

Notice of Meeting

Cabinet Member for Children and Families Decisions

**Date & time**

Wednesday, 24
April 2013 at
2.30 pm

Place

Room G8, County
Hall, Kingston upon
Thames, Surrey
KT1 2DN

Contact

Anne Gowing
Room 122, County Hall
Tel 020 8541 9122

Chief Executive

David McNulty

anne.gowing@surreycc.gov.uk

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9068, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email anne.gowing@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Anne Gowing on 020 8541 9122.

Elected Members

Mrs Mary Angell

AGENDA**1 DECLARATIONS OF INTEREST**

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

2 PROCEDURAL MATTERS**2a Members' Questions**

The deadline for Member's questions is 12pm four working days before the meeting (18 April 2013).

2b Public Questions

The deadline for public questions is seven days before the meeting (17 April 2013).

2c Petitions

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

3 AWARD OF EXTENSION OF SHORT BREAK CONTRACTS

(Pages 1
- 6)

The County Council has a Statutory duty to deliver Short Break services for disabled Children and Young People and their families across the County of Surrey. The Council currently spends £3.4m pounds per annum on Short Break services delivered by a number of providers.

During 2009/10 the Aiming High programme increased the number and variety of Short Breaks services available across the County and developed the range of providers able to deliver short break services to disabled children. A number of these contracts expired at the end of March 2013 and this paper outlines the proposed extension of these contracts, as well as describing the future review of commissioning these services.

The Cabinet Member is asked to agree the extension of the contracts with Disability Challengers and White Lodge for 12 months, until 31 March 2014. Following a Joint Strategic Review working with health partners in Clinical Commissioning Groups taking place during 2013/14, a competitive procurement process will be undertaken and award new contracts to be in place from 1 April 2014.

4 BLOCK CONTRACT FOR 20 INDEPENDENT FOSTER PLACEMENTS

(Pages 7
- 12)

The County Council has a statutory duty to provide suitable alternative accommodation for children that become Looked After either under Section 20 or 31 of the Children Act. These placements will be approved Foster Placements or Residential Care and are provided within the Council's own in-house resources or via the Independent Sector.

As part of this provision Surrey County Council has a Block Contract for 20 placements with Hillcrest Care Ltd. This provider is an Independent Fostering Agency (IFA) providing independent foster carers. The County Council wishes to continue with the Block Contract for 20 placements for the financial year 2013-2014, at the existing value of £706,420.

David McNulty
Chief Executive

Published: 16 April 2013

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SURREY COUNTY COUNCIL

CABINET MEMBER FOR CHILDREN AND FAMILIES

DATE: 24 APRIL 2013

LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES

LAURA LANGSTAFF ACTING HEAD OF PROCUREMENT AND COMMISSIONING

SUBJECT: AWARD OF EXTENSION OF SHORT BREAK CONTRACTS



SUMMARY OF ISSUE:

The County Council has a Statutory duty to deliver Short Break services for disabled Children and Young People and their families across the County of Surrey. The Council currently spends £3.4m pounds per annum on Short Break services delivered by a number of providers.

During 2009/10 the Aiming High programme increased the number and variety of Short Breaks services available across the County and developed the range of providers able to deliver short break services to disabled children. A number of these contracts expired at the end of March 2013 and this paper outlines the proposed extension of these contracts, as well as describing the future review of commissioning these services.

The Cabinet Member is asked to agree the extension of the contracts with Disability Challengers and White Lodge for 12 months, until 31 March 2014. Following a Joint Strategic Review working with health partners in Clinical Commissioning Groups taking place during 2013/14, a competitive procurement process will be undertaken and award new contracts to be in place from 1 April 2014.

RECOMMENDATIONS:

It is recommended that the contracts with White Lodge and Disability Challengers be extended on a short-term basis until 31 March 2014 as set out in this report.

REASON FOR RECOMMENDATIONS:

To prevent disruption and allow for continuity of service whilst fulfilling the Council's statutory duty to deliver Short Break Services to children with disabilities and enable the preparation of a new commissioning and procurement process from April 2014.

DETAILS:

Background

1. Surrey County Council currently spends £3.4m per annum on Short Break Services for disabled Children and Young People. Surrey County Council funds varying levels of service and the current Short Break providers deliver a range of service right across the County.

