

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	1 July 2016
Title:	Procurement activity report 2016/17
Reference:	7481
Report From:	Director of Children's Services

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1. Executive Summary

1.1. The purpose of this paper is to seek approval to procure and spend in relation to contracts listed in Appendix 1 whose value will be over £1,000,000 in accordance with the Council's Contract Standing Orders and Constitution.

1.2. This paper seeks to

- Give relevant information on the planned procurement activities for 2016/17 of Children's Services;
- Give information on the value and Council spend of each mentioned procurement activity;
- Request approval to procure and spend in line with the Council's Contract Standing Orders.

2. Contextual information

2.1. The County Council's Contract Standing Orders (CSO 3) requires that *'The procurement of a Contract (not including a Framework Agreement) is subject to the approval of the relevant decision maker who has the authority to give approval for the relevant expenditure under the Constitution.'* This report requests approval to procure and spend for contracts which require approval by the Executive Lead Member as they have a value, or estimated value, in excess of £1 million.

2.2. Children's Services procure services where an in-house delivery is either not possible or not desirable. Commissioners and procurement officers establish in advance the best procurement route, what kind of contractual agreements should be used and which activity needs to be undertaken to ensure a successful, competitive tender. Due to the Council's activities to ensure

savings identified in the Transformation to 2017 programme, each procurement activity is scrutinised whether it can contribute to the saving targets of services and the department and improve efficiency and efficacy. Specific strands of procurement undergo a full category management analysis. The procurement activity also looks at how the resulting contracts will be monitored to deliver value for money, innovation and deliver on estimated savings.

3. Consultation and Equalities

- 3.1. Consultations would be undertaken for each specific procurement exercise and could involve service users, internal staff who place orders with the contract / framework like Social Workers, officers from other local authorities, the Police and Health.

4. Other Key Issues

- 4.1. The Public Services (Social Value) Act 2012 requires the Council as public authority '*to have regard to economic, social and environmental well-being in connection with public services contracts*'. The Social Value is either defined in the Service Specification for a contract, for example asking the provider to use apprentices or employ people from disadvantaged groups. Alternatively, during the tender process, the provider is asked how it adds Social Value to a service.
- 4.2. The Council, as contracting authority, has additionally the obligation to shape their tendering processes to allow small to medium businesses fair access to winning contracts.

5. Recommendation(s)

- 5.1. It is recommended that the Executive Lead Member for Children's Services gives the approval to procure and spend in relation to contracts listed in Appendix 1 whose value will be over £1,000,000.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Maximising well-being:	yes
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u> Public Contracts Regulations 2015 Public Services (Social Value) Act 2012 Small Business, Enterprise and Employment Act 2015 (Part 3)		<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

- 1.1 Equality impact assessment has been considered in the development of this report and no adverse impact has been identified. The current Corporate Procurement Strategy aims to improve the equalities performance of external suppliers where appropriate and the Strategy has been subject to an equalities impact assessment.
- 1.2 Human Rights and Equality are clauses in the contract's terms and conditions.

2. Impact on Crime and Disorder

- 2.1 The current Corporate Procurement Strategy recognises that community cohesion, safety and security is a key part of the Council's corporate priorities. The Strategy aims to continue to identify where procurement can ensure that appropriate contracts include provisions for crime and disorder reduction and that procurement arrangements do not have an adverse impact on community safety issues.
- 2.2 The services commissioned through the procurement process assess their own impact on Crime and Disorder. The procurement mentioned in this report supports the services for Looked After Children and Young People which will support them to behave in ways which are socially acceptable and prevent children and young people from offending or re-offending.

3. Climate Change

- 3.1 The current Corporate Procurement Strategy does not have a direct impact on the Council's carbon footprint and energy consumption, although it aims to improve the Council's performance on sustainable procurement.

Project title	Contract / Framework term and start date	Anticipated County Council value over termⁱ	Anticipated total value over termⁱⁱ (Collaborative Spend)	Approval required
<p><u>Level 1 and 2 IFA</u> Tender for Independent Fostering Agencies to provide placements for children and young people identified as having Level 1 and 2 requirements. This contract will replace the current South Central collaborative arrangement for Hampshire County Council. The contract will be awarded to a smaller number of providers to facilitate the development of better partnerships with the providers. Accurate and meaningful information will be shared with providers to enable them to recruit the numbers of foster carers required to meet the Council's needs.</p>	2 year framework plus optional 2 year extension	£44m	£44m	Authority to procure
<p><u>Level 3 Partnership</u> Subject to successful market engagement, this tender will result in the development of a partnership arrangement with a small number of providers to deliver the required numbers of foster carers to meet the needs of those children and young people identified as having complex needs. The providers will also manage those carers recruited by the in house fostering service to allow effective matching and placement of children and young people. This model will stop the competition between the in house foster care team and the providers.</p>	2 year framework plus optional 2 year extension	£13m	£13m	Authority to procure
<p><u>Prevention of Offending Fostering</u> Re-tender for the contract for young people who are in, or are at risk of entering, the youth justice system. There is an additional requirement for this contract; to provide short term intensive fostering placements for children and young people who have been identified as being at risk of coming into care. The purpose of these services is</p>	2 year framework plus optional 2 year extension	£1.5m	£2.5m	Authority to procure

<p>to stabilise behaviours and support family relationships to facilitate the return to the family home.</p> <p>It is likely that the new contract will be a collaborative arrangement with the Isle of Wight Council and Portsmouth and Southampton City Council's.</p>				
<p><u>Parent and Child</u> Tender for the new commissioned service for Parent and Child placements to ensure sufficient specialist provision through IFAs. The service will include assessments and reporting requirements to allow clear decision making to ensure the safety and wellbeing of both the Parent and the Child.</p>	2 year framework plus optional 2 year extension	£5.2m	£5.2m	Authority to procure
<p><u>Trafficked and Unaccompanied Asylum Seeking Children</u> Tender for the new commissioned service for specialist fostering services to meet the needs of those children and young people who have been trafficked, or those presenting as unaccompanied asylum seekers.</p>	2 year framework plus optional 2 year extension	£2.4m	£2.4m	Authority to procure
<p><u>Residential to Fostering Step Down</u> Tender for the new commissioned services to support the transition of children and young people from Residential Accommodation to Fostering placements, with the purpose of ensuring long term placement stability and successful outcomes for the child or young person.</p>	2 year framework plus optional 2 year extension	£1.0m	£1.0m	Authority to procure

Extension Options being applied:				
<p><u>SEN and Residential Placements</u> Collaboration between Bracknell Forest, Buckinghamshire, Hampshire, Isle of Wight, Portsmouth, Reading, Slough, Southampton, Surrey, Swindon, and Wiltshire. A proposal to extend has been submitted to the Local Authority partners and negotiations are under way. It is likely that providers will see the extension as an opportunity to increase prices as they have not been permitted to increase prices for the past two years. However, it is planned to make the completion of a cost model mandatory for providers who wish to remain on the framework. There are 54 providers on the current framework agreement.</p> <p>Future tendering will depend on the outcome of the conversations with the Local Authority partners and analysis of the outcome of the Children with Disabilities Pilot carrying out negotiations with Residential providers.</p>	1 year extension from 1 st October 2016 to 30 th September 2017	£25m	£96m	Authority to spend

ⁱ Anticipated County Council spend is subject to the budgets available

ⁱⁱ Anticipated Collaborative spend is subject to the budgets available