



Mayor and Cabinet

Permission to Award a Contract to The Commissioning Alliance for the provision of Fostering, Residential Care and Semi-Independent Living placements for Children Looked After & Care Leavers.

Date: 11th January 2023

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Sufficiency Strategy and Placement Lead, Commissioner CYP Joint Commissioning Team

Outline and recommendations

This report seeks approval from Mayor and Cabinet to join to the Commissioning Alliance for the provision of Fostering, Residential Care and Semi-Independent Living placements, from the 1st April 2023 to the 31st March 2026 at a cost of £87,000 per year, or £251,000 over the three year initial contract term. This includes an option to extend for two additional years (1+1), taking the maximum possible value of the contract, including the extension period, to £415,000.

The report also seeks approval to award contracts (placements) under the Commissioning Alliance Dynamic Purchasing System provided the placements are made in accordance with the award criteria as set out under the dynamic purchasing system and provided the total value of placements does not exceed £77,356,014 over the 3 year period.

The estimated costs of placements purchased by the Council from this framework per annum will be £25,785,338, or £77,356,014 over the initial three-year contract period. The total estimated spend over the maximum possible contract period of five years is £128,926,690.

Financial modelling shows that, on the minimum possible saving of 0.5%, the new contract with the Commissioning Alliance is anticipated to deliver savings of circa £150,000 per year on the cost of placements. This demonstrates that the overall fee of joining the Commissioning Alliance will be absorbed within this position. The actual savings achieved are likely to exceed the 0.5%, but this is subject to individual placements.

Timeline of engagement and decision-making

August 2022 – Ongoing: *Meetings and discussions with the Commissioning Alliance.*

21st September 2022- *DMT discussion and approval to join the Commissioning Alliance Framework from 1st April 2023.*

1. Summary

- 1.1. The Council currently procures Fostering, Residential and Semi-Independent Living placements for Children Looked After (CLA) and Care Leavers (CL) via a range of different arrangements that are due to end imminently, including:
 - A joint framework with Royal Borough of Greenwich to purchase Semi-Independent Living Placements. This is due to end on the 14th January 2023. It was agreed at Mayor & Cabinet on the 7th Decemeber 2022 to extend this arrangement to the 31st March 2023.
 - An arrangement with London Care Services (LCS) to purchase Fostering and Residential placements. This is due to end on the 31st March 2023
 - An arrangement with South London Commissioning Programme (SLCP) Approved Provider Panel Agreement (APPA) to purchase Fostering and Residential. This is due to end on the 31st March 2023.
- 1.2. Following an options appraisal set out below, this report recommends that the Council join the Commissioning Alliance Dynamic Purchasing Vehicle (DPV) to purchase these placements from 1st April 2023 onwards, at an annual cost of £87,000 per year, £251,000 over the three year initial contract term, or £415,000 over the maximum possible contract period of five years.
- 1.3. We are seeking to work collaboratively with the Commissioning Alliance and a range of agencies which provide services to Children Looked After and Care Leavers to provide economies of scale, secure a variety of good quality placements, jointly manage the market and build relationships with providers to drive improvements and raise standards.
- 1.4. Joining the Commisisioning Alliance will support Lewisham for the provision of Supported Accomodation, Independent Fostering and Residential Placements.
- 1.5. The provison of Supported Accomodation is currently an unregulated sector. The Department of Education are introducing new National Standards which will be overseen by an Ofsted-led registration and inspection regime for this provison, which would increase confidence amongst local authorities in terms of quality assurance of placements and informing action when providers are delivering inadequate services.
- 1.6. This partnership with the Commissioning Alliance will support Lewisham to understand the implications of this upcoming regulation as it will have a significant impact on the sector and our approach to quality assurance. The Commissioning Alliance would be able to support Lewisham with managing and incorporating any relevant changes required for this sector. The results of the consultation are due to be published in April 2023.
- 1.7. The estimated costs of placements purchased by the Council from this framework per annum will be £25,785,338, or £77,356,014 over the initial three-year contract period. The total estimated spend over the maximum possible contract period of five years is £128,926,690. Financial modelling shows that, on the minimum possible saving of

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0.5%, the new contract with the Commissioning Alliance is anticipated to deliver savings of circa £150,000 per year on the cost of placements. This demonstrates that the overall fee of joining the Commissioning Alliance will be absorbed within this position. The actual savings achieved are likely to exceed the 0.5%, but this is subject to individual placements.