2. A number of Short Break contracts expired on the 31 March 2013. The Service and Commissioning are currently reviewing the needs of Short Break services to develop new commissioning strategies and align any future Strategy with the wider service and Joint Strategic Review recommendations.
3. The largest of these contracts are with two voluntary sector providers; White Lodge and Disability Challengers. The services delivered under these contracts and value are outlined below:

White Lodge

Short Breaks services:

Play and Leisure	£117,256.00
Treetops Services	£304,287.00
Family Link	£49,842.00
Daycare	£88,528.00
Rendezvous Saturday Club	£42,051.00
Total contract value	£601,964.00

Disability Challengers

Short Breaks services

Play and Leisure	£329,753.00
Extended Play and Youth Schemes	£246,678.00
Freemantles Transport	£6,055.00
Ridgeway Transport	£7,085.00
Youth Activity Weekends	£53,274.00
One-to-One Sundays	£8,007.00
	£650,852.00

Epsom, Bookham & Caterham Half Term Youth Services	£41,233.00
Additional specialist Play and Leisure schemes	£26,000.00
Total contract value	£718,085.00

4. The extension of the existing contracts will prevent disruption and allow for continuity of the service.
5. Performance monitoring of the existing contracts demonstrate that the services are delivered to a high quality and to the agreed specifications. Any issues regarding quality of service are addressed by the Short Break Contract Officers through quarterly review meetings with the suppliers.
6. Contracts with White Lodge and Disability Challengers to deliver Short Break services were reviewed and awarded as part of the Aiming High Initiative in 2009/10. Both providers took part in a competitive procurement process and the prices compared competitively with others received. The contracts awarded demonstrated value for money and met the quality criteria set out. No inflationary increase has been applied to the prices since the contracts were awarded in 2010.
7. Benchmarking with neighbouring Local Authorities has also taken place, and this has further demonstrated that the prices paid by the Council for Short

Break services deliver good value. Ongoing benchmarking will continue over the next 12 months as part of the commissioning of new services.

8. A Joint Strategic Review of all Short Break services, with NHS Guildford and Waverley Clinical Commissioning Group (CCG) will be undertaken. Guildford and Waverley CCG are the lead providers for Children's services on behalf of the six CCGs operating in Surrey. The expectation is that the Joint Strategic Review report will be consulted on in September 2013. This will ensure that any new Short Break services commissioned reflect the requirements of the wider Children, Schools and Families Directorate.

Future commissioning approach

9. Following the extension of contracts a number of different delivery models will be explored and considered. The Children's Social Service Commissioning team, supported by Procurement, will review and revise the current contracts and the current performance requirements and measurements.
10. Work has already started with the Service, Commissioning and Procurement to identify the activities that need to be carried out. Internal and external stakeholders will be engaged and consulted, and the Joint Strategic Review of all Short Break services will also include consideration of joint commissioning arrangements with the CCGs.

CONSULTATION:

11. Internal consultation has taken place within the Service and with the Council's Procurement, Finance and Legal teams.

RISK MANAGEMENT AND IMPLICATIONS:

12. The Service closely manages the current Contract delivery by way of Quarterly Monitoring meetings ensuring that the services meet the specification and the requirements of the Contract.

Financial and Value for Money Implications

13. The value of the extended contracts will be at the same rate currently paid for the services. There will be no inflationary increase awarded.
14. The total annual value of the extended arrangements with Disability Challengers and White Lodge will be £718,085 and £601,964 respectively.
15. The Service will continue to closely manage the contracts to ensure that they are meeting the needs of the specification and delivering the agreed outcomes. Quarterly Monitoring meetings will take place throughout the year.

Section 151 Officer Commentary

16. The Section 151 Officer confirms that the current funding for the continuation of these contracts into 2013/14 is within the Children's Services budget, agreed as part of the 2013/18 Medium Term Financial Plan. It is acknowledged that the continuation of these contracts is subject to a full review of the service requirements and specifications in the context of the

wider commissioning intentions, during 2013/14. This review will inform a full tender exercise, in readiness for the financial year 2014/15.

Legal Implications – Monitoring Officer

17. These are Part B Services as defined in the Public Contracts Regulations 2006 and are therefore not subject to the full requirements of the Regulations in terms of publication of OJEU notices, etc. Nevertheless the Treaty principles should be adhered to in terms of openness, transparency, etc. A contract extension of this nature is therefore contrary to the Treaty principles in that the Council is awarding an extension of existing contracts to the incumbents. However this has to be balanced against the risk of not providing these statutory services. Therefore it is important that the Council can demonstrate an intention to properly commission these services once it has refined its commissioning intentions, with a view to a full tender exercise being undertaken shortly and the term of the extensions sought being limited to the 12 month period.

Equalities and Diversity

18. It is not proposed to alter the services delivered under the proposed contract extensions and therefore a new Equalities Impact Assessment (EIA) has not been completed. However a full EIA will be completed as part of the Joint Strategic Review.

