

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker	Executive Lead Member for Children's Services
Date:	19 January 2024
Title:	Children's Services Procurement – Approval to spend
Report From:	Director of Children's Services

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Purpose of this Report

1. The purpose of this report is to seek approval to spend in relation to the Children's Residential Care, Supported Lodgings accommodation and Adoption Support Therapies, with contracts or call off contracts whose value will be over the £2,000,000 threshold in accordance with the County Council's Contract Standing Orders and Constitution.

Recommendation(s)

2. It is recommended that the Executive Lead Member for Children's Services gives the approval to spend for the Residential Care placements made under a Framework agreement to up to the value of £327,600,000 over an 8-year period from 1 October 2024.
3. It is recommended that the Executive Lead Member for Children's Services gives approval to spend for up to £10,000,000 over a 7-year period for the Supported Lodgings Accommodation in Hampshire with a contract start date of 1 June 2024.
4. It is recommended that the Executive Lead Member for Children's Services gives approval to spend for Adoption Support Therapies called off under an open Framework agreement for up to £3,600,000 over a 3-year period with an anticipated start date of 1 April 2024.

Executive Summary

5. This report seeks approval to spend in relation to the following:

- Children’s Residential Care, spend up to £327,600,000 over a maximum 8-year period.
 - Supported Lodgings Accommodation, spend up to £10,000,000 over a 7-year period.
 - Adoption Support Therapies, spend up to £3,600,000 over a 3-year period.
6. Funding for the children’s residential care and supported lodgings accommodation contracts will come from existing Council revenue budgets. It supports services delivering Children’s Services statutory duties.
 7. Funding for adoption support therapies will initially be paid from the Council revenue budget and subsequently recovered in full from the government’s Adoption Support Fund (ASF). It supports services delivering statutory duties in relation to adoption support.
 8. This report seeks to
 - set out the background to the projects.
 - consider the finance for the projects and the impact on the budget.
 - highlight the impact the projects have on the performance of the County Council.

Contextual information

Children’s Residential Care

9. Hampshire County Council’s Children’s Services Directorate has a statutory duty to provide or procure placements for Children Looked after (Children in Care). This is set out in the Children Act (1989). This has since been strengthened by the introduction of Sufficiency Statutory Guidance (2010) and the Care Planning, Placement and Case Review Regulations (implementation was April 2011).
10. There is a duty of ‘sufficiency’ that requires local authorities to ensure that, through direct provision or commissioned services, a range of placements sufficient to meet the needs of all children in care are available locally or that there is a plan in place to move towards that position.
11. The County Council has a responsibility as the corporate parent to ensure that the children we care for in residential care are happy, healthy and safe from harm. They should be in a positive and stimulating environment and be supported to foster positive relationships and encouraged to achieve their learning ambitions and aspirations.

12. The current children's residential framework ends on 30 September 2024, and a new framework is therefore required to ensure continuity of statutory service provision under a compliant contractual mechanism.
13. The new children's residential framework will enable effective call off contracts for the provision of residential care placements from suppliers who have bid to join the framework; meet the minimum service requirements; who have had the appropriate due diligence checks undertaken and signed up to the relevant terms and conditions.
14. It is anticipated that the County Council may join approximately 16 other local authorities forming a collaborative children's residential framework. While one of the primary aims is to secure places as close to the child's family home and established networks, membership of the collaborative framework provides access to a larger group of suppliers offering a greater range of settings to ensure the most appropriate placement.
15. The Collaborative Children's Residential Framework will be tendered in 2024 for the service to commence in October 2024. While a definitive decision is yet to be made regarding the length of the Framework, it is predicted that this will be between six and eight years, therefore permission is being sought for potential spend up to eight years.
16. It is proposed that procurement for the new collaborative residential framework will be undertaken by the lead partner, Southampton City Council, with input and financial contributions from all other partners. The lead partner will undertake the procurement, hold the contract administration of the framework including the functional contract monitoring arrangements, which would be disseminated to contributing partners as appropriate. All call off placements under the framework would be managed by the relevant partners.

Supported Lodgings Accommodation

17. Hampshire County Council's Children's Services Directorate has a duty to accommodate all homeless young people aged 16 and 17 years and care leavers up to the age of 25, under statutory legislation (Children Act 1989 (as amended by Sections 17(6) and 22(1)), The Children Leaving Care Act 2000, The Children and Social Work Act 2017, Housing Act 1996 (as amended), The Homeless (Priority Need) Order 2002) and the Homelessness Reduction Act 2017. Care Leavers aged 18-20 years, and Young People aged 16-17 years who are not a 'relevant child' or a 'Child In Need' owed an accommodation duty under S20 of the Children Act, are in 'priority need' for assistance if homeless.
18. There is a duty of 'sufficiency' that requires local authorities to ensure that, through direct provision or commissioned services, a range of placements

sufficient to meet the needs of all children in care are available locally or that there is a plan in place to move towards that position.