2. Recommendations

2.1. It is recommended that Mayor and Cabinet approves:

- The Council joining the Commissioning Alliance Dynamic Purchasing Vehicle for the provision of Fostering, Residential and Semi-Independent Living placements, from the 1st April 2023 to the 31st March 2026 at a cost of £87,000 per year, or £251,000 over the three year initial contract term. This includes an option to extend for two additional years (1+1), taking the maximum possible value of the contract, including the extension period, to £415,000.
- The award of contracts (placements) under the Commissioning Alliance Dynamic Purchasing Vehicle, provided the placements are made in accordance with the award criteria as set out under this agreement, and provided the total value of placements does not exceed £77,356,014 over the initial three-year period.

3. National and Local Policy Context

- 3.1. Under the Children's Act 1989, Local Authorities have a duty to prepare young people in care for independence and adult life and to ensure there is sufficient accommodation.
- 3.2. The Council has legal obligations under Section 22(G) of the Children's Act 1989 which outlines the general duty for local authorities to ensure that, so far as reasonable practicable, children in care have accommodation that "(a) is within the local authority area; and (b) meets the needs of those children.
- 3.3. The provision of fostering, residential and supported accommodation placements are consistent with the Council's Corporate Strategy (2019-2023) priorities around 'Giving children and young people the best start in life', in particular the aims to:
- Improve our children's social care services to provide support for families at the earliest opportunity.
 - Ensure that the children in our care are safe and supported to achieve the very best in life.
 - Work with our partners to ensure that young people transitioning into adulthood achieve the best possible outcomes in relation to education, work, healthy lives and strong community connections.
- 3.4. This Framework allows LB Lewisham to continue to fulfill our statutory duty to provide sufficient accommodation locally for children and young people in care, consistent with their welfare and contributing to our placement sufficiency challenges.

4. Background

- 4.1. The council uses different contracts/framework agreements in order to procure services. These are set out below.
- 4.2. Currently Lewisham is a member of the London Care Service (LCS). The Current membership runs until the 31st March 2023.
- 4.3. The LCS is a well-established brokerage service that has been in operation since

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2013. They are a regional collaborative arrangement for commissioning and procuring residential and foster care services for children and young people who are looked after. Funding for LCS is obtained through individual borough subscriptions
- 4.4. LCS members currently include 13 Local Authorities (12 London boroughs, and one partner authority.) With the growth in other commissioning consortiums in the London region, the number of boroughs that are members of LCS has reduced.
 - 4.5. The LB Lewisham placements team currently utilises the register of LCS approved providers to source placements for children looked after. This register is reviewed annually together with fee negotiations. It is open throughout the duration of each financial year where new providers can join and current providers can leave at any time within this period. Hence the number of providers changes each year.
 - 4.6. Every year the Association of London Directors of Children's Services (ALDCS) Pan-London Commissioning Panel agree the pricing approach as well as making decisions on whether to fund the work of LCS for the following financial year. Over the last three years the approach has been agreed for prices to remain the same which has led to a reduction in number of providers that have remained on this register.
 - 4.7. Membership of LCS has enabled Lewisham to procure fostering and residential placements from the register and benefit from the London Councils contractual arrangement with providers. Membership has delivered fixed and agreed core placement costs, although any placement may have additional costs added according to the needs of the children and services required.
 - 4.8. Lewisham is also a member of the South London Commissioning Programme (SLCP) Approved Provider Panel Agreement. The current membership runs until the 31st March 2023.
 - 4.9. The SLCP is a collaboration of five South London Boroughs, which has reduced from 12 original members. The aim of the partnership is to develop regional commissioning models in South London, which operate sufficient size to provide economies of scale and a varied range of placement options.
 - 4.10. The SLCP is hosted by Croydon Council and sits in the Children, Families, Education and Health Integrated Children's Commissioning Team, in the Children's Families and Education Directorate.
 - 4.11. The five boroughs form part of the Children Looked After (CLA) & Special Educational Needs (SEN) work programmes comprising of Croydon, Lambeth, Lewisham, Kingston & Richmond Upon Thames and Sutton. These boroughs contribute financially to the two work streams of the programme. These contributions provide the budget for the programme which covers staff costs, licences and specific pieces of work.
 - 4.12. In 2017, SLCP was awarded a Department of Education Innovation Fund grant £1million to establish a light touch framework Approved Provider Panel Agreement (APPA). The DfE funding ended in March 2022. In October 2019 SLCP published this tender and has since been refreshed to admit more high quality providers to secure better prices in response to a refined APPA structure. In April 2021 the APPA framework went live with fixed prices for 2 years (April 2021- March 2023). To date the SLCP have completed 77 registrations (52 IFAs, 25 residential providers.)
 - 4.13. In December 2021, the future of SLCP highlighted a budget shortfall from member borough withdrawals for financial year 2022/2023 and therefore the partnership in its existing format and work streams will be untenable post April 2023.
 - 4.14. In February 2022 a new Interim Strategic Programme Lead for SLCP was appointed. A new Lead Commissioner was appointed in June 2022 who we are currently working to review the final sustainable work streams for CLA and SEN with the reduced resources.

