concerns or where an OFSTED grading was inadequate. However, there were some concerns about the OFSTED inspection framework and what had been seen by providers as inconsistent grading. This caused some consortia to look at how they could respond rapidly to concerns to quickly determine whether or not a provider should be suspended. This was a priority, particularly in respect of homes that offer placements for children with complex EBD.

We asked how consortia monitored local authority compliance and how they dealt with concerns that providers raised about participating local authorities. Responses to this were highly varied. Some consortia leads did not believe it was their role to become involved where providers raised concerns about local authorities. They were clear that they worked on behalf of the councils and would advise providers to follow the relevant local authority complaints procedures. However, some consortia leads were very clear that they believed they had a remit to also monitor the behaviour of local authorities.

“I see my role as being a conduit between the two sides. I describe myself as a referee and will get involved in sorting disputes. The aim is usually to get the local authority and provider to compromise, but sometimes I do come down on one side or other. I think this is really valued by providers and commissioners and I get thanks for supporting them to resolve complex issues. As a third party I bring an independent and objective view and that helps to get past blockages. I believe we are seeing improved relationships as a result.”

4.2.2.5. Market Development

All the consortia spoken to in greater depth do see they have a role in market development but recognise that this is underdeveloped. No consortia had a Market Position Statement (MPS). All recognised the benefits of developing a more forward looking approach to describing what they need from the market and helping the market understand their needs. They all communicate with the market but this tends to be about numbers of placements made and of what type. The individual position of the consortia members is made available as they each have their own sufficiency statements.

There were differences of view amongst the consortia about how far consortia can develop the market. These differences reflected the different size of consortia and how they framed their purpose. Smaller consortia with tighter and better funded central support were more likely to see themselves as having a key role in market development working for their constituent local authorities. Larger consortia with less central structure did not see this as a key role. Their view was that the diversity of strategies between local authorities within the consortia was such that it would not have been possible to develop the market together. They saw that market development needed to take place at a more local level where it could reflect local strategies for service development and local circumstances e.g. having many local providers or having very few, investment in in house services or divestment of in house services. The larger consortia saw themselves as providing a baseline set of framework arrangements for access to the market on which their constituent members could build other more bespoke services that met their needs.

In discussion with consortia leads, other local authority leads and providers we discussed whether the idea of a national needs and outcomes framework would assist commissioning by providing more of a common language and framework for understanding needs and outcomes. Overall the responses were positive. The responses were more positive for outcomes than needs.

The key issue for all was the need to develop any such frameworks collaboratively across the sector and that they need to be developed so that they are easy to use. The example was given of the current outcomes tracker within the national fostering contract which is complex and requires substantial resource to administer and consequently this is not commonly used.

The notes of caution were:

- Not creating straightjackets – to be child centred requires flexibility to respond to each child's needs and the outcomes that are right for that child.
- Avoiding perverse incentives i.e. an outcomes framework which discourages providers from caring for children with the highest needs.
- Developing needs and outcomes descriptions which are strengths rather than deficit based.
- Perhaps describing the characteristics of children or enabling a focus on their emotional wellbeing might be more useful than their needs as it is how they present themselves rather than needs per se which is usually critical for the type of placement required.

Any such framework would depend for its success on the skills and capabilities of those using the framework to understand its principles and how it can be used to enable better analysis of children's needs and the outcomes sought and to help providers and social workers make better matching decisions for the children.

Finally, all would want such a framework, if developed, to have endorsements from DfE and sector leaders so that it has authority and is likely to be widely used.

4.2.3 Benefits and Issues of Consortia Working

4.2.3.1. Cashable Savings

Most consortia reported generating cashable and non-cashable savings in varying degrees. Some consortia have developed well thought-through methodologies to quantify savings. The level of savings is typically 4-5% and some are as high as 10%. These methodologies usually involve identifying the costs of placements at a point in time, i.e. during the procurement exercise, and comparing the costs to meet similar needs during the life of the contract. The evaluation of savings is complex because the savings that some local authorities have achieved are attributable to both lower costs delivered through consortia framework contracts and changes in their practice and management of placements.

Working in a consortium gives local authorities scale and it is volume of business that helps to drive savings through enabling providers to lower prices. It also gives local

authorities market power and in a number of interviews there were comments that prior to working in consortia the local authorities felt that the market was driven by providers.

Consortia began to form approximately ten years ago when it was felt that providers were dominating the market place and seeking fees that were unreasonably high. The consortia arrangements enabled local authorities to gain some control over the market and to reduce fees to what they felt was a fairer level. These cashable savings were largely secured within the first couple of years of a consortium operating and the likelihood of generating cashable savings decreases the longer a consortium is in operation. Most consortia now focus on cost avoidance and there is some concern that further cashable savings may impact on the quality of placements.

There is concern that the complexity of arrangements, particularly within overarching regional consortia, might be counterproductive. For example, the London Care Service will qualify a provider, scrutinise their fees and negotiate a fee for them to deliver services to London Boroughs. This provider may also be asked to tender for a sub-regional London framework contract where they are required to reduce their prices further and may be expected to reduce their price at the point an individual child is placed. Providers have raised concern about their capacity to have these lengthy price negotiations, especially with some commissioners demanding breakdowns of costs in different formats. Some providers have stated that they are now considering increasing prices to cover the administrative and managerial costs incurred in having to respond to the different layered commissioning arrangements.

No consortia have an agreed definition of value for money or any rigorous methods to demonstrate value for money in their commissioning and purchasing of placements. This difficulty in establishing value for money reflects the absence of agreed measures of outcomes and of a robust methodology for establishing and quantifying value for money.

Some local authority commissioners commented that value for money can only be achieved if a long term view is taken and the placement decision is based on a 'whole life' costing approach which reduces the likelihood and levels of support being required in the future. Commissioners said that the requirement to work within the restrictions of annual budgets makes it more difficult to take a whole of life view of placement commissioning where this might lead to higher costs in the short to medium term. On the other hand there were commissioners that felt a focus on long term outcomes was misplaced and that it was important for the local authority to secure the best placement they could, for the lowest weekly fee, within the existing budgetary and resource restrictions.

These different views existed within consortia and even within local authority commissioning teams.

4.2.3.2. Non-cashable Savings

All consortia are confident that working together brings non-cashable savings. These are primarily through sharing commissioning and procurement costs, sharing consultation and engagement with providers, and shared monitoring as well as through learning from each other. The costs of working in consortia are significant and in non-cashable terms will often amount to several days a month for one officer in each local

authority. However, authorities thought that these costs were worth paying. When presented with the alternative scenario, the local authorities currently in consortia all agreed that - if a consortium was not in place - they would want to develop consortia working.

4.2.3.3. Other Benefits

Overall, consortia felt that working together had enabled better placement matching by widening placement choice. Consortia also felt they have contributed to improved quality. While providers expressed concern about poor coordination of monitoring by consortia most recognised that this problem was worse when there were no consortia and each local authority was acting on their own. This was also true of the providers' view of the procurement process.

Both providers and commissioners referred to the importance of knowing who the main contacts are in the consortium and in provider organisations. Both referred to the benefit of building positive relationships. Organisational cultures vary significantly across both local authorities and commissioners, but overall most individuals we spoke to recognised the need to improve relationships in the sector.

"We are on a framework contract but we will not work with XXXX council. Even if we have a vacancy and know we can meet the child's needs. We have had such a bad experience of working with them that we sometimes just delete the referral without opening it" (Quote from the provider survey)

One local authority commented that, even if a provider has qualified on a framework and makes an offer of a placement, the experience of working with them in the past may have a bearing on whether or not their placement offer is accepted.

A local authority also commented how they had invested in establishing a relationship with a manager of an independent children's home. There had been times when young people had presented such difficult behaviour that most providers would have terminated the contract. Instead they felt that the provider in question had put in additional effort to stabilise the placement because they wanted to maintain the positive relationship that had been established between the two parties.

Throughout the research we heard from both providers and commissioners about the importance of investing in relational commissioning, the importance of face to face engagement and the need to have sufficient capacity for this.

The sharing of learning and intelligence across the consortium was seen as a major benefit by local authorities. Especially for smaller authorities with small commissioning teams there were considerable benefits in having colleagues in other authorities to consult and learn from. Having said this, the level of connection between consortia was very low with few formal opportunities for learning across consortia and most contacts were personal rather than consortium to consortium.

Provider forums operate differently across the country and there were mixed views on their effectiveness. There was some criticism by both commissioners and providers that provider forums were sometimes poorly planned and resourced, that they mainly consisted of providers being talked at, and that providers had little or no input into the

planning of the forums. Conversely, some providers strongly commended some forums saying that they were jointly planned and chaired between providers and commissioners. Some forums were attended by local authority placement providers and there were opportunities to share good practice and to discuss issues affecting everyone in the sector.

4.2.4 Local Authorities Not in Consortia

A small number of local authorities that are not in a consortium for either foster care or residential child care were interviewed in order to understand why they have not joined a consortium for these services.