19. The County Council has a responsibility as the corporate parent to ensure that children in supported accommodation are happy, healthy and safe from harm, they should be in a positive and stimulating environment, and be supported to foster positive relationships and encouraged to improve independence skills.
20. The current children's Supported Lodgings Accommodation contract ends on 31st May 2024, and a new contract is therefore required to ensure continuity of service provision.
21. The new contract will enable effective provision from suppliers who have tendered for the service and meet the minimum service requirements; have had the appropriate due diligence checks undertaken; agreed to the relevant terms and conditions as well as being quality assessed. The terms and conditions of the contract will take account of The Supported Accommodation (England) Regulations 2023 and the introduction of Ofsted registrations to the supported accommodation sector for young people aged 16 and 17.
22. The Supported Lodgings Accommodation contract will be tendered in 2024 for a service start date of 1 June 2024. The contract will have a maximum term of seven years.

Adoption Support Therapies

23. Local authorities and Regional Adoption Agencies (RAAs) have a statutory requirement to ensure adopted children and their families are supported.
24. Through accessing the Adoption Support Fund (ASF), local authorities or RAAs can commission targeted therapeutic packages for adopted families for children and young people up to the age of 21, or 25 with an education, health and care plan, to:
 - Improve the child's emotional health and wellbeing.
 - Develop positive behaviours.
 - Address child to parent violence.
 - Address sexual boundaries and behaviours.
 - Improve the child's engagements with learning.
 - Improve family life and relationships.
 - Support parents/child by developing skills in therapeutic parenting.The initial purchase of these therapeutic packages is commissioned by the RAA or local authority, however, this is reclaimed as these interventions are fully funded by the ASF.

25. The Adopt South Regional Adoption Agency is an unincorporated partnership, whose partners include Southampton, Portsmouth, and the Isle of Wight. Under the terms of the Partnership Agreement, the County Council has been appointed lead authority and hosts Adopt South.
26. As lead authority for the partnership, the County Council will undertake the procurement and be responsible for contract administration of the open framework, including the functional contract monitoring arrangements. All call off contracts would be commissioned and managed by Adopt South. As Adopt South is not a legal entity in its own right, the County Council will enter into the open framework agreement and any call off contracts made under it on behalf of Adopt South.
27. In the financial year 2022/23 £800,000 was spent across the partnership, and reclaimed through the ASF, on specialist assessments and therapeutic support through 429 individual spot purchase arrangements. The proposed procurement of an adoption support therapies open framework would enable call off contracts to be made compliant with the Public Contract Regulations 2015 and the County Council's Constitution.
28. The new open framework will enable effective provision of adoption support therapies from suppliers who have bid to join the open framework; meet the minimum service requirements; have had the appropriate due diligence checks undertaken and have signed up to the relevant terms and conditions.
29. The Adoption Support Therapies open framework will be tendered in 2024 for service commencement on 1 April 2024. The framework will have a maximum term of three years.

Finance

Children's Residential Care Framework

30. The spend approval sought for children's residential care is £327,600,000. This figure is based on actual spend for children's residential care, with the external market, for the financial year 2022/23, extrapolated for an eight year period from 1 October 2024, with percentage increases to account for annual inflation (at 3% p.a.) and growth of both capacity and need (ranging between 1 and 2% p.a.). This figure assumes 75% of placements made with the external market being purchased through the framework.
31. This maximum spend value includes any contributions to placements made from the Hampshire and Isle of Wight Integrated Care Board (HIOW ICB), and / or contributions from the Department for Education (DfE) Dedicated

Schools Grant, where placements are jointly funded between different organisations and/or education and social care.

32. Funding for children's residential care placements comes from existing revenue budgets.

Supported Lodgings Accommodation

33. The spend approval sought for supported lodgings accommodation is £10,000,000 based on current contract prices. This figure is projected across a seven year period from 1 June 2024, with percentage increases to account for inflationary increase by exception (2% p.a.) and growth of both capacity and need (ranging between 1 and 2% p.a.) to arrive at the spend for which approval is sought.

34. Funding for supported lodgings comes from existing revenue budgets.

Adoption Support Therapies

35. The spend approval sought for the adoption support therapy open framework is up to £3,600,000 total contract spend over a three-year period that is expected to start 1 April 2024. This is based on 2022/23 spend with an increasing projection for 2024 – 2027 in line with increasing application levels.
36. Spend commissioned by Adopt South on behalf of the partnership members for adoption support therapies is initially paid by the County Council, subject to approval of the Adoption Support Fund, then recovered retrospectively from the government's ASF. Therefore, whilst there is no permanent budget impact for the County Council, approval to spend is required to enable to the purchase and reimbursement mechanism.