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- 4.15. There is little evidence to show that the SLCP have benefitted children in care in LB Lewisham. The Council did not join the APPA framework for residential and IFA placements, only Lambeth and Croydon choosing to do this, and therefore there were no placement cost savings achieved from our membership. Unfortunately, the timing of the partnerships' development was negatively impacted by the pandemic and for Lewisham, this means we have gained little value from our member in relation to CLA. The partnership has experienced change and has restructured. This has created further delay for development and improvement opportunities, with several Local Authorities now leaving the partnership and Croydon ending its leadership role on the 31st March 2023.
- 4.16. Lewisham also currently runs a joint framework with the Royal Borough of Greenwich to purchase Semi-Independent Living Placements. Both Councils entered into this framework agreement in January 2019. The Framework period was for two years, running until January 2021, with an option to extend for a further two years ending on 14/01/2023. A three month extension to this arrangement was agreed at Mayor and Cabinet on 7th December 2022.

5. Options Appraisal

- 5.1. An options appraisal has been undertaken to consider five options as set out below:
- **Option 1: Continue membership with the London Care Service. This is not the preferred option because:**
 - LCS will cease to operate from the 1st April 2023. This is due to the reduction in numbers of local authority subscription which makes the contract no longer financially sustainable.
 - **Option 2: Continue membership with the APPA framework. This is not the preferred option because:**
 - In light of the reduction in the number of the local authority membership, Croydon can no longer host the SLCP from the 1st April 2023.
 - It is unknown who will replace Croydon and how the governance of this framework will operate.
 - There are only two local authorities currently using this framework for Fostering and Residential Care placements (Croydon and Lambeth), and it is not clear that any benefits in terms of quality improvement or financial savings have been achieved from this.
 - **Option 3: Commence a tender process covering all Fostering, Residential Care and Semi-Independent Placements. This is not the preferred option because:**
 - This would require the Council to hold a number of separate framework arrangements across the different types of placement. This would be incredibly resource intensive and would not present good value for money in terms of cost of placements and staffing resource required to manage the framework arrangements. The Council's experience of running an in-house framework for Semi-Independent Living placements was that this did not achieve the desired cost savings, because the providers registered on the framework could not provide the type or number of placements needed, and so an increasing number of placements had to be sourced through spot-purchasing outside of the framework arrangements. In addition to this, the framework was closed and therefore it was not possible to on board new providers during this period.