Their decision to not participate in a fostering or residential child care consortium reflects their individual circumstances. Each has, at the relevant points, made a considered decision about what will work best for them and to enable them to meet the needs of the children they are looking after. The key reasons for not joining a consortium are:

1. Their local arrangements, which in some cases include their own framework contracts, are working well and enable them to meet their sufficiency duty and achieve savings.
2. They did not believe joining a local consortium would achieve better prices and improve value for money.
3. They are members of other arrangements such as London Care Placements or the Children's Cross Regional Arrangements group which gives them access to a wide range of placements within which they can develop their relationships with the providers they use.
4. For some they have good in house residential child care and fostering provision which greatly reduces their need for external purchasing.
5. They are in some cases very low users of residential provision, e.g. six placements, which means the effort of entering a complex consortium arrangement is not worthwhile.
6. They want to be unfettered in the development of their own strategy and approach to meeting the needs of their looked after children, including how they develop their own provision and work with their independent providers. In one case this reflected in part that the authority saw its needs through geography and demography as very different from the mainly urban other participants in their local consortium.
7. The evidence they have that, by working on their own, they can achieve good value and have strong partnership arrangements with providers which reflect the needs of their children. They believe they can achieve a better focus on the individual child as they are working at a smaller scale. They appeared to be better at connecting their child level monitoring with the monitoring of their contracts with providers.

None of the authorities interviewed had any philosophical objection to working in partnership and all would consider joining consortia or other joint commissioning arrangements where this is to their advantage e.g. joining a consortium procuring special education residential and day placements. Some recognised they did get benefits from consortia such as information on benchmarking for prices which they then could use.

Authorities not in consortia were all positive about the benefits of a repository of pre-qualifying information from providers and a national needs and outcomes framework.

Those authorities not in consortia were more sceptical of the benefits of central descriptions of needs and outcomes as they were concerned this might reduce their ability to focus on the individual child and the unique characteristics of each child's needs and the outcomes that are right for that child.

Providers not in a consortium saw advantage in being able to attend regional and sub-regional provider forums where they could network with a number of providers and local authority colleagues in one day.

5 Conclusions

Most local authorities take part in the wide variety of consortia and partnership arrangements that this report has identified. The local authorities that take part in regional, sub-regional and cross-regional collaborations realise tangible benefits from these arrangements, including:

- Improving access to the placements they need.
- Achieving significant savings on placement costs.
- Achieving economies of scale through commissioning and procuring together.
- Generating much improved market intelligence through working at scale.
- Access to a deeper and broader pool of commissioning and procurement expertise through working together: this is particularly important for smaller local authorities.
- Improving the monitoring of placements through sharing the task across a number of local authorities.
- Enabling consortia and partnerships to have well developed mechanisms for regular engagement with the providers on their frameworks or DPS arrangements. Both local authorities and providers believe, if well supported, these arrangements work well in developing communication between providers and the local authorities.

Some authorities have not joined consortium framework or DPS contracts or do not necessarily use the contractual arrangements they offer. These authorities have made carefully considered decisions about how they can best meet their placement needs. Usually their reasons for not taking part are because they can achieve as good or better value and enhance quality and flexibility of placements through commissioning on their own. They do not want their placement strategies fettered by having to work within a collective structure.

Whether there are, or have been, other regional commissioning and purchasing initiatives does seem to have some influence on the strength of regional and sub-regional arrangements. In particular, whether regional improvement and efficiency partnerships have been influential and provided funding for regional posts to support regional or sub-regional commissioning arrangements in children's and other services.

The strength of regional Association of Directors of Children's Services (ADCS) arrangements seems also to be an influence. Where there is leadership from regional ADCS that promotes collaboration across a range of activities this can facilitate regional commissioning by creating a culture of collaboration and desire to share practice and service development.

The scale of the region is also relevant as well as local market conditions. The bigger the region, in terms of number of local authorities and size, the more likely it is that there will be a variety of arrangements and less likely a single regional approach. Characteristics of weaker arrangements are perhaps most evident in London and the South east region with their many and very diverse local authorities.

There was a view by consortia leads that local authorities have to be convinced of the future benefits of collaborative working. It is easier to do so if there is evidence of cashable savings. It is widely agreed that cashable savings have been secured, particularly within the first couple of years that a consortium operated. However, there

is not a rigorous methodology for establishing and quantifying value for money. In addition, it is arguable that prices have already been reduced by consortia commissioning and are unlikely to be reduced much further. Therefore, it is becoming harder to evidence the financial benefits. The focus should now move to quality and outcomes and better commissioning – as opposed to procurement activities - to achieve these, but this may not carry as much weight as cashable savings, especially in these times of austerity. Some individuals interviewed said it is necessary for the sector to get smarter at evidencing the significant levels of cost avoidance that can be secured by effective commissioning.

Local authorities recognise some of the difficulties the current arrangements present. In particular, commissioning and procurement processes are costly for both commissioners and providers and there is recognition that engaging with many different frameworks and related different specifications and contracts is difficult for providers, especially small to medium sized organisations.

All the consortia, and those local authorities that are not in consortia, can see scope for improvement through greater commonality and standardisation of processes and documentation. For consortia to work well they need to be seen as offering proportionate value to both providers and local authorities. There is consensus between local authorities and providers that there is considerable scope to improve how well commissioning by consortia works. This applies particularly to the procurement and monitoring activities of the consortia which are the areas recognised by commissioners and experienced by providers as the most bureaucratic and wasteful.

There are a variety of views on whether the scale of some consortia, and the processes required to make consortia work, leads to more transactional approaches to commissioning. All consortia leads, local authority leads and providers agree on the importance of the development of relationships between providers, commissioners, placement officers and social workers. Current pressures for savings mean there is less resource available for this relationship development and maintenance work.

All engaged in this work recognise the importance of other aspects of the system in relation to whether commissioners and providers can successfully help ensure children are well placed. Critical is the quality of information from social workers to inform placement requests and the ability of social workers to specify the purpose of a placement, the outcomes required and what they hope a placement will achieve.

This desire to improve this aspect of the process is why so many supported the idea of a common needs and outcomes framework. However, there were some well-considered voices of caution that such an approach could become another “box ticking” exercise and that any such framework will only be as good as the training and capability of those operating the frameworks.

This concern links to the lack of recognition of the critical role of placement officers. This concern is shared by commissioners and providers.

The market development role of consortia is underdeveloped. There is potential for consortia to do more to improve understanding and facilitation of the care market, to facilitate partnership working, offer more practical commissioning help and advice to local authorities and act as a conduit to sharing good practice. There is no developed

mechanism for consortia to use the information gathered through placement requests to external and internal providers to better understand the needs of children requiring placement. The ability to develop the local market is one of the attractions for those local authorities that work outside consortia. Market development is potentially resource intensive and is seen more in those consortia with more substantial central resources.

To be able to share information on the benefits of consortia commissioning, in the experience of some consortia leads, there has to be capacity to talk to local authorities about how joint working can offer solutions and provide 'added value'. All regional leads talked about how their regional roles are not task centred, but how a significant amount of time is spent doing things that are not easily measurable. For example, sharing learning with other consortia, talking to providers interested in developing services, organising events to enable consultation, supporting partnership work and relationships, guiding and providing some training to commissioners and contract officers new in role.

Links between consortia are limited. Some consortia leads have a good awareness of other consortia across the country, but that is as far as it goes. There are virtually no formal links or means to facilitate shared learning between consortia and partnerships. For example, North West and Peninsula consortia are developing effective arrangements for commissioning post 16 support and accommodation. Both have created their own terms and conditions and minimum standards. There is opportunity to share this nationally to reduce the risk of numerous sub regional variations being developed. Similarly, mechanisms for dealing with concerns about provider performance are generally well developed within each consortium, but they would not enable cross consortia communication.

There are also some real concerns in the sector regarding the way that personal information is shared between agencies. The Information Commissioner's Office recently undertook research on the practice of maintaining and sharing information on looked after children and concerns were raised about practice by both local authorities and providers. This is a growing concern by both local authorities and providers who are keen to find secure and efficient ways of sharing information.

Finally, across all consortia there is concern about how the new EU procurement rules will work in practice. This concern reflects lack of knowledge and understanding of the rules rather than an evidenced view that they will be problematic. There is a clear need for guidance and staff development in this area.

6 Recommendations for the Department for Education

To promote continuing development and greater effectiveness of consortia commissioning, IPC recommends that the Department for Education (DfE) considers the following:

1. Working with the sector, and with the aim of reducing duplication of activities by providers, facilitate greater consistency of procurement and monitoring processes for placements for looked after children. This could include:
 - Promoting the development of a national repository for standard pre-qualification information.
 - Encouraging the development of consistent approaches to provider monitoring, including the appropriate use of Ofsted-registration and inspection information.
 - Supporting the development of a national outcomes framework, and if agreed as useful for the sector, to promote this for national use.
 - Supporting the development of a consistent approach to the definition and measurement of value for money of looked after children's placements.
2. Support the development of national or model contracts, including DfE endorsement and publication of any agreed contracts and explanatory notes produced by the sector for their ongoing use.
3. Sponsor the development of a facilitated good practice network and/or information sharing platform that would both enable providers to keep up to date with consortia commissioning arrangements and enable consortia to share learning and good practice nationally.
4. Share knowledge about and encourage further development of good practice examples around:
 - Market position statements, including how they can be used to improve outcomes for children through better placement provision. If the Innovation Fund is extended this could be a suitable area for support through that initiative.
 - Commissioning practice, including commissioning for outcomes.
 - The use of ICT systems to support placement finding and matching which could enhance choice and flexibility in how the market operates e.g. the potential of the current online adoption matching platform to be developed for wider use in matching children to other kinds of placements.
5. Facilitate work to enable commissioners to have a common understanding of the EU regulations, and to help increase confidence in the sector around their interpretation.

