

<b>Report to:</b>	<b>STRATEGIC COMMISSIONING BOARD</b>
<b>Date:</b>	26 June 2019
<b>Reporting Member / Officer of Strategic Commissioning Board</b>	<p>Councillor Bill Fairfoull - Deputy Executive Leader (Children and Families)</p> <p>Dr Ashwin Ramachandra (Chair) – NHS Tameside and Glossop CCG</p> <p>Richard Hancock – Director of Children’s Services</p>
<b>Subject:</b>	<b>16+ LEAVING CARE SERVICES – SUPPORTED AND INDEPENDENT LIVING SERVICES DYNAMIC PURCHASING SYSTEM (SAILS DPS) – PLACEMENTS NORTHWEST REVIEW</b>
<b>Report Summary:</b>	<p>Authorisation has previously been granted under Procurement Standing Orders to extend the contract for a period of up to two years from the 1 April 2018 until the 31 March 2020. The Borough Solicitor noted on the authorisation that <i>“this report needs to come back in twelve months to Strategic Commissioning Board with a clear analysis of what is going on and being achieved addressing value for money and quality”</i>. A further note as part of the authorisation was that <i>“this needs to be reviewed in twelve months”</i> This report sets out the review undertaken.</p>
<b>Recommendations:</b>	<p>That Strategic Commissioning Board:</p> <ul style="list-style-type: none"> <li>(a) Notes the utilisation of the second year of the approved extension period to allow for Placements North West to establish the procurement process for the new Flexible Purchasing System, transfer of existing suppliers to the new Flexible Purchasing System and any contingency planning.</li> <li>(b) Notes the securing by Placements North West and regional commissioners of a procurement team who will work on a new purchasing system, acknowledging that Placements North West will be leading on the project.</li> <li>(c) Notes the establishment by Placements North West of a working group to develop the revised standards and due diligence for the new Flexible Purchasing System.</li> <li>(d) Notes the establishment by Placements North West and regional commissioners of a consultation process with the market and Care Leavers.</li> <li>(e) Considers further work is being undertaken by Placement North West to understand these providers and their current activity and Tameside will review placement activity for the borough.</li> <li>(f) Notes a subsequent report will be completed in respect of the Flexible Purchasing System and Tameside Councils sign up to the new agreement.</li> <li>(g) Notes improving the standard and quality of accommodation for Care Leavers should be deemed an</li> </ul>

essential priority of any commissioning arrangements.

**Financial Implications:**

**(Authorised by the statutory  
Section 151 Officer & Chief  
Finance Officer)**

The year two proposal of the previously approved extension period should enable further improvements to be delivered whilst also ensuring best value is adhered to when confirming actual framework placement rates with approved providers. It is essential that value for money is robustly evidenced during the monitoring of placement activity.

The outcome of the year two extension recommendations as detailed in section 9 will need to be reported to Members at the end of the extension period.

**Legal Implications:**

**(Authorised by the Borough  
Solicitor)**

The Board should ensure it fully understands the report and the decisions it is required to make as set out in the recommendations. STAR Procurement have been involved in the process and there would be an expectation going forward that they would continue to be so.

The quotations from young persons in the report should not be capable of being attributed to/ traced back to an individual, unless they have given informed consent for their remarks to be set out in an open report.

It would be useful to see some form of qualitative data going forward around previous costings given the comment at paragraph 10 in the report that expenditure is created when Local Authority placement teams agree placements following the mini competition process, as this would help to inform an understanding of the process and how value for money is being evaluated, as well as, and notwithstanding the safeguarding of young people being of paramount importance – there is also a competing statutory duty to ensure all services including statutory are delivered efficiently and effectively.

**Risk Management:**

The purchasers will work closely with the provider to manage and minimise any risk of provider failure consistent with the provider's contingency plan.

**Access to Information:**

The background papers relating to this report can be inspected by contacting the report writer



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## **1. INTRODUCTION**

- 1.1 The service commissioned is part of a commitment to deliver the regional requirements for 16+ Leaving Care Services for looked after children, accessed via Placements North West (PNW). Placements North West acts as a strategic commissioning service which supports the development of sufficient placements for Looked after Children and Care Leavers across the North West. Tameside Joint Commissioning and Performance Management Team have been lead commissioners in developing the “Supported and Independent Living Services Dynamic Purchasing System (SaLS DPS) on behalf of the other Local Authorities.
- 1.2 The SaLS DPS incorporates mini-competitions amongst those providers on the system by way of finding the best – and best value - placement for a young person. These mini-competitions are run by each individual Local Authority themselves and are based on bids against individual support plans which providers are required to demonstrate how they can meet need and deliver positive outcomes. Each Local Authority then has an individual placement agreement with the provider.
- 1.3 One of the key aims of the SaLS DPS was to develop the market and to raise quality in what remains an unregulated market. A DPS allows a far more flexible approach over the life-time of the contract with providers able to join and/or add new services at any point via four ‘rounds’ a year.
- 1.4 The SaLS DPS approach means that providers that do not initially meet the quality threshold required at submission can re-submit until they do with, where required, advice as necessary from PNW as to how and where to improve their service/submission.
- 1.5 The SaLS DPS has been in place since 2015 and has been successful in increasing the number of providers in this market. There are currently 117 providers on the SaLS DPS.