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- Benchmarking was undertaken with other local authorities which identified that no areas were using their own internal frameworks for all three placement types, all using an external framework for at least one element.
- **Option 4: Allow the current arrangements to expire and do not join any formal framework arrangements for CLA and Care Leaver placements. This is not the preferred option because:**
 - If we do not join any frameworks or an approved register from the 1st April 2023, this will place all semi-independent placements at risk under this unregulated market.
 - Placements will be exposed to only spot purchase arrangements with currently high inflationary and having to negotiate individual costs with each provider.
 - This option is not recommended and this does not represent value for money, due to the numerous emergency referrals the placements team manage providers are in a better position to charge high costs due to the immediate requirement.
- **Option 5 (recommended): Join the Commissioning Alliance Dynamic Purchasing Vehicle to provide all Fostering, Residential Care and Semi-Independent Placements from 1st April 2023. This is the preferred option for the reasons set out below.**
 - The Commissioning Alliance, formerly known as the West London Alliance, are a Strategic Children's Commissioning Service. The original seven local authorities, Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow have now expanded across England with over 30 local authority members. It is governed by the Leaders of those councils, supported by the Chief Executives' Board.
 - Their main aims are to achieve cost savings, efficiencies across the board, uphold standards for providers and quality of provisions through contract management, market collaboration and increased supply and competition.
 - They provide access to Children, Adults and SEND services via CarePlace, their Ebrokerage & Econtracting platform. CarePlace is an online sourcing system that will be used by the placements team to source fostering, residential and supported accommodation placements. Providers will receive referrals via this system and allow them to respond either with an offer or decline within the Brokerage expiry date. This system collates all responses for management information which is then used to understand the social market further. If a provider is able to offer a placement, then the contract will be awarded and individual placement agreements (IPA's) are initiated and signed by both parties.
 - The Commissioning Alliance operates a Dynamic Purchasing Vehicle (DPV) for the provision of: Fostering, Residential Care; and Semi-Independent placements across all the borough members. The DPV is an electronic system whereby suppliers can join at any time. The Commissioning Alliance will be responsible for onboarding and evaluating all new provisions onto the DPV.
 - They work with local authorities through collective procurements, with a single system and consistent terms and conditions, allowing member boroughs to access fair prices. Collective procurement is a process that allows member boroughs to maximise value for money through collective

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buying power to secure fair and/or consistent purchase costs.

- This partnership will support the Council to understand and prepare for the implications of the planned Ofsted Inspection Framework for supported accommodation providers, which will impact significantly on the supported accommodation provider market. The Commissioning Alliance would be able to support managing and incorporating the relevant changes required to this sector once the new national standards have been published, thus saving significant resources for Council staff.
- This partnership will enable the Council to hold providers to account with improved monitoring and quality assurance processes, thus improving the quality of placements. It will also enable the Council to negotiate cost and volume discounts because of the large number of providers involved.
- The price analysis in 5.7 below, shows the opportunity for cost savings. This represents further value for money as the Council will benefit from the already embedded discounts and best practice T&Cs, which includes:
 - 3% long term discounts (applied after 9 months) for residential placements
 - 5% sibling and 5% long term discounts (cumulatively 10%) for fostering placements (applied at the point placement is made)
 - Reduction of Local Housing Allowances (LHA) after 6 weeks for supported accommodation placements.
 - Waived retainer fees
 - Increased noticed periods
 - Fixed prices (no inflation) for lifetime of placement
 - No inflated prices for emergency placements, i.e. Providers cannot charge emergency rates or “Friday afternoon” rates that we see in spot purchasing they must follow the pricing schedule and only charge the ceiling rate as per the contract.
- Benefit from improved Data Reporting. The DPV provides a system that captures needs and gaps in the market, enabling benchmarking of performance and costs with other local authorities.
- They offer a discounting model in London which reduces the membership costs as more Local Authorities join. After the initial three year period, we will review the membership fees and discuss the future subscription fees.
- Access to a greater number of Fostering and Residential providers than on the London Care Services contract. Currently the DPV provides access for 590 homes (81 providers) and 91 fostering provider’s vs LCS 92 homes and 80 fostering providers which can support with LB Lewisham placement sufficiency challenges.

5.2. It is expected that the remaining SLCP boroughs will also join the Commissioning Alliance either for the Child Looked After or SEND elements (Lambeth, Sutton, Kingston & Richmond), which would bring additional benefits to the above:

- The Commissioning Alliance commits to jointly funding a Strategic Commissioner dedicated to South London. This post can either be hosted by CA or a South London Local Authority.
- They are currently negotiating with SLCP members and will rebate LB

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Lewisham 100% of any cost difference should the remaining SLCP members join the membership at a later stage.

