

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4317

Author:

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Department:

People

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Subject:

Expansion of Existing Residential Block Contract for Children in Care Placements

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£12.909m (Type: Revenue)

Decision Being Taken:

Approval:

- 1) To add 10 units to the children in care placement service, up to a maximum of 22 , as provided for in the original contract;
- 2) To extend the contract for an additional 3 years, as provided for in the original contract and OJEU notice, up to a maximum 10 year term;
- 3) To approve the spend associated with the additional term and unit increase including associated uplift costs

Reasons for the Decision(s)

In line with the agreed recommendations of the City's Children in Care Placements Commissioning and Sufficiency Strategy, the expansion of the block contract will respond to the existing gap in local placement sufficiency, leading to improved outcomes for Children in Care and increased value for money for Nottingham City Council. The Local Authority has a statutory duty to ensure sufficient accommodation for all Looked After Children. The expansion will respond to this, through directly increasing the number of high quality, local placements for this cohort. This will reduce the number of instances where the Local Authority is required to spot purchase placement provision, often outside of the child's local area, often at a cost higher than the average market rate and with less favourable terms and conditions. No additional budget is required, as the costs of the contract will be met through the existing External Placements Budget. This will require a financial commitment for a maximum amount from this budget to be allocated for expansion of the block contract annually. The expansion of the block contract has been identified as a savings project through the Children's Services Sustainability Board.

Approval for the existing contract was granted in July 2014 with a maximum annual spend of £2.4m. Following an open procurement exercise, the resulting contract was awarded to Homes 2 Inspire (then called G4S) and implemented on 01.04.2015 with 10 units available, for up to a maximum ten year term (5+2+2+1). On 01.04.2020, a variation to contract was approved, which saw an inflation on the weekly unit charge, agreement for the first extension of two years, and the provision of a two further units within a home dedicated for use by NCC exclusively. The intention is to now increase the number of units by an additional 10 and to approve the extension of the contract length by three years, taking the maximum contract term to ten years. This will leave the contract term with three years and nine months remaining. It is not possible to determine when the additional units will be available at this stage (as this is dependent upon planning permission and Ofsted registration), however it is requested that approval for the additional spend covers the full remaining term of the contract.

Other Options Considered:

1. To continue with the current commissioning arrangements, through the regional framework and spot purchasing of residential care placements. This would deny the local authority the opportunity to make a significant financial saving and enable an increased number of children and young people to be placed locally. For this reason, this option was rejected.
2. To increase internal provision. This would incur a greater cost than external provision delivered via a block contract, therefore expansion of the block contract will deliver better value for money for NCC. The capacity required could not be developed within the timescales required. For these reasons, this option was rejected

Background Papers:

NCC's Children in Care Placements Commissioning and Sufficiency Strategy 2021-2023

Unpublished background papers:

CiC Placements Commissioning and Sufficiency Strategy 2021-2023.pdf

Published Works:

Agreement for the original contract approved through;
NOTTINGHAM CITY COUNCIL EXECUTIVE BOARD COMMISSIONING SUB-COMMITTEE - Public Reports Pack 16.07.2014

Affected Wards:

Citywide

**Colleague / Councillor
Interests:**

**Any Information Exempt
from publication:**

Yes

Exempt Information:

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). Having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because it could prejudice future negotiations with providers.

Documents exempt from publication:

Exempt Appendix - Financial Observations v3.docx

Consultations:

Date: 10/03/2021
Ward Councillors: Cheryl Barnard
Through presentation at the Children's Services Sustainability Board and follow up consultation, Cllr Barnard has confirmed support for the contract's expansion, in recognition of the need to secure local, high quality, good value placements for NCC's Children in Care.

Date: 10/03/2021
Other City Council Bodies:Children's Services Sustainability Board Corporate Parenting Board
Agreed

Date: 10/03/2021
Other:Catherine Underwood, Corporate Director of People
Through presentation at the Children's Services Sustainability Board and follow up consultation, Catherine Underwood has confirmed support for the contract's expansion in recognition of the need to secure local, high quality, good value placements for NCC's Children in Care.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no Crime and Disorder implications

Equality:

Please login to the system to view the EIA document: EIA Expansion of Residential Block Contract - Final.docx

Social Value Considerations:

Taken into account during the procurement for the existing contract and not impacted by the expansion proposal. Consideration was given as to how the services being commissioned could improve the economic, social and environmental well-being in Nottingham. By virtue of the type of services being commissioned, social improvements are expected to be delivered, particularly for the children and young people receiving the services, but also for the wider economic well-being of Nottingham. It is anticipated that improved outcomes for Nottingham's Looked After population will be achieved by enabling an increased number of children and young people to remain living locally in high quality care provision. There is potential to create increased employment opportunities for local citizens due to residential care provision either being established or expanding in the Greater Nottinghamshire area. Considerations to support compliance with the Public Services (Social Value) Act 2012, will be was embedded throughout the procurement process.

Decision Type:

Leader's Key Decision

Subject to Call In:

Yes

Call In Expiry date:

10/08/2021

Advice Sought:

Legal, Finance, Procurement, Equality and Diversity

Legal Advice:

The proposals in this report raise no significant legal issues and are supported.

The contract extension is requested in order to fill the current gap in service provision. The Council has a statutory duty to ensure there is sufficient accommodation for all Looked After Children and must therefore provide suitable arrangements.

It is understood that the initial contract was competitively tendered and both the OJEU and contract provided for a maximum 10 year term and a service delivering 20 plus a possible additional 18 units. As the approval only authorised 20 units for 7 years, this decision seeks authority to exercise the option to extend the contract and provide the associated spend for doing so. The extended provision was therefore captured in the original tender and so is permitted without needing to undertake a competitive tender.

As detailed within the report, the cost of the services are deemed to be value for money to the Council. Advice provided by Dionne Claire Screamon (Solicitor) on 19/07/2021.

Finance Advice:

This advice is exempt from publication and is contained within an exempt appendix
Advice provided by Christine Green (Strategic Finance Business Partner) on 20/07/2021.

Equality and Diversity Advice:

There are no impacts to any of the protected characteristics and therefore happy to sign off. Advice provided by Rosey Donovan (Equality and Employability Consultant) on 01/07/2021.

Procurement Advice:

This decision proposes to increase the capacity of the current block contract for residential provision for Children in Care, to address the current gap in local placement sufficiency. The current contract was tendered through a compliant process for a total of 20 units, with provision to increase by a further 18 units if needed during the life of the contract. Therefore the proposed increase in capacity is permitted without the need for a further procurement process. The proposed expansion of the block contract will deliver improved outcomes for Children in Care and will secure best value for money as it will secure a competitive rate and reduce the need for spot contracts at potentially higher rates. Therefore the proposal is supported from a procurement perspective. Advice provided by Jo Pettifor (Procurement Team Manager) on 05/07/2021. Advice provided by Jo Pettifor (Procurement Team Manager) on 19/07/2021.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 02/08/2021
Catherine Underwood (Corporate Director for People)
SIGNED and Dated: 28/07/2021