## **2. REVIEW OF THE 16+ LEAVING CARE DPS**

- 2.1 Issues relating to the quality of suppliers attempting to join the SaLS DPS have previously been noted and at a North West Commissioners meeting held on 19 July 2018 it was agreed to suspend the SaLS DPS in order to carry out a review of its operation. Over the last year or so there have been a number of problems with the SaLS DPS, partly because of the unregulated nature of this sector but also because a number of tender applications had been received of a poor standard. Under the current purchasing model, and using the feedback provided by the evaluators, bidders are able to keep reapplying in the next available open round until their submission is of a satisfactory standard.
- 2.2 On 30th August 2018 following concerns highlighted in 2.1 above notice was given to providers via the Chest that the SaLS DPS would be paused on 14th September 2018 following the closure of the bidding round in September 2018.
- 2.3 Following discussion with Placements North West and North West Commissioners a small working group was established to oversee a review of the SaLS DPS and to look into the quality and effectiveness of the current purchasing model. The working group formulated recommendations presented to the North West Commissioners and Strategic Leads for Safeguarding Vulnerable Children (SLSVC).
- 2.4 The working group members were Carol Roche (Commissioning Manager, Liverpool), Sarah Austin, (Commissioning Officer, Sefton), Nick Ellwood, (Commissioning and Contracts Officer, Tameside) and Meg Boustead (Project Manager, PNW).

- 2.5 North West Commissioning Manager Group are representatives of all the North West Local Authorities which reports to the Strategic Leads for Safeguarding Vulnerable Children (SLSVC) the governance group at Assistant Director level.
- 2.6 This approach was also in line with the local condition for a review of the DPS in twelve months of the extension period following authorisation to extend for a period of up to two years.
- 2.7 The purpose of the review was to understand the strengths and challenges inherent in the current SaLLS DPS, and to formulate proposals to inform future commissioning. It was decided to consult with all stakeholders via relevant questionnaires.
- 2.8 Questionnaires were sent to the North West Commissioners and to all existing suppliers on the DPS. Views were also sought from the Placements Northwest Monitoring Officer, and recent consultations with young people were considered.
- 2.9 Twenty Six responses to the questionnaires were received, fifteen from commissioners and eleven from suppliers/providers. Young people's views were gathered via consultation exercises that had been undertaken in the Region during 2018.

### **3. SUMMARY OF VIEWS FROM COMMISSIONERS**

- 3.1 The majority of the commissioners who responded said that the DPS helped them to meet their placement needs by providing a route to the market. Access to a wide range of providers was valued, as was the geographical spread of providers. Commissioners also valued having the minimum standards, standardised terms and conditions and a common service specification.
- 3.2 However, commissioners had concerns about the inconsistent and often poor quality of the providers. Several thought that the evaluation criteria were set too low, and others were concerned that the practice of multiple re-evaluations has the potential to allow suppliers onto the DPS who are not capable of providing a high enough standard of provision. There was a recognition that in many areas the market is now "flooded" with too many providers.
- 3.3 Several commissioners mentioned the variable costs that operate across the sector. Some commissioners were concerned about the lack of background checks on owners and managers, and the limited nature of the financial checks that are carried out. Not all provision differentiates adequately between "care" and "support" and the motivation of some suppliers is unclear.
- 3.4 The responses confirmed previous concerns about the effectiveness of the current DPS.

### **4. SUMMARY OF VIEWS FROM PROVIDERS**

- 4.1 Providers responded that the DPS had value, although some had not yet had any placements commissioned via the DPS so were unable to comment. Some providers said that they would like feedback when their offers to provide placements were unsuccessful, and some said that they would like more contact with commissioners and service managers. Some providers said that the DPS had transparent processes; referral information was a little inconsistent across Local Authorities, but the process works well for hard to place young people.