Price Analysis

- 5.3. Officers submitted data for Lewisham foster and residential placements to the Commissioning Alliance to analyse, to help to calculate the financial benefits of the proposed transition to their DPV.
- 5.4. The placements analysed below included only close comparisons as the very high or very low costed placements are not directly comparable in order to give a good and fair comparison.
- 5.5. The table below shows that based on foster placements made in 2022, placements made via the DPV would be £8.8k cheaper across the 32 placements compared. This was based on these placements lasting under one year. If these placements lasted more than one year, Lewisham would benefit from further discounts would be applied, thus achieving a saving of over £90k on these placements.
- 5.6. The same analysis carried out on foster placements made in 2021, showed that placements made via the DPV would be £45k cheaper across the 63 placements compared (an average £724 per annum per placement). This is based on placements lasting less than one year. If these placements lasted over 1 year, then further discounts would be applied and the Council would be looking at even greater saving, with a maximum potential saving of £223k.
- 5.7. The same analysis carried out on foster placements made in 2020, showed that placements made via the DPV would be £33k cheaper across the 45 placements compared. If these placements lasted over 1 year, then further discounts would be applied and the Council would be looking at even greater saving, with a maximum potential saving of £159k.

Year	Number of analysed placements	Cost variance year 1	Max cost saving after DPV discounts	Comments
2022	32(33)	-£8,813	-£90,968	1 placement excluded as very cheap on DPV so assumed not direct comparison. The total Council spend on placements with Foster Carers is c. £10m and this would generate c. £150k saving (0.5%) based on this modelling. We would anticipate greater savings on larger cost items, such as residential and semi-independent living, and thus this is the minimum expected saving possible.
2021	63(68)	-£45,617	-£223,115	5 placements excluded due to very low or very high rates that could not be matched

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2020	45(47)	-£33,127	-£159,611	5 placements excluded due to very low or very high rates that could not be matched
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- 5.8. Further savings can be achieved with sibling discounts for relevant placements.
- 5.9. The cost of the contract with the Commissioning Alliance is £87,000 per year with a total cost of £251,000 over the three year period requested. There is an option to extend for a further 1+1 years, meaning the total value of the contract including the optional extension period is £415,000.
- 5.10. The estimated costs of placements purchased by the Council from this framework per annum will be £25,785,338, or £77,356,014 over the initial three-year contract period. The total estimated spend over the maximum possible contract period of five years is £128,926,690.
- 5.11. Financial modelling shows that, on the minimum possible saving of 0.5%, the new contract with the Commissioning Alliance is anticipated to deliver savings of circa £150,000 per year on the cost of placements. This demonstrates that the overall fee of joining the Commissioning Alliance will be absorbed within this position. The actual savings achieved are likely to exceed the 0.5%, but this is subject to individual placements.

6. Current spend

- 6.1. The current membership costs of the Council's framework agreements is set out below
- **LCS** – Current contribution for 22/23 is £15,000. (Expires 31st March '23)
 - **SLCP** – Current contribution for 22/23 is £60,000 per annum (£30k) for both work streams (CLA and SEND), which includes access to the APPA framework. (Expires 31st March 23).
 - **Joint framework with Greenwich** - There are no direct costs arising from the Framework partnership agreement with Greenwich. The agreement is based on a shared approach to managing the framework and contains no financial consideration for either party. (Expires 31st March 23).
- 9.2 The spend on the relevant placements under this framework over the last two years is set out below, as well as the spend on spot-purchased placements

YEAR	PPF Placements	Annual Spend	Average Per Week	SPOT Purchase Arrangements	Annual Spend	Average Per Week
2020/2021	213	£11,596,572	£1047	180	£14,999,739	£1621
2021/2022	105	£5,542,002.00	£1015	117	£9,115,429	£1511

7. Conclusions

- 7.1. CYP Joint Commissioning and Children's Social Care (Corporate Parenting) recommend joining the Commissioning Alliance for the provision of independent

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fostering placements, children's residential placements and supported accommodation.

- 7.2. Although the LCS framework is enabling us to achieve IFA placements at a more advantageous price compared to the APPA framework and spot purchased arrangements, we would be able to maximise annual cost savings through 5% long term discounts as well as 5% sibling's discounts on top through the Commissioning Alliance Framework.
- 7.3. In addition, placements under the DPV terms and conditions, allow the Council to utilise ceiling rates and negotiate under ceiling rates where possible, enabling the achievement of significant savings.
- 7.4. There will always be placements that are more expensive, regardless of whether they are via the APPA, LSC and Commissioning Alliance as these cost differences can be attributed to the level of support package required for a placement which would be additional to a flat standard pricing.
- 7.5. We recommend joining the Commissioning Alliance Dynamic Purchasing System to support cultural change in the practice of the Council's Children's Social Care placements, bringing more professionalism into place, allow the Council to be members of a significant and contemporary regional commissioning body to contribute to strategic and operational improvements and have an active role in influencing future placements commissioning activity, as described in section 5 of this report.