WHAT HAPPENS NEXT:

19. With the Cabinet Member's agreement, the contracts with White Lodge and Disability Challengers for the delivery of Short Breaks services would be extended for 12 months until 31 March 2014.
20. Joint Strategic Review of the wider Short Break Services – planned to be completed by June 2013.
21. Possible delivery options, including joint commissioning in regards to the delivery of Short Break Services, developed and consulted on - planned to be completed by Summer 2013
22. The final option of the future delivery of provision agreed and ratified - planned to be completed by September 2013.
23. New service delivery will need to be in place by 1 April 2014.

Contact Officer:

Alys Wood, Category Specialist, 020 8541 8676.

Consulted:

Short Breaks Service Manager;
Head of Social Care Commissioning;
Social Care Commissioners;
Children with Disabilities Service Head,
Interim Children's Category Manager (Procurement),
Acting Head of Procurement
Finance

Legal

Sources/background papers:

None

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SURREY COUNTY COUNCIL**CABINET MEMBER FOR CHILDREN AND FAMILIES****DATE: 24 APRIL 2013****LEAD OFFICER: NICK WILSON STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES****LAURA LANGSTAFF ACTING HEAD OF PROCUREMENT AND COMMISSIONING****SUBJECT: BLOCK CONTRACT FOR 20 INDEPENDENT FOSTER PLACEMENTS****SUMMARY OF ISSUE:**

The County Council has a statutory duty to provide suitable alternative accommodation for children that become Looked After either under Section 20 or 31 of the Children Act. These placements will be approved Foster Placements or Residential Care and are provided within the Council's own in-house resources or via the Independent Sector.

As part of this provision Surrey County Council has a Block Contract for 20 placements with Hillcrest Care Ltd. This provider is an Independent Fostering Agency (IFA) providing independent foster carers. The County Council wishes to continue with the Block Contract for 20 placements for the financial year 2013-2014, at the existing value of £706,420.

RECOMMENDATIONS:

It is recommended that the continuation of a Block Contract for 20 placements with Hillcrest Care Ltd be agreed for a further 12 months until 31 March 2014, at the existing annual value of £706,420.

REASON FOR RECOMMENDATIONS:

The extension of the existing contract will provide continuity of existing placements, prevent disruption and allow the Council to continue to benefit from good quality and good value services provided to the Children and Young People placed within Hillcrest Care Ltd.

DETAILS:

1. This report recommends that the Block Contract with Hillcrest Care Ltd for the provision of 20 fostering placements is extended until 31 March 2014. Benchmarking has shown that this contract offers comparatively low prices for the provision of independent fostering placements, when compared to other arrangements.

Background and options considered.

2. Surrey requires the use of foster carers with Independent Fostering Agencies (IFA), to supplement in-house provision. The current budget for placements

with IFAs for 2013/14 is £6.1 million. The current Block Contract costs £706,420 per annum.

3. Surrey County Council have had a Block Contract with Hillcrest Care Ltd for a number of years, the number of placements on the Block Contract has varied between 20 and 30 placements. The number of placements included within the Block Contract, is reviewed by Procurement and the Care Services Team Manager within Children's Service responsible for Agency Placements, on an annual basis.
4. The advantage of a Block Contract arrangement is stable provision of additional places at a comparatively low price. Under the Block Contract a placement with Hillcrest Care Ltd costs £679.25 per week, compared to £724 per week for the next cheapest provider that we use on the Framework.
5. A larger Block Contract with Hillcrest Care Ltd was also considered but rejected. The current service requirement is for 20 places, having a Block Contract for any more than 20 places would risk incurring voids at an additional cost to the Council.
6. The extension of the existing contract will provide continuity of existing placements, prevent disruption and allow the Council to continue to benefit from good quality and good value services provided to the Children and Young People placed within Hillcrest Care Ltd.
7. Surrey County Council commissions its other IFA requirements through a regional Framework Contract with 11 other Local Authorities. Entering into a block contract with Hillcrest Care Ltd gives a guaranteed minimum number of placements, the weekly rate per placement is a lower price on the proposed Block Contract with Hillcrest than through providers on the Framework. This will deliver savings of £46,540 for the period of the 12 month extension.
8. Hillcrest Care Ltd have worked with the Council for many years and have built up a mutually positive working relationship, the children we have placed with the carers have also benefited from consistency of care over this time. A 12-month extension will allow for these relationships to be maintained whilst also ensuring a quality service is delivered, offering value for money to the Council.
9. Quality of the supplier is monitored on a quarterly basis against the Key Performance Indicators (KPIs) included in the contract. This is through an online portal that allows performance of suppliers to be easily compared across the south east region. An Annual Review is also undertaken to detail the quality of each individual placement. Performance monitoring of Hillcrest Care Ltd demonstrates that the supplier delivers a quality service, meeting the needs of the children and young people placed.