7 Considerations for the Sector

To complement this DfE agenda, IPC suggests that key sector representative organisations, including the Association of Directors of Children's Services (ADCS) and the Local Government Association, consider the following:

1. Develop and champion sector-led learning and support for commissioning consortia, commissioners and placement officers.
2. Lead the development of more consistent approaches to commissioning services for looked after children.
3. Sponsor greater engagement between senior local authority commissioners and leaders of provider organisations, including the bodies that represent independent providers such as ICHA and NAFF. Support these parties to work in partnership to:
 - Develop more consistent approaches to monitoring the quality and outcomes delivered by placement providers.
 - Strengthen the market development role of consortia and/or other regional bodies.
 - Implement revised national or model contracts, and where necessary facilitate discussion and agreement on how variations are managed so that there is consistency in how they are used.
 - Develop a mechanism to share information about, and good practice within, consortia commissioning.
4. Continue to support, and promote, the key role which Directors of Children's Services and Lead Members for Children's Services play in promoting and enabling collaboration between local authorities.

Institute of Public Care
July 2015

8 Appendix 1 Fostering and Residential Child Care Consortia as at 1 June 2015

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
North East	NE7 – Independent Foster Care Agencies Framework	7: Newcastle Durham Gateshead North Tyneside Northumberland South Tyneside Sunderland	No financial contribution, but time and officer hours. What is expected is detailed in the governance arrangements which give accountability.	Framework with 7 categories and no tiers. NE7 own terms & conditions apply.	Each local authority is allocated 3 or 4 providers to monitor. Quarterly provider forum and annual monitoring visits are held. Lead local authority supports members with mediation between commissioner and provider where needed.
	NE6 – Out of Authority Residential Child Care Approved Providers List	6: Newcastle Gateshead North Tyneside Northumberland South Tyneside Sunderland	NEPO lead on procurement (Newcastle lead on commissioning) and charge a fee for their services, split between the six local authorities.	This APL is for the individual placement of children into residential child care for standard, solo/specialist and children with disabilities placements. Using an amended version of 2011 national contract.	Provider forums about 3 times a year. Annual monitoring visit and conversation with link local authority. Each local authority has 10 homes to visit, therefore, smaller local authorities are undertaking proportionately more monitoring.
	Tees Valley - Independent Foster Care Agencies Framework	5: Hartlepool Darlington Middlesbrough Redcar and Cleveland Stockton on Tees	The work of contract monitoring and management is shared between the five members. There is no financial contribution, but the arrangements for managing and monitoring the contract are set out within the framework contract.	Framework contract from Jan 2014 – 2018 with no extension. For children aged 0 to 18 years, including mainstream services, 'staying put', mother and baby and remand placements. It has two tiers but no lots.	
	Tees Valley – Out of Authority Residential Child Care	4: Darlington Hartlepool Middlesbrough Redcar and Cleveland	This is a relatively new consortium working under the umbrella of the Tees Valley Commissioning Group. It is developing a framework contract for residential child care including some which will offer with education.	The framework contract is due to start on 1 April 2016. The consortium is currently developing the specification and plan to tender in autumn 2015.	They anticipate a shared approach across the participating authorities with common processes and recording systems. Darlington will lead the monitoring and contract management process and collate the information provided by the other participants.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
North West	Placements North West – overarching regional consortia for LAC	22: Tameside host PNW and all local authorities in the NW region except Cumbria are members of PNW	Contributions are proportional to LAC numbers. Local authorities pay this regardless of whether or not they are part of a framework or not. Funded as a service more than for specific activities. There is wider support and intelligence that is provided. i.e. local authorities get benchmarking info, monitoring info, expertise, input into national consultations etc.	Supports the development of the contracts that are used by the sub-regional consortia. The North West Strategic Leads for Safeguarding Vulnerable Children steer the work plan and agree priorities.	Each local authority is responsible for monitoring the providers it uses. PNW collates information and retains an overview of how each of the contracts operates.
	North West Fostering Framework	21: Manchester lead the consortium and all local authorities in the region except Cumbria and Lancashire are members	Some funds received from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract.	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Standard and Enhanced lots. Divided into 3 age categories, each of which has 3 tiers.	As above
	Greater Manchester Residential Child Care Framework	10: Trafford Bolton Bury Cheshire East Oldham Rochdale Salford Stockport Tameside Wigan	Some funds received from PNW to undertake the procurement exercise and provide ongoing contract management for the duration of the contract.	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Contract was awarded on a 60% quality and 40% cost basis. Four lots: standard residential - 3 tiers; therapeutic and specialist medical - 3 tiers; solo placements - 1 tier; and rural and complex - 1 tier.	As above
	Merseyside Residential Child Care Framework	10: Wigan Cheshire East Cheshire West & Chester	£4,000 received from PNW to undertake the procurement exercise and £1,000 per annum to provide ongoing contract management for	Framework launched April 2014 on a 2 year plus 1 plus 1 basis. Lots are based around varied cohorts of need: standard, complex, disabilities, short breaks. Each lot	There is a standard template for monitoring services and this is used by all participating local authorities. Although each local authority is responsible for monitoring the

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Halton Knowsley Liverpool Sefton St Helens Warrington Wirral	the duration of the contract.	has different tiers which have been awarded on a 40% quality and 60% cost basis. Local authorities are expected to approach providers on one tier before moving on to the next.	services is uses, there is recognition that this is resulting in some duplication of work.
Yorkshire and the Humber	White Rose Fostering Framework	11: Leeds Barnsley Bradford Calderdale Doncaster Kingston upon Hull Kirklees NE Lincolnshire Sheffield Wakefield York	Leeds City Council leads on procurement, but does not charge the other local authority members. Hence there is no central pot of money and resources are in kind – there is a commissioning group which allocates activities between members of the group e.g. developing the specification.	Framework contract with three lots: Standard; Solo Fostering; Parent and Child. Each Lot has three age bands 0 to 4, 5 to 10 and 11 to 18 years. There are three tiers with each lot. Covers all fostering services but add-ons can be purchased within the contract. Using an amended version of 2012 national contract.	Participating local authorities each monitor allocated providers using shared templates and share findings. Each local authority resources its own monitoring.
	White Rose Residential Child Care Framework	10: Leeds Barnsley Bradford Calderdale Doncaster Kingston upon Hull Kirklees Rotherham Sheffield Wakefield	As above	Framework contract with four lots: Standard; Specialist; Specialist with education; and Parent and child. Using an amended version of 2012 national contract.	As above

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
East Midlands	East Midlands Regional Framework for Fostering, Residential Child Care and SEN	6: Northamptonshire Derby Derbyshire Nottingham City Nottinghamshire Rutland	Three monitoring staff based in Northants. They are paid for by a % split between the local authorities depending on their use of the framework. Plus development manager's post.	Framework contract covers residential care and fostering. Three lots for fostering with no divisions for age: Core; Enhanced; Complex. Two lots for residential care: Enhanced and Complex. Using an amended version of national fostering contract. Unsure about basis of residential contract.	Participating local authorities centrally fund capacity for monitoring activity and share the findings. Posts are based in Northants.
	Nottingham City and Nottinghamshire Residential Child Care Partnership	2: Nottingham City and Nottinghamshire	Contributions of time from placement and commissioning team managers in each local authority. They shared the work, which is easier to manage with just two partners.	A joint procurement between Nottinghamshire and Nottingham City for two separate block contracts for children's residential care for 44 places. Three providers across the two contracts. All contracts started on 1st April 2015. Unsure of basis for terms and conditions.	The two local authorities monitor the contracts together unless the issue is a specific concern about one of the authority's children.
West Midlands	West Midlands Placements Database (WMPD) - overarching regional consortia for LAC	14: Improvement and Efficiency West Midlands (IEWM) host WMPD and all local authorities in the WM region are members of WMPD	IEWM funds a manager to co-ordinate and manage the commissioning process (from RIEP legacy funding). Each authority funded their own procurement activity but some funding provided by IEWM for additional costs incurred (for example financial checks).	Have a database that both local authorities and providers are supposed to enter information on. But there are difficulties with getting all parties to keep this up to date and use it properly and so it is not as effective as it could be. IEWM provides a regional service i.e. supporting development of sub-regional contracts, information sharing, training, facilitating forums, consultations and events. Acts as channel for information to be passed between consortia and the ADCS.	The manager co-ordinates, but different local authorities have different resource for monitoring. Commissioners meet up and will discuss provider performance. It is expected that each local authorities will be responsible for resolving any issues. However, if a provider has significant shortfalls, this is highlighted on the WMPD via an information sharing document.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Herefordshire and Worcestershire Fostering	2: Worcestershire and Herefordshire	As above, the WMCSG provides practical support and project facilitation. Hereford and Worcestershire put in officer time to undertake the procurement activity.	Framework contract covering a wide variety of fostering services. In 2016 will be looking to merge into West Midlands wide framework. Using an amended version of national contract.	All providers are on frameworks registered on the WMPD. This ensures up to date docs and checks. Each provider has link local authority, which are monitoring very differently and this causes some difficulty. No resource for coordinating monitoring.
	Solihull, Stoke Coventry & Warwickshire Fostering	4: Solihull Stoke on Trent Coventry Warwickshire	As above	Framework contract covering a wide variety of fostering services. The new framework consists of lots and tiers and commenced on 1st May 2014.	As above
	West Midlands Residential Child Care	14: Sandwell Birmingham Coventry Dudley Herefordshire Shropshire Solihull Staffordshire Stoke on Trent Telford and Wrekin Walsall Warwickshire Wolverhampton Worcestershire	As above	Framework contract covering residential care and residential care with education. Based on size of home: solo, standard, complex, and specialist. Using an amended version of national contract for the framework and the national contract for spot purchases.	As above