8. Financial information

- 8.1. The Commissioning Alliance offered a 18% discount based on a three year contract. The longer we committed the more discount would be offered i.e (21% for 4 years, 23% for 5 years). Careplace was originally £37,000 per year, however this was discounted to £35,000 per based on a three year commitment. Therefore a three year contract has been recommended and this allows the Council enough time to embed this framework and to assess savings and other quality impacts.
- 8.2. There is a separate fee charged to access each individual DPV platform offered by the CA. The purchase and use of CarePlace (Ebrokerage & Econtracting Platform) is a compulsory requirement of the membership.
- 8.3. The contract elements listed in the table below includes the following in the price. The price includes for (**Careplace**):
 - Support for all LA service users and Suppliers i.e training, config, help desks
 - 5 onsite specific support days per year
 - Hosting and maintenance
 - Any small tweaks and changes to the system as voted for by the LA's
 - Bespoke reporting options
- 8.4. The price includes (**Commissioning & Contract Management**):
 - Ongoing onboarding and evaluations of all new provisions onto the DPV.
 - Ongoing Quality Assurance and Contract Management for DPV providers
 - Training packages i.e Referrals and Negotiation training
 - Access to change management support (Training, brokerage process consultancy)
 - Access to commissioning support

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- Stepdown placement support (attendance of meetings to identify young people who are ready to step down from residential to foster placements)
- Accreditation process for Semi-Independent providers & disputes/ contract mediation
- 1 x IPC Course Qualification per annum for placement team members (Institute of Public Care) & discounted rates for additional IPC qualifications

8.5. The table below reflects the total cost of the membership fee over the three year period and the breakdown of each element of the DPV (CarePlace, Commissioning Alliance, Commissioning and Contract Management Services across (Independent Fostering Agencies (IFA), Residential and Semi-Independent Markets).

Contract elements	Original Contract term			Optional Extension Period		Total (£)
	23/24/(£)	24/25 (£)	25/26 (£)	26/27 (£)	27/28 (£)	
CarePlace unlimited + Technical support Package + reporting	35,000 (April – Mar)	35,000 (April – Mar)	35,000 (April – Mar)	35,000 (April – Mar)	35,000 (April – Mar)	175,000
Independent Fostering Providers DPV + Wraparound Commissioning & Contract Management	£20,000	£20,000	£20,000	£20,000	20,000	100,000
Residential Providers DPV + Wraparound Commissioning & Contract Management	£20,000	£20,000	£20,000	£20,000	£20,000	100,000
Semi Independent Providers DPV + Wraparound Commissioning & Contract Management + Accreditation / Inspections	£25,000	£25,000	£25,000	£25,000	£25,000	125,000
Core Total	100,00	100,00	100,00	100,00	100,00	500,000
Core Discount (18%)	18,000	18,000	18,000	18,000	18,000	90,000
Total Inc. Core Discount	82,000	82,000	82,000	82,000	82,000	410,000
Implementation (reduced from £7.5k)	5,000	0	0	0	0	5,000
Total	£87,000	£82,00	£82,000	£82,000	£82,000	£415,000

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- 8.6. The table below reflects the estimated forecast spend related to independent fostering, residential and Semi-Independent Living placements, that would be provided to the Council by the Commissioning Alliance DPV framework per year. This equates to £25,785,338, or £77,607,014 over the initial three-year contract period.

Forecast based on spend currently on Oracle			
	18-	18+	Total
IFA	10,444,990	251,758	10,696,748
Resi	10,203,013	0	10,203,013
Semi	2,932,348	1,953,229	4,885,577
	23,580,351	2,204,987	25,785,338