Procurement and Commissioning Strategy

10. It was agreed with the Care Services Team Manager that a continuation of the current Block Contract arrangements with Hillcrest best meets their existing requirements.
11. Following discussions with Hillcrest it has been agreed that when a Block Contracted placement ceases, then an existing child on a SCC spot

purchased placement will transfer into the vacant Block Contracted placement at the reduced Block Contract rate. The contracted spot placement will cease for this child.

12. Surrey commission residential home accommodation from Hillcrest Care Ltd under a separate contract. As part of this contract we have negotiated an additional discount for all commissioning with Hillcrest; this currently saves the Council a further £50k per year.
13. Performance will be monitored on quarterly basis through KPIs and an Annual Review will be undertaken in May 2013 with the provider which will help to inform future commissioning intentions.

CONSULTATION:

14. Internal consultation has taken place within the Service and with the Council's Procurement, Finance and Legal teams.

RISK MANAGEMENT AND IMPLICATIONS:

15. There is a small risk of places not being required and creating voids. Constant dialogue with the provider and monitoring to date has ensured that voids have not arisen. This will continue throughout 2013/14.
16. The Council has the option of paying the full annual cost of the Block Contract in advance to receive an additional 5% discount, delivering a £35,321 saving that has already been factored into the overall contract cost. The recommendation is to pay in advance for the contract extension to 31 March 2014. Credit checks on the company have been undertaken and the risk of liquidation is considered to be minimal.

Financial and Value for Money Implications

17. This extension will be at the same rate currently paid for 2012/13. There will be no inflationary increase awarded, for 2013/14. The total cost of the Block Contract will be £706,420, which includes the £35,321 discount for advance payment. The cost per placement per week will remain at £679.75 per placement

Section 151 Officer Commentary

18. The Section 151 Officer confirms that the current funding for the continuation of these contracts into 2013/14 is within the Children's Services budget, agreed as part of the 2013/18 Medium Term Financial Plan. It is acknowledged that the continuation of these contracts is subject to a full review of the service requirements and specifications in the context of the wider commissioning intentions, during 2013/14. This review will inform the commissioning/procurement route to be undertaken.

Legal Implications – Monitoring Officer

19. These are Part B Services as defined in the Public Contracts Regulations 2006 and are therefore not subject to the full requirements of the Regulations in terms of publication of OJEU notices, etc. Nevertheless the Treaty principles should be adhered to in terms of openness, transparency, etc. A

contract extension of this nature is therefore contrary to the Treaty principles in that the Council is awarding an extension of an existing contract to the incumbent. However this has to be balanced against the risk of not providing these statutory services. Therefore it is important that the Council can demonstrate an intention to properly commission these services once it has refined its commissioning intentions.

Equalities and Diversity

20. The legislation within the Children's Act is clear on the reasons why a child or young person may live away from their families.
21. Any supplier that the Council uses will have met all the legal requirements under the relevant legislation and be registered with Ofsted, thereby meeting the National Minimum Standards. This legislation specifically covers Equalities and Diversity.
22. It is not proposed to alter the services delivered under the proposed contract extensions and therefore a new Equalities Impact Assessment (EIA) has not been completed. A full EIA will be completed as part of the Joint Strategic Review.

Corporate Parenting/Looked After Children

23. There will be instances whereby some children and young people will be placed with Carers outside of Surrey, where there are no specific reasons for this other than no suitable placements being available in Surrey.
24. However within the scope of this contract we will look to minimise these occurrences by encouraging Hillcrest Care Ltd to provide local services closer to Surrey. Also through regular reviews and monitoring at the Area Panels ensure local services are available or commissioned to alleviate any disadvantage for these children and young people placed away from Surrey.

Safeguarding responsibilities for vulnerable children and adults

25. Looked After Children need to be cared for within appropriate placements that are able to meet their assessed needs. All the placements that are provided for by Hillcrest Care Ltd are approved in line with the statutory legislation and the services are inspected by Ofsted.

WHAT HAPPENS NEXT:

26. With the Cabinet Member's agreement, the Block Contract with Hillcrest Care Ltd will be extended for the financial year 2013/14.
27. Formal communication to Hillcrest Care Ltd regarding the extension of the existing contract will take place following the completion of the call-in period.
28. A formal review of the contract will be undertaken in May 2013 with the provider which will inform future commissioning intentions.
29. A consultation with the Children's Service, Children's Commissioning, Legal Services and Finance regarding future options will take place by September 2013.

Contact Officer:

Nick Woodward – Category Specialist – 01483 518861.

Consulted:

Care Services Manager – Children’s Service:

Head Social Care Commissioning;

Interim Children’s Category Manger (Procurement)

Acting Head of Procurement

Legal

Finance

Sources/background papers:

None

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