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
Eastern Region	ER4 - Fostering	4: Suffolk Cambridgeshire Essex Thurrock	Suffolk is the lead and coordinates the Select Lists procurement process, however, each of the four participating councils has a role in the evaluation of the bids to share the work load. They jointly developed a common specification and requirements.	Foster Care Rolling Select List. Three levels of need: Limited support, standard and intensive. Also parent and child with assessment and parent and child without. Three tiers. The list is open once a year for new entrants to join. Using an amended version of national contract.	The procurement process establishes a select list for each of the participating councils, which is then contract managed by that council using a commonly agreed approach with shared responsibility regarding annual contract monitoring visits. Monitoring is done by each local authority monitoring their own providers using a common approach and sharing the findings.
	Bedford and Luton & Central Bedfordshire Fostering	3: Luton Bedford Central Bedfordshire Initially there were two other authorities in the consortium - one from the Eastern region and one from the South East region – but they withdrew at the time the framework went out to tender.		The contract started on 1 November 2011 and was for three years plus two years extension. There are eighteen preferred providers on the framework, which has no lots or tiers. The framework has standard and preferred providers with the same specification, but there are criteria for a placement to be classified as enhanced and these placements have different bands for pricing.	Monitoring of the contract is shared by the three members with each leading for a number of providers and Luton providing overall coordination of the information from the monitoring activity.
London	London Care Services - overarching regional consortia for LAC	London Care Services (LCS) is hosted by London Councils and has 41 members - 33 London boroughs and 8 partner members from the South East and Eastern regions (Buckinghamshire, Essex, Hertfordshire,	Each of the 41 local authorities pays an annual subscription of £5,800 (with exception of City of London that pays less). The development of sub-regional consortia has led to some local authorities questioning that they may be funding duplication of work.	Team evaluates applications and scrutinises fees before approving providers to join the LC S database which is accessed by participating local authorities. Providers have to agree to sign up to the London Model Contract developed by LCS. Recently 5 sub-regional consortia have developed and these lists / frameworks are utilised first before	Undertake an annual fee review. Used to have a LCS Quality Monitoring role, but local authority subscriptions were reduced and this function was deleted. Plan for website to have a new function for providers to be able to upload location assessment, safeguarding, missing, quality of care review

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Oxfordshire, Milton Keynes, Peterborough, Slough, and Windsor and Maidenhead)		the wider LCS database is approached. Introduces further layers as providers now have to submit applications to more than one body.	report and regulation 44s.
	North London Children's Efficiency Programme (NLCEP) - Fostering	5: Haringey Camden Enfield Hackney Islington	Local authorities pay £17,000 each to fund NLCEP. This funds both the SEN and LAC work. Includes facilitating shared training.	Have a select list for fostering with own contract. Will use LCS and London Model Contracts for foster care placements made off the select list and for residential placements.	Shared monitoring for select list. Each borough has about 5 each. All use same template. Recognises there is some duplication with LCS. Hosts provider forums and chairs joint meetings with providers.
	East London Solutions - Fostering	6: Newham Barking and Dagenham Havering Redbridge Tower Hamlets Waltham Forest		Use NLCEP select list and the LCS database. Do not have own arrangement.	Each local authority monitors the provision is uses.
	West London Alliance - Fostering	9: Hillingdon Barnet Brent Ealing Hammersmith & Fulham Harrow Hounslow Kensington & Chelsea Westminster	Subscription from each local authority.	IFA framework based on the London Model contract but adapted for sub-regional use.	The consortium is working with local residential child care providers to share information on what is needed. As yet there is no plan to establish a framework and the Alliance continue to use the LCS database to make residential placements.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	South East London consortia - Fostering	7: Lambeth Bexley Bromley Croydon Greenwich Merton Southwark	Group of local authorities work together, but no funding has been agreed for lead role.	Haven't tendered for any framework contracts. Are working together quite informally. Lambeth have a fostering framework but no other local authorities in group, which use LCS database.	No formal arrangements as yet.
	South West London consortia - Fostering	5: Richmond Kingston upon Thames Merton Sutton Wandsworth		An APL is used in addition to LCS database.	
South East	South Central - Fostering	11: Hampshire Bracknell Forest Oxfordshire Portsmouth Reading Slough Southampton Surrey West Berkshire Windsor & Maidenhead Wokingham	Local authorities pay on bed night usage for the infrastructure of the framework and coordination of monitoring. The framework involves £50m to £55m value per year. Likely use for the next two years at this level.	Foster care placements including parent and child and disabled children but not short breaks for disabled children. Three lots: C & YP 0 to 4, 5 to 10 and 11+ years; parent and child; and disabled children. There are three tiers in each lot. The framework did not use the national contract.	Monitoring is co-ordinated by Hampshire. Each local authority conducts annual review of providers allocated to them and Hampshire collates KPIs.
	Cross Regional Project - Residential Child Care	6: Buckinghamshire Bracknell Forest Milton Keynes Oxfordshire Reading	Costs shared across the 6 – with Bucks providing the service. Charge to each member based on bed allocation. Cash transfer involved of, roughly, £28K a year divided by 21 places. The	20 residential child care places and a special EBD school with 24 places, 20 of which are directly linked to the residential child care places. School has 4 day student places. For KS3 and above children	Contract monitoring (by Bucks) monthly by tele conference and monthly for commissioners with quarterly meeting together with provider to look at activity and quality. Each local authority has a

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
		Hertfordshire	partnership has enabled a better analysis of needs and market management. Long relationships within the partnership have enabled trust to develop.	and YP. 11 to 18 yrs. Block contract for 5 years plus 3 years starting January 1st 2010 and now extended by two years to December 2017. Used predecessor of 2011 national contract.	home to monitor twice a year and uses CCRAAG forms B & C for assessment. Annual review of therapeutic provision by ICHA.
	Mid Southern – SEN and Residential	11: Hampshire Bracknell Forest Buckinghamshire Isle of Wight Portsmouth Reading Slough Southampton Surrey Swindon Wiltshire	Allocation of costs to members is done proportionately as some local authorities are only in the consortium for some elements. If a local authority is in both elements then for a large council the cost is £8 to £9K a year and for a small council as low as £900 a year. The total cost of the contract management and monitoring is £38K, which is provided by Hants.	This framework has no lots or tiers and it is opened regularly to encourage new providers to develop services. The contract is for 2 years with an extension for 1 + and 1 + years from 1 October 2014. It is a looser, pilot arrangement and if it works the consortium will move to a tender which is more formal and for longer.	
	West Sussex, Brighton and Hove Partnership - Fostering, Residential Child Care and SEN	2: West Sussex and Brighton and Hove		This is a framework contract with annual opening to apply to join. IFA are procured at both tier 1 and tier 2, as well as residential children's services. There are no lots and no distance criteria and no age bands for IFA and no lots or tiers for residential services. The contract started on 1 November 2012 and is for 4 years with extensions 1+ 1+ and 1+.	Each authority does their own monitoring and shares the results with the other. The local authorities focus their monitoring on where their children are placed rather than allocating providers to each. They meet regularly and allocate work on a short term basis. West Sussex holds the coordinated records of monitoring. Also quarterly forums which are open to all providers on the framework. All providers are engaged and encouraged to work together.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Kent & Medway – Fostering	2: Kent and Medway	There is a partnership agreement between the two local authorities and there are no money transfers between them.	This is a Framework contract, which is closed for a defined period of time and includes lots and tiers. There are three lots: standard; specialist; and complex. Each has age bands or categories. Tiers are allocated on price. However, the consortium has reviewed the framework, which began in 2013, after two years and is looking to remove the tiers.	Six monthly forums with all providers. Each authority monitors and contract monitors the providers they use although they do sometimes monitor for the other authority and sometimes jointly where this is agreed. The current resource is judged as just adequate for this task. They risk assess where to focus their monitoring effort.
	West Sussex and Kent – DPS residential and specialist fostering for children with disabilities	2: West Sussex and Kent	West Sussex established and procured the DPS, which started on 1 March 2012 and Kent joined as a partner on 1 May 2014.	It is a DPS with no lots or tiers and it is continuously open. The process for using the DPS is prescribed and both authorities adhere to it.	There is limited capacity to monitor the DPS. Monitoring is done on an as-needs basis and relies on Ofsted to monitor and make judgments, but they log concerns raised e.g. by parents, SWs etc. There is an annual contract compliance process and, based on this, the consortium monitors by exception. The lead for each provider is with Kent or West Sussex and each authority has their own system.
South West	Peninsula Fostering, Residential Child Care and SEN	5: Devon Cornwall Plymouth Somerset Torbay	Contributions to the consortium are proportional to LAC numbers (average £20k per annum), which funds procurement activity, coordination of monitoring and a regional manager who co-ordinates and manages the consortia.	It is a requirement that providers are based in the South West in order to qualify to be on the peninsula framework. The framework includes 4 different lots.	