9. Financial Implications

- 9.1. The report seeks permission to enter a framework contract with Commissioning Alliance Dynamic Purchasing Vehicle at an annual cost of £87,000 (£251,000 over 3 years and £415,000 over 5 years).
- 9.2. There is currently a spend of circa £26m per annum on Residential, Semi-independent and IFAs. This would equate to circa (£77.4m over 3 years and £129.3m over 5 years) based on 22/23 projected spend.
- 9.3. Based on sample analysis of IFAs (lowest cost of the three placement options), this noted a minimum saving of 0.5%. Using this is the minimum saving, the contract delivers at least £50,000 saving after meeting the cost of joining the alliance. In reality, the savings should exceed 0.5% for the more expensive placements in residential and semi-independent.
- 9.4. As detailed above in section 5.1, option 5, there are wider benefits of joining a consortium, including:
- 3% long term discounts (applied after 9 months) for residential placements
 - 5% sibling and 5% long term discounts (cumulatively 10%) for fostering placements (applied at the point placement is made)
 - Reduction of Local Housing Allowances (LHA) after 6 weeks for supported accommodation placements.
 - Waived retainer fees
 - Increased noticed periods
 - Fixed prices (no inflation) for lifetime of placement
 - No inflated prices for emergency placements, i.e Providers can not charge emergency rates or “Friday afternoon” rates that we see in spot purchasing they must follow the pricing schedule and only charge the ceiling rate as per the contract.

10. Legal Implications

Approval to Procure.

- 9.5. The report seeks approval to procure external service providers through a dynamic

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purchasing system hosted by the Commissioning Alliance to provide Fostering, Residential Care and Semi-Independent Living placements. Given the potential spend on this contract (at a length of 3 years with the option to extend for a further 2 years) this contract would be categorised by Contract Procedure Rules as a “Category A” contract. The report sets out the other options considered and explains why this is the recommended option.

- 9.6. The Contract Procedure Rules (“CPR”) place requirements on how services should be procured. The CPR require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). The requirements of the CPR would be satisfied by joining and using a Dynamic Purchasing System (DPS). It is for Mayor and Cabinet to approve joining the Commissioning Alliance and to take a decision on the award of any contract. Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations (“the Regulations”) will apply.

Approval To Award

- 9.7. This This report proposes that Mayor and Cabinet approve the award of contracts (placements) under the DPS provided that all awards do not exceed the budget over the 3 year period and that the preferred contractor is selected in accordance with the selection criteria under the DPS.
- 9.8. The decision to award the contract contained in this report is a Key Decision. It is therefore required to be contained in the current Key Decision Plan and the Council’s Key Decision procedure must be followed.
- 9.9. Provided that the value of placements are within authorised limits set out in this report and the preferred contractors are selected in accordance with the selection criteria, then the selection of the preferred contractors in accordance with Mayor and Cabinet’s direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred contractors selected.

10. Equalities implications

- 10.1. It is anticipated that this framework will have a positive impact on equalities through increased access to placements and support for vulnerable Children Looked After and Care Leavers across all protected characteristics.

11. Climate change and environmental implications

- 11.1. Environmental implications will be considered as far as possible within delivery of this framework and contract.

12. Crime and disorder implications

- 12.1. Foster placements, residential and Supported Accommodation all play a role in providing positive support for young people which can lead to a reduction in young people entering the criminal justice system.
- 12.2. As a local authority we have a statutory duty to work collaboratively with key stakeholder groups who is responsible for providing a range of support services to and within the community. Section 17 of the Crime and Disorder Act places a duty on partners to do the best they can to reasonably prevent crime and disorder in their area.

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13. Health and wellbeing implications

- 13.1. By providing high quality supported accommodation to Children Looked After and Care Leavers locally in the borough, this should have a direct and positive impact on their physical / mental health and wellbeing, as carers and support workers are expected to promote young peoples health and wellbeing and work collabarotively with the Local Authority and relevant partner agencies.

14. Social Value implications

- 14.1. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including, how what is proposed to be procured may improve the economic, social and environmental well-being of the local area for higher value contracts. The council is committed to these principles for all contracts over £50,000 in value. For contracts less than £50,000 the Council requires that where practicable a Lewisham based organisation be invited to quote for the goods, works or services
- 14.2. With colleagues in Local Labour, Sustainability and Procurement teams, officers will set targets in line with the Council's strategic aims and objectives for this contract. The Lewisham Sustainability policy and social value tool will be used.
- 14.3. The employment, skills and economy social value targets will be agreed and managed by the Local Labour Business Scheme (LLBS) team who will ensure that any apprenticeship, jobs and business opportunity targets are met.
- 14.4. Commissioning Alliance commit with the Department of Ealing, 100% contracts are Real Living Wage compliant. They have signed up to a care leaver placement scheme which provides care leavers work experience opportunities.

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