Performance

Children's Residential Care Framework

37. Membership of the collaborative children's residential care framework will enable access to a larger volume of children's homes resulting in increased placements made through a contractual framework mechanism, therefore increasing sufficiency of residential placements, and reducing the volume of off contract spend. Placements secured through a framework are quicker to deliver at point of placement and providers are subject to regular contract monitoring.

Supported Lodgings Accommodation

38. Access to supported lodgings accommodation will enable young people to move through services and into appropriate independent accommodation, setting realistic expectations and assisting young people in sustaining permanent accommodation as they transition into adulthood.
39. Increasing capacity in the supported lodgings accommodation market ensures that there is more availability of placements in other supported accommodation services. Consequently, fewer placements will be made off-contract increasing sufficiency of the service. Increased uptake of support lodgings accommodation should also reduce the overall spend on support accommodation placements as this represents the lower cost end of provision within the Supported Accommodation sector.

Adoption Support Therapies

40. Through the provision of specialist assessment and targeted therapeutic packages, adopted children and their families receive interventions that focus on specific identified needs to support and strengthen long term, successful relationships between adopted children and their families.
41. Evaluation research to date has found that that through the provision of adoption support therapies improvements are observed in terms of child development; mental health and wellbeing; parental wellbeing; and parent child relationships were sustained in the longer-term. A large majority of respondents felt that the support they received had been beneficial for themselves, their children, and their family as a whole. Parents have felt that they better understood the needs of their children and have increased confidence in taking care of their children.

Consultation and Equalities

42. The proposed procurements would not be subject to formal consultation because they are statutory services and the mechanisms proposed for spending on these services are aligned to previous purchasing, therefore no new consultation is required. Stakeholders' engagement will inform the service specification for new contracts and contribute to defining Key Performance Indicators which support ongoing contract management.
43. *If equality impacts have been identified in the Equality Statement in integral Appendix B highlight any particular issues, explain any proposed mitigation and consider any other relevant factors that have been taken into consideration in formulating the recommendation.*

Climate Change Impact Assessment

44. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the County Council does.
45. A full assessment of climate change vulnerabilities has not been completed as the initial vulnerability assessment showed that the projects are at minimal risk from climate vulnerabilities. The provision of adoption support therapies does not involve any built infrastructure as part of the service delivery. Both the residential care framework and the supporting lodgings accommodation contract are county-wide, accommodation-based provisions. While we are aware that a particular setting may have an increased risk of climate change vulnerability, the County Council has no jurisdiction over the buildings. In commissioning these services, the specifications will be clear about the safety and suitability of any premises. In the case of children's residential homes and supported lodgings accommodation, Ofsted as the regulator, places requirements on registered individuals to ensure and review the appropriateness of the location and premises to ensure that children are safeguarded from avoidable hazards which would include any risks posed by climate change.

Conclusions

46. Approval to spend up to £327.6M through a **Children's Residential Care** framework, over an eight-year term, will ensure the County Council is able to continue to commission a range of statutory residential care placements, through a compliant procurement process.
47. Approval to spend up to £10M will enable the procurement of **Supported Lodgings** contract(s), with up to a seven-year term, which will be an efficient and effective means of providing statutory placements for children aged 16 – 17, through a compliant procurement process.
48. Approval to spend up to £3.6M for the commissioning of **Adoption Support Therapies Open Framework**, with a three-year term, which will ensure an efficient and effective mechanism, compliant with Public Contract Regulations 2015 and the County Council's constitution, for the supply of therapeutic services to support and maintain the stability of adoptive families. This spend is fully reclaimed through the ASF.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	yes

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.)

Document

Location

Executive Decision Record, Children's Services Procurement - Approval to Spend, 12 September 2018

[Appendix 1 \(hants.gov.uk\)](https://democracy.hants.gov.uk/)
<https://democracy.hants.gov.uk/>

EQUALITIES IMPACT ASSESSMENT:

49. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

50. Equalities Impact Assessment:

See guidance at <https://hants.sharepoint.com/sites/ID/SitePages/Equality-Impact-Assessments.aspx?web=1>

Insert in full your **Equality Statement** which will either state:

- why you consider that the project/proposal will have a low or no impact on groups with protected characteristics or*
- will give details of the identified impacts and potential mitigating actions*

EIAs:

- 486: Children's Residential Care
- 506: Supported Lodgings
- 516: Adoption Support Therapies

Are provided as separate documents.