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
	Peninsula Fostering Cost and Volume	3: Plymouth Devon Torbay	No contributions made from Torbay or Devon	Cost and volume contract with 7 providers who offer a discount based on overall spend rather than number of beds. Referrals are sent to these 7 providers first before being sent to other providers on the peninsula framework.	
	North Region South West – Fostering	8: Bristol Bath & NE Somerset Dorset Gloucestershire North Somerset South Gloucestershire Swindon Wiltshire	The lead local authority leads on commissioning and tender evaluation, but each local authority signs up to their own framework. There is no resource for ongoing management.	Framework contract closed for a period of time with tiers but no lots.	Monitoring is by each local authority of the providers they use with information shared within the consortia informally.
	South West Region Residential Child Care Tender	8: Bath & NE Somerset Bristol Dorset Gloucestershire North Somerset South Gloucestershire Swindon Wiltshire	A DPS is being procured. The current procurement will cost each local authority £4,000 and is being led by Bath and North East Somerset Council. There is limited resource for ongoing management and monitoring.	It is anticipated that the new contract will run for four years and discussions are taking place regarding whether this will include lots and tiers. The DPS will be open at 6 monthly intervals to allow new entrants to the market place	Each local authority will sign its own framework agreement contract with each provider and then individually manage and monitor each provider they use. Information from monitoring is shared within the consortium.

Region	Description	Members	Resource Contribution	Contract Description	Monitoring
Cross Regional	CCRAG Partnership - Fostering and Residential Child Care	18: Hertfordshire Bath & NE Somerset Bedford Bristol Buckinghamshire Dorset Essex Gloucestershire Luton Medway Milton Keynes North Somerset Oxfordshire Peterborough South Gloucestershire Southend Thurrock Wiltshire	Members commit to working together to develop and implement effective and consistent working practices throughout the CCRAG partnership. Subscriptions for CCRAG for 2015/16 are £1,966 plus VAT. It is hosted by the Children and Young People's Commissioning Service in Hertfordshire County Council, and is part of the steering group of local authorities from Thurrock, Buckinghamshire, Luton, South Gloucestershire and Bristol.	The partnership maintains the CCRAG Providers' Database, which supports the sourcing, contracting, monitoring and annual fee negotiations for children's placements. It provides a set of managed information to support local authorities in making placement decisions and is a means for providers to offer themselves to the local authorities. Providers evidence Ofsted registration and grade, insurance and such like. The database holds quality assurance information from participating local authorities and there are expectations of what information providers will supply. Local authorities use the data base to undertake a search for a placement and then purchase directly from a provider; the purchase will be a spot purchase.	Monitoring is done by each local authority undertaking this for allocated providers. This is coordinated by Hertfordshire. CCRAG is not involved in facilitating or developing communication with providers, but there are quarterly forums with delegated decision making for CCRAG. In addition the steering group facilitates annual workshops for CCRAG members on recent initiatives, changes in policy and opportunities to share good practice.

9 Appendix 2 Local Authorities Interviewed

Local authorities Interviewed:

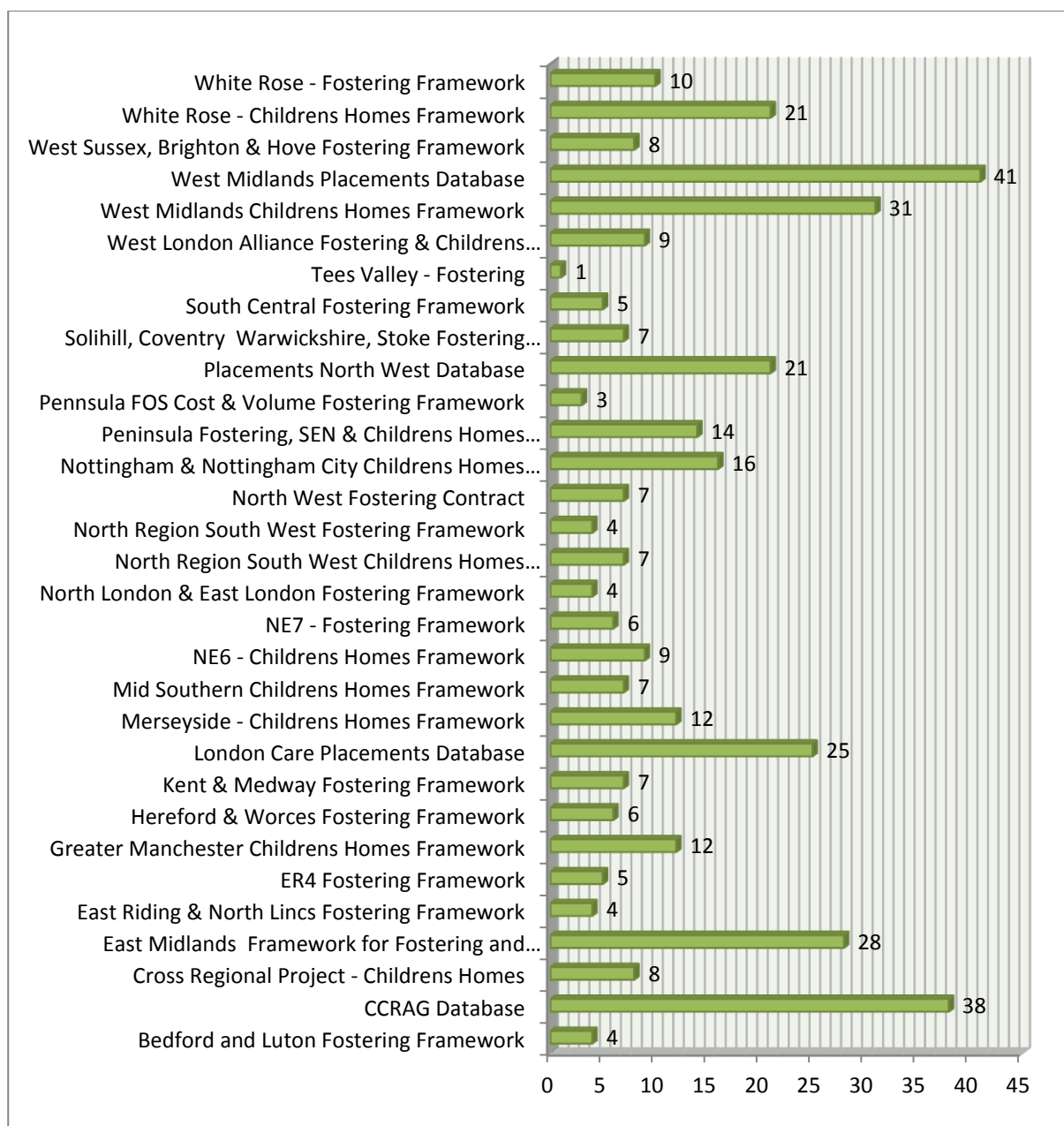
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- Hampshire CC.
- Reading BC.
- Slough BC.
- East Sussex CC.
- Milton Keynes C.
- Peterborough CC.
- North Yorkshire CC.
- Barnsley MB.
- Leeds CC.
- Suffolk CC.
- Luton BC.
- Kent CC.
- West Sussex CC.
- Newcastle CC.
- Hartlepool BC.
- Derby CC.
- Nottingham CC.
- Hertfordshire CC.
- Buckinghamshire CC.
- Bristol CC.
- Bath and North East Somerset Council.

10 Appendix 3 Provider Survey

A survey was sent out to members of the National Fostering Association and the Independent Children’s Homes Association. 81 responses were received.