## 5. SUMMARY OF YOUNG PEOPLE'S VIEWS

- 5.1 It was agreed that the review should try to capture the views of some young people who were or had been supported by provision commissioned through the SaLLS DPS. Therefore Commissioners and Leaving Care Managers were asked whether they were aware of any recent consultation that could inform the review.
- 5.2 A survey of care leavers aged 21+ concluded that none of the young people had a clear understanding of what it meant to sustain a tenancy, pay rent or apply for benefits, and 70% of the young people felt that the main professional supporting them had not been helpful in helping them think about their future housing needs. *"I am an adult and I get my flat checked every week in supported accommodation. If I don't let them in they let themselves in", "We need a plan for our post 18 accommodation a long time before we turn 18", "Staff that listen and understand" and "Staff to sort out problems"* were typical responses when young people were asked what kind of support they needed.
- 5.3 A number of responses were received via an online survey although none of these young people were in provision commissioned through the DPS, they do reflect the value that young people place on the support they receive, and the importance of the quality of that support and the availability and attitude of staff; *"Nice to come in and have a brew and a chat with your support worker and to be able to talk to them....It's good they know me and I feel better after the meeting as you feel that you are getting on top of things again". "I feel that the staff are always willing to listen and even when they are busy they still find time".* Young people also value the practical support they receive to prepare for independence; *"It's very helpful as it prepares you for the life outside of this accommodation"*.
- 5.4 These views emphasised the importance of having high quality SaLLS providers who can offer young people opportunities to develop independence skills within a respectful and supportive environment.

## 6. CONSULTATION WITH NORTH WEST COMMISSIONERS

- 6.1 Following the conclusion of the review, four initial options for future SaLLS commissioning were shared with the North West Commissioners at their meeting on 18th October 2018. These were:

Option 1 - Continue with current DPS.

Option 2 - Close current DPS and replace with a new Flexible Purchasing System (FPS) with a higher specification and more rigorous evaluation criteria.

Option 3 - Close current DPS and replace with a new Flexible Purchasing System (FPS) with a higher specification and more rigorous evaluation criteria, incorporating sub-regional ownership through local evaluation, monitoring and market development.

Option 4 - Close current DPS and each LA takes responsibility for its own SaLLS provision.

- 6.2 After discussion the following was proposed as the way to move this forward into a new contracting period:
- Amalgamate options 2 and 3 above into a new Option 2 (see section 7.1 below) which would be recommended to SLSVC.
  - Carry out further consultation with the North West Commissioners on the potential shape of a future SaLLS DPS, especially in relation to local arrangements for evaluation, monitoring and market development and proposed new geographical lots (6.4 Below).

- 6.3 Responses to this consultation were received from eight commissioners. All were broadly in agreement with the proposal for a new Regional Flexible Purchasing System (FPS) with the opportunity to develop local responsibility for evaluation, monitoring and market engagement and development. However some commissioners raised issues about capacity to undertake monitoring visits. Other comments and suggestions have been incorporated into this report.

The issue of the exact lots or zones are still being worked through, but it is likely that they will now be:-

- Lot 1: Greater Manchester (Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Stockport, Tameside, Trafford and Wigan) - same as now
- Lot 2: Cheshire East, Cheshire West and Chester, and Warrington
- Lot 3: LCR (Wirral, Liverpool, Sefton, Halton, Knowsley, St Helens)
- Lot 4: North (Blackburn with Darwen, Blackpool, Cumbria and Lancashire) - same as now

## **7. OPTIONS FOR FUTURE COMMISSIONING**

- 7.1 The North West Commissioners' meeting on 18 October 2018 considered the findings from the review and agreed to put forward to SLSVC the following 3 options on the way forward;

### **7.2 Option 1 - Continue with current DPS**

#### *Advantages*

- Does not require any additional work at this stage

#### *Risks*

- Doesn't tackle quality issues
- Doesn't tackle over-provision issue
- Doesn't raise the minimum standards
- Doesn't address issue of multiple re-evaluations
- Doesn't tackle issue of limited financial checks
- Doesn't address issue of background checks on owners/directors
- No opportunity to update service specification

### **7.3 Option 2 - Close current DPS and replace with a new Flexible Purchasing System (FPS) with a higher specification and more rigorous evaluation criteria**

This would provide more flexibility and could incorporate more sub-regional ownership through local evaluation, monitoring and market development

This option could include commissioning a range of support, including support with accommodation. It could incorporate elements of the quality standards developed by and currently being piloted by LCR. This option would require working closely with existing providers to ensure a robust marketplace in future.