The survey asked respondents to indicate which of 30 consortia they were qualified providers for. The 81 respondents to the survey mentioned 370 qualified provider relationships, although most only worked with a small number. '

Figure 10: Number of organisations responding to the survey who are qualified providers for named consortia

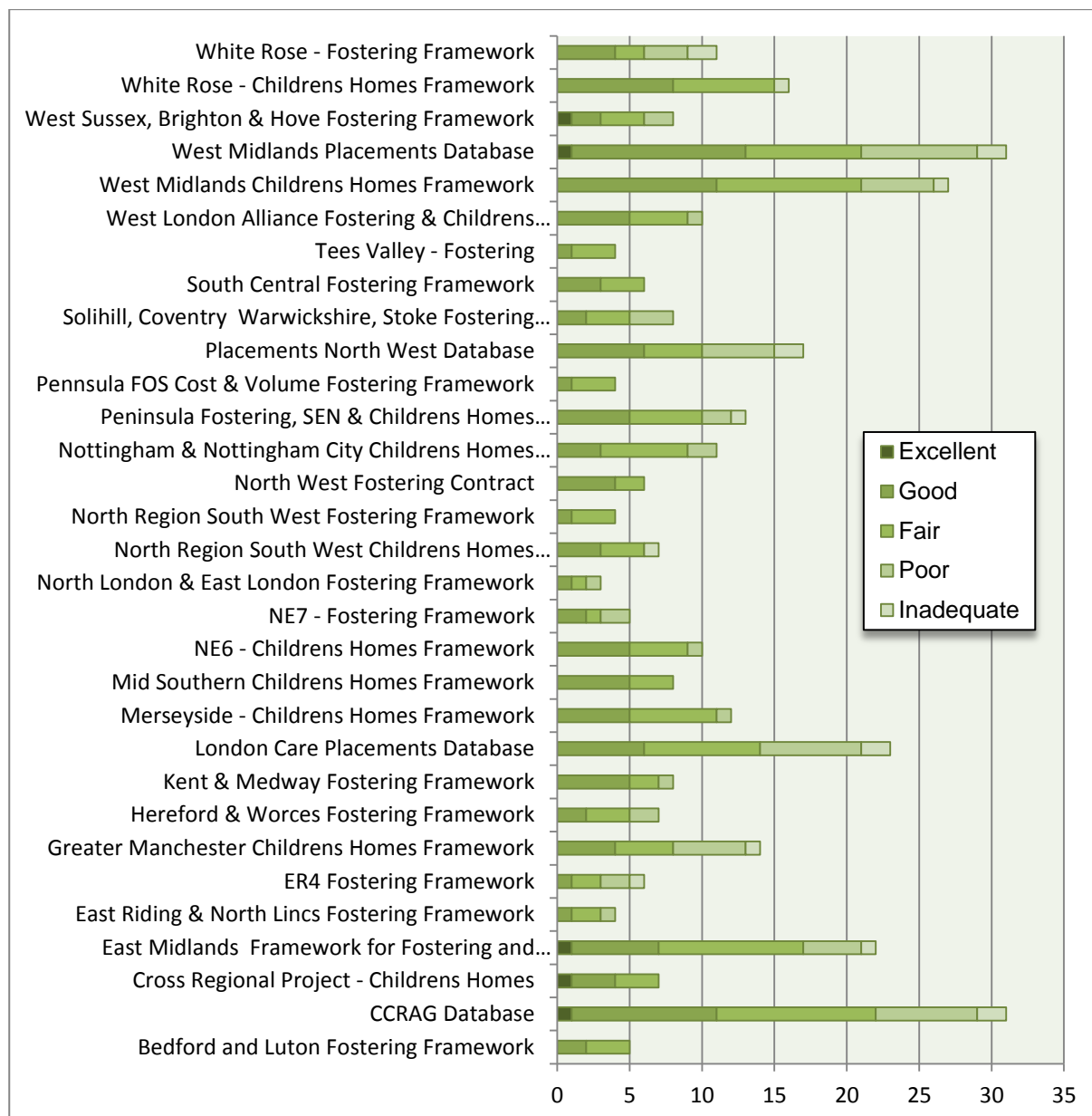


Other consortia mentioned:

- Children's Commissioning Consortia Cymru.
- Bristol, Southampton.
- The Chest.
- Children's Commissioning Support Resource Wales.
- North Wales Commissioning Hub.
- YORTENDER.
- White Rose SEN Framework.
- NE12 for SEN led placements coming into fruition.
- South East Wales, Wiltshire/Gloucestershire/Bristol/North Somerset.
- West Sussex and Brighton & Hove Children's Residential Framework.
- South and Mid Wales Framework Agreement (Residential Care Services) and DCE 174 Framework agreement with Wiltshire as the lead authority.
- West Sussex and Kent DPS.
- Bristol, Gloucestershire, Wiltshire area.

Question 2: How do you rate each consortium's process for qualifying providers? Please provide an answer for any of the consortia you have been involved with, even if you were an unsuccessful bidder.

Excellent – 5
 Good – 129
 Fair – 132
 Poor – 65
 Inadequate – 17



Question 3: How effective is the arrangement in enabling you to provide a fee that is fair and which offers value for money?

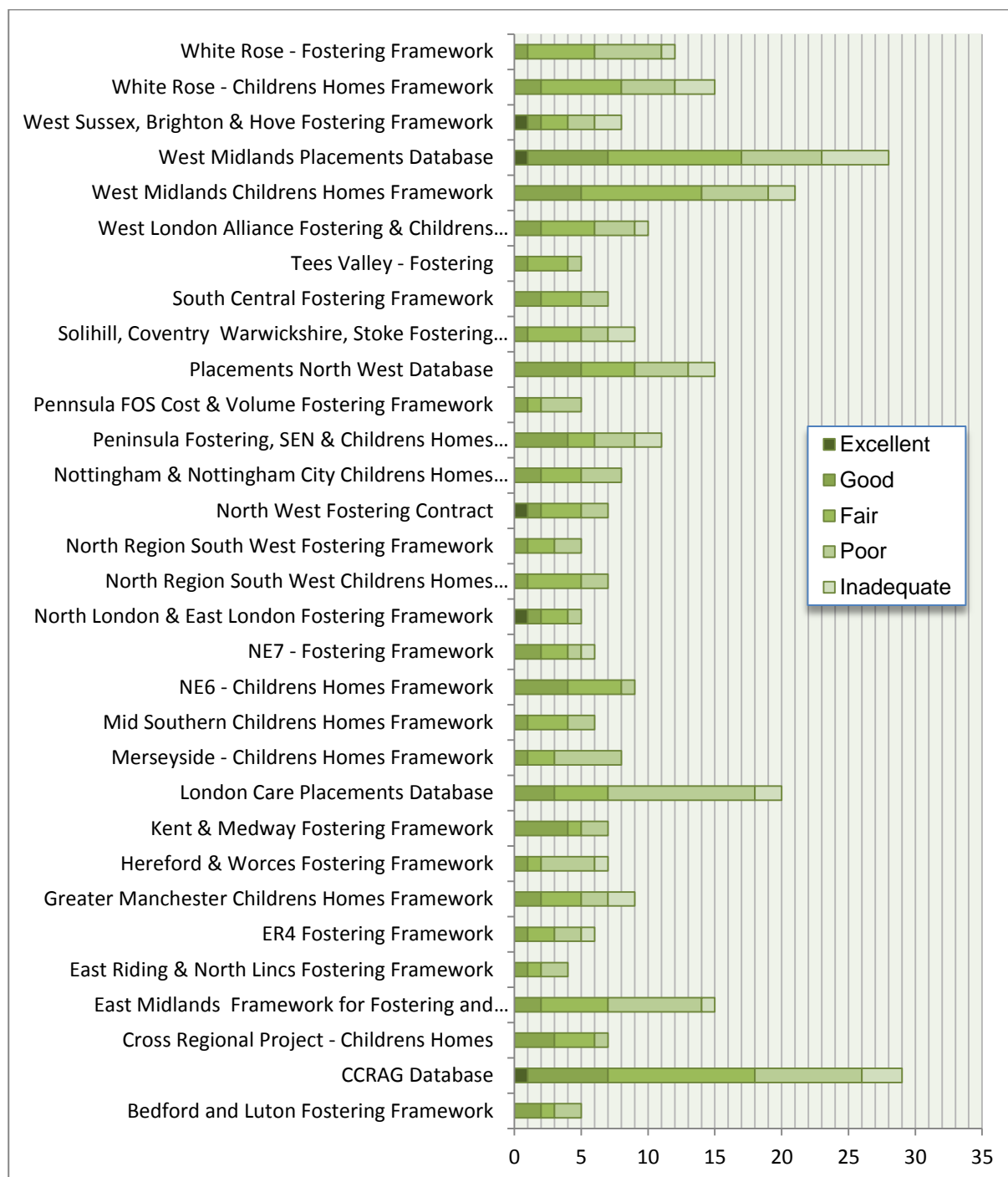
Excellent – 5

Good – 70

Fair – 110

Poor – 100

Inadequate – 31



There was an opportunity for providers to give specific comments relating to questions 3-7 and a summary of those comments are given for each question.

For question 3 the responses about fees were decidedly mixed. Concerns were expressed over fees as part of the consortia arrangement.

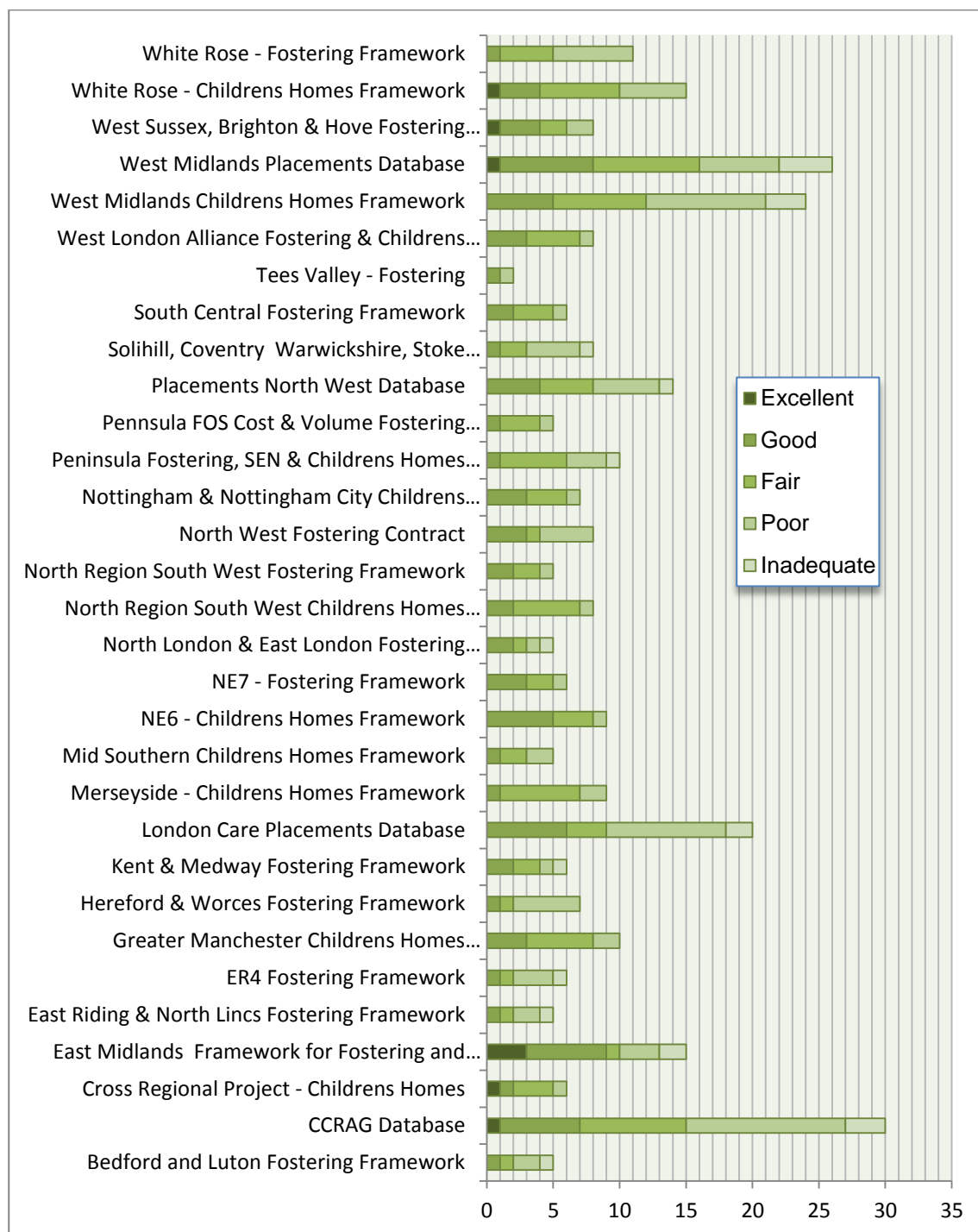
“There is a worrying focus on price rather than actual costs. “

A considerable number of responses noted that the ability to provide a fair fee rate existed in many of the consortia but a large number of responses described this as poor (100) and 31 inadequate. There was no obvious regional divergence in the responses.

“Senior management and middle management costs within LAs are also often noticeably higher than the equivalent task in an IFP.”

Question 4: How effective is each consortia's arrangements for monitoring the quality of the services you provide?

Excellent – 8
 Good – 82
 Fair – 99
 Poor – 98
 Inadequate – 22



There was a similarly mixed response to the question about monitoring quality. A significant number of people rated this poorly but it might be significant to note that there were just four additional comments out of 81 responses to the survey.

“Focus is still on quantitative rather than qualitative outcomes.”

Question 5: How efficient are the consortia arrangements for keeping bureaucracy and paperwork to a minimum?