#### *Advantages*

- More flexibility within the change
- The Evaluation "pass" level could be raised, restricting who could join the FPS
- Background checks could be included within the evaluation
- Would offer more local responsibility for transparency and ownership including the evaluation and monitoring quality of the provision
- Would entail more local responsibility for relationship building with local providers (e.g. provider forums)
- Quality issues could be addressed over time
- Service Specification could be updated to reflect the updated standards

- Could introduce requirement that suppliers would need existing provision within a local area to join that area's lot
- Could introduce requirement that floating support suppliers would need an office base within 10 mile radius of the local area

#### *Risks*

- There may be additional resource requirement at the point of evaluating providers coming onto a new FPS
- If the new quality standards are too high it could lead to depletion of the market
- A new FPS might not achieve full sign up from every local authority
- There would be a need for Commissioning Officers and Leaving Care Managers to share responsibility for evaluation and monitoring quality measures
- Local capacity would be required for evaluation and ongoing monitoring

### **7.4 Option 3 - Close current DPS and each LA takes responsibility for own SaILS provision**

This option could include some sub-regional collaboration

#### *Advantages*

- Each Local Authority would take responsibility for quality of provision in own area
- Local collaboration could manage the local market more efficiently and could share with the wider region the quality and monitoring of providers in their own area

#### *Risks*

- Duplication of effort for commissioners
- Procurement resource would be required in each Local Authority
- Providers would have to work to variable standards across a range of contracts and would have to have to spend time to join multiple frameworks
- Variation in standards and approaches would mean that all local authorities would need to ensure that they understood the terms and conditions of any contract they used
- All benefits of Regional collaboration would be lost

## **8. SUMMARY**

- 8.1 The North West Commissioners recommend to SLSVC to replace the current SaILS DPS with a Flexible Purchasing System (FPS) with a higher specification and more rigorous evaluation criteria. This was agreed by SLSVC in February 2019.
- 8.2 This option would offer the potential to develop more sub-regional ownership through local evaluation, monitoring and market development.
- 8.3 This would be the preferred option in relation to achieving the following objectives:
- Providing flexibility in order to "future proof" the commissioning arrangements in that a Flexible Purchasing System would offer the opportunity to "raise the bar" over time.
  - Raising the bar for evaluations, reducing the risk that unsuitable providers are approved.
  - Facilitating local ownership of the evaluation process.
  - Facilitating local ownership of monitoring the quality of provision, including ensuring that local provision is achieving optimal outcomes for young people
- 8.4 Placements Northwest would continue to be responsible for;
- Agreeing a procurement lead authority.
  - Leading on the revision of the Service Specification.
  - Co-ordination and communication of the evaluation process.
  - Leading on/facilitating the development of revised evaluation standards.

- Leading on/facilitating the development of improved quality standards.
- Providing initial monitoring of quality standards via the PNW Monitoring Officer.
- Providing training for Commissioning Officers and Leaving Care staff on carrying out monitoring visits.
- Supporting overarching market engagement and development.

8.5 SLSVC agreed to support the development of a Flexible Purchasing System to replace the current SaLLs DPS in 2019.

8.6 Discussions have taken place with the Head of Strategic Procurement at STAR about a replacement tender and the options appraisal included in this review. STAR has not been involved in other areas of the review, as this was deemed by STAR more for regional managers to consider.

8.7 Bolton have agreed to be the procurement host, which was agreed at SLSVC in May 2019.

## **9. PROPOSED ACTIONS**

9.1 To utilise the second year of the approved extension period to allow for Placements North West to establish the procurement process for the new Flexible Purchasing System, transfer of existing suppliers to the new Flexible Purchasing System and any contingency planning.

9.2 Placements North West and regional commissioners to secure a procurement team who will work on a new purchasing system. Placements North West will be leading on the project.

9.3 Placements North West to establish a working group to develop the revised standards and due diligence for the new FPS.

9.4 Placements North West and regional commissioners to establish consultation with the market and Care Leavers.

9.5 Findings from the December 2018 PNW census identified there were 43 providers on the Leaving Care DPS who did not have placements from the 23 North West Authorities. Further work is being undertaken by Placement North West to understand these providers and their current activity.

9.6 Further work will be undertaken within Tameside regarding placement activity for the borough.

9.7 A subsequent report will be completed in respect of the FPS and Tameside Councils sign up to the new agreement.

## **10. VALUE OF CONTRACT**

10.1 This procurement exercise was by way of establishing a Dynamic Purchasing System for use by North West Local Authorities via Placements North West. Tameside MBC is lead commissioner for this North West regional project by way of a collaborative approach and shared working practices. There is no financial value to the DPS at the procurement stage; expenditure is created when Local Authority placement teams agree placements following the mini competition process.

## **11. RECOMMENDATIONS**

11.1 As set out at the front of the report.