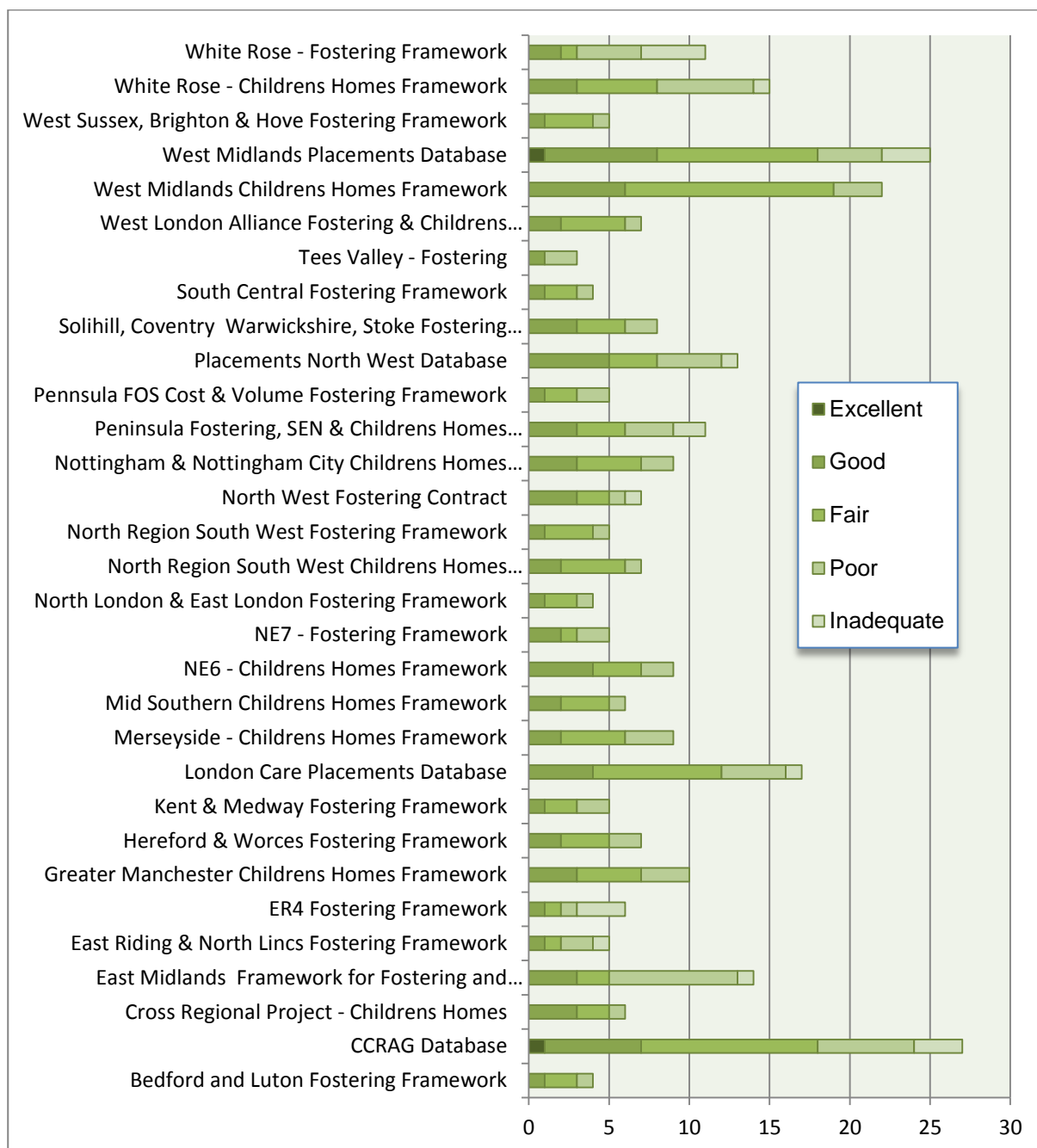
Excellent – 2

Good – 80

Fair – 111

Poor – 77

Inadequate – 21

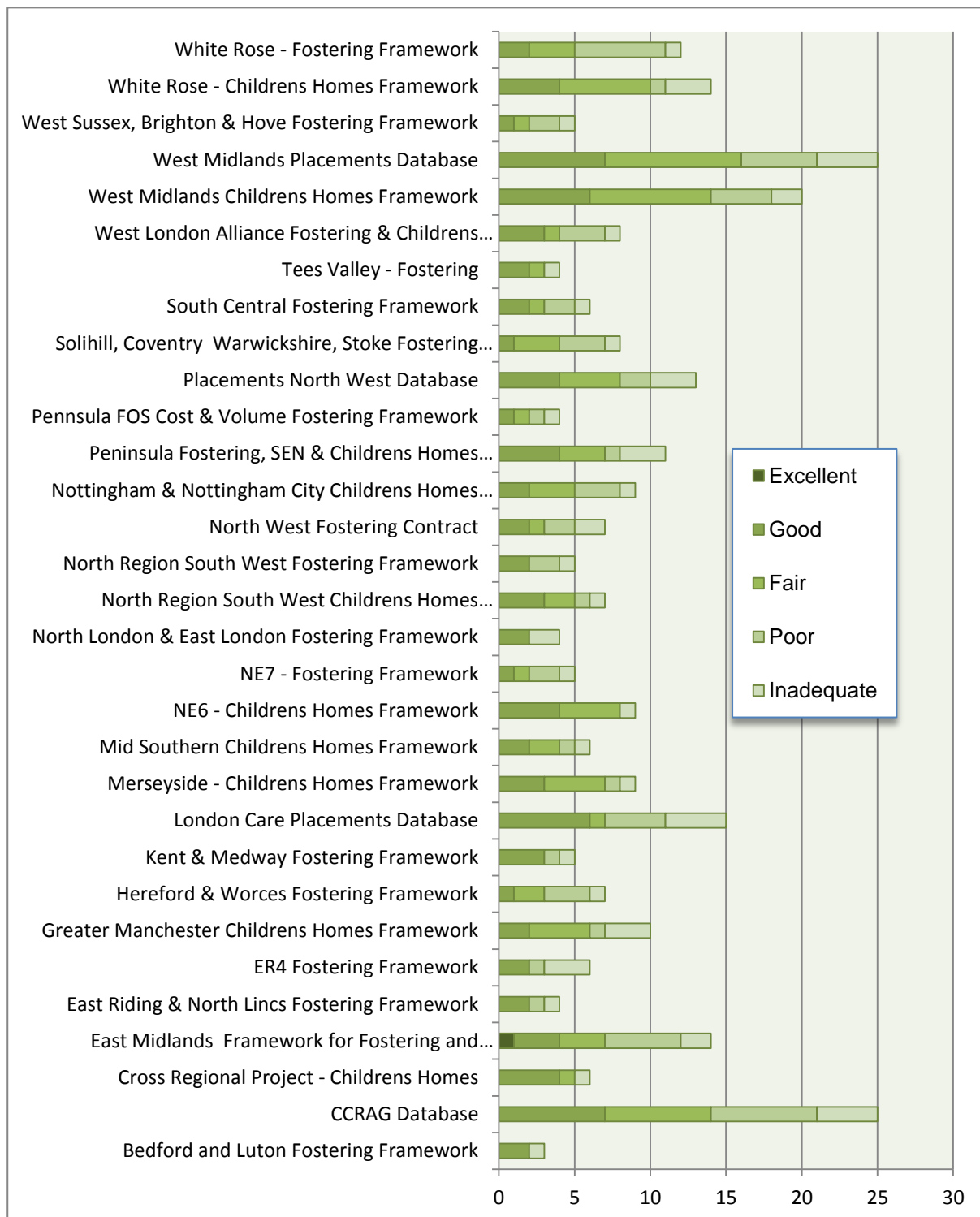


A majority of responses considered consortia arrangements for keeping paperwork to a minimum to be good, although a significant number rated this aspect poorly. Only two of the consortia were judged to be excellent by respondents.

“The tenders are huge pieces of work, referrals can be quite straight forward, contracts are signed and thankfully we can then get on with the actual caring and supporting of young people not just caring that a document looks right!”

Question 6: How well does the arrangement enable you to deliver the best possible outcomes for children and young people?

- Excellent – 1
- Good – 90
- Fair – 76
- Poor – 65
- Inadequate – 54



"Many of the commissioners are not qualified social workers, having backgrounds in business & finance. They appear often to be more interested in the financial inputs than in the long term outcomes for children."

"All seek to provide a good service but waste too much time and money on overcoming or managing a poor commissioning process to benefit the children we care for. More process than care."

"None of them have a coherent method for tracking progress. Lack of clarity re aims of placement mean that tracking is impossible"

A majority of responses consider the consortia arrangements to be fair or good, with 167 of 286 responses broadly positive. However, a considerable number of responses view them as poor or inadequate.

"When trying to be creative about packages of care to meet a child's need we are often told that it "doesn't fit in a box" on their paperwork."

The individual comments provided suggest that there are concerns over the delivery of outcomes for the children and young people being supported and the ability to match delivery to the requirements of individual consortia.

Question 7: How well do the consortia facilitate a culture of trust and partnership working?

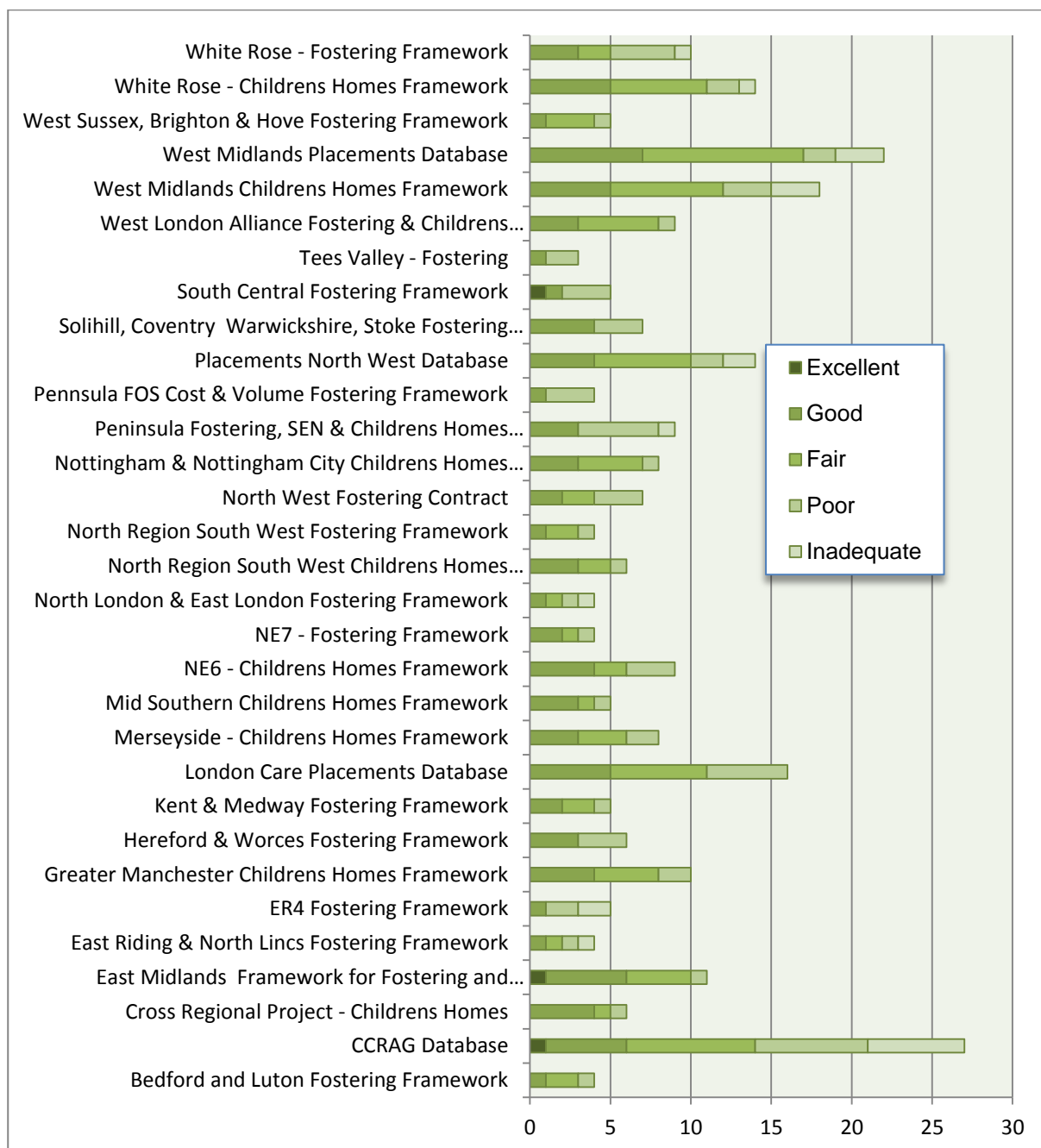
Excellent – 3

Good – 91

Fair – 85

Poor – 69

Inadequate – 21



The relationship between providers and consortia appears to be a concern to a number of providers.

"Many of the consortia have no arrangement in place for providers to play an active part in strategic planning."

The comments received often referred to the lack of involvement of providers in the process of placements, with one referring to an 'us and them' culture persisting.

"There appears to be poor working relationships & mistrust between the local authorities in the consortium which can be difficult"