

REPORT TO:	CORPORATE PARENTING PANEL (CPP) Wednesday 3rd July 2019
SUBJECT:	SOUTH LONDON COMMISSIONING PROGRAMME (SLCP) UPDATE
LEAD OFFICER:	JENNIFER WADE HEAD OF COMMISSIONING & PROCUREMENT
CABINET MEMBER:	COUNCILLOR ALISA FLEMMING CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE AND LEARNING COUNCILLOR SIMON HALL CABINET MEMBER FOR FINANCE AND RESOURCES
WARDS:	ALL
<p>CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:</p> <p>The work undertaken by the South London Commissioning Programme (SLCP) will contribute to a number of Corporate priorities including:</p> <ul style="list-style-type: none"> • Children and young people thrive and reach their full potential. • Children and young people are safe, healthy and happy, and aspire to be the best they can be. • Safeguarding children and young people and improve their outcomes. • Good, decent homes ensuring that all people including children have the opportunity to access a suitable home. <p>The work undertaken by the South London Commissioning Programme (SLCP) will facilitate the realisation of the Council's Equality Strategy objectives:</p> <ul style="list-style-type: none"> • To improve outcomes for children by providing a better start in life. • To achieve better learning outcomes for Children and Young People (CYP) by narrowing the attainment gap for those who are vulnerable. • To achieve better outcomes for children and young people by increasing the proportion that say they are listened to and able to influence. • To improve support for vulnerable people by making it easier for them to have more choice and control over their lives. 	
<p>FINANCIAL IMPACT</p> <p>The approximate annual spend across South London is:</p> <ul style="list-style-type: none"> • Special Educational Needs Independent and Non-Maintained Placements: Approximately £75 million. 	

- Looked After Children Residential and Independent Foster Care Placements: Approximately £90 million.

Across South London there are a large number of high cost placements in these areas and this is resulting in an overspend within LAC and the High Needs budgets. The South London Commissioning Programme has been established to work across borough boundaries and assist member boroughs with achieving efficiency savings as highlighted within this report.

At the end of 2018/19, LAC residential placements in the London Borough of Croydon overspent by £4.62 million against a budget of £2.196 million. There were 37 children in residential placements. This overspend is due to the increasing numbers of children in high cost residential placements.

The base budget in 2019-20 is £3.258 million. This will fund approximately 16 residential placements at an average cost of £4k per week. The current number of residential placements has risen to 40. If the level of placements remain at his level in 2019-20, there will be an overspend of approximately £5.5 million next year.

The London Borough of Croydon currently spends just over £12 million per annum on independent fostering placements. There is scope for the council to decide to use the independent foster care placements lot within the LAC framework to secure these services in the future.

The expenditure on SEND placements to the Non Maintained and Independent School sector in the London Borough of Croydon was £13.9 million in 2017-18.

1. RECOMMENDATIONS

- 1.1 The recommendation is for the panel to note the progress that has been made so far in relation to the South London Commissioning Programme (SLCP).

No decisions from this panel are required.

Reasons for urgency: *N/A*

2 EXECUTIVE SUMMARY

- 2.1 The South London Commissioning Programme (SLCP) is an award-winning partnership of 12 Boroughs' (Croydon, Merton, Bromley, Bexley, Sutton, Wandsworth, Lewisham, Greenwich, Kingston and Richmond, Lambeth & Southwark). The Programme was established by Croydon Council to collaborate on the strategic commissioning of good quality placements for children and young people with Special Educational Needs & Disabilities and for those who are Looked After.

- 2.2 The SLCP vision is:

“Together we will provide the opportunity for children and young people to reach their potential in a safe, caring & secure environment”

2.3 The SLCP is hosted by the London Borough of Croydon and currently has two active projects.

- Special Educational Needs & Disabilities (SEND) for the Independent School Sector (10 boroughs).
- Looked After Children (LAC) in residential or independent foster care provision (8 boroughs).

2.4 The total spend across all participating boroughs is approximately £165 million per annum. Since being formed in 2014, the SLCP has saved over £2 million for the partnered Boroughs as a result of joint working on the SEND project. Further savings are anticipated as the projects develop.

2.5 The aim of the Programme is to develop regional commissioning models which operate at sufficient size to provide economies of scale and a varied range of placement options. This approach seeks to achieve the following outcomes;

- Increased placement stability;
- Children matched to the right placements to meet their needs;
- Increase in high quality places for children and young people;
- Improved management of data and enhanced planning;
- Reduced use of spot purchasing;
- Opportunities to shape the market to deliver outcomes;
- Value for money for local authorities.

2.6 The SLCP will achieve this vision by working in partnership to secure high quality services that are needs-led, best value and deliver positive outcomes to children and young people.

2.7 The SLCP secured DFE Innovation Fund funding in 2017 for the development of an outcomes-based commissioning model for LAC residential care and independent fostering agencies. Following the development of this project, the tender for the joint procurement of these services is planned to be published in March 2020.

2.8 This report is intended to provide the panel with an update in relation to the next steps and future intentions of the South London Commissioning Programme.

3 PROGRAMME UPDATE

3.1 Programme Development:

3.1.1 The South London Commissioning Programme was established in 2014 by Croydon Council. What started as a partnership between four South London Boroughs has expanded to include twelve local authorities.

3.1.2 The partnership works across borough boundaries to improve outcomes for:

- **Looked After Children (LAC)** – through the commissioning of residential care and foster care placements across Croydon, Bexley, Greenwich, Lambeth, Lewisham, Merton, Southwark and Sutton;
- **Children and Young People with Special Education Needs and Disabilities (SEND)** – through the commissioning of independent and non-maintained provision across Bexley, Bromley, Croydon, Greenwich, Kingston, Lewisham, Merton, Richmond, Sutton and Wandsworth.

3.1.3 These services represent a combined commissioning spend of approximately £165 million per annum.

3.2 Achievements to Date:

3.2.1 To date, the SLCP has delivered significant benefits for member authorities. As a result of having a joint approach to managing annual fee increases the member boroughs have saved over £2 million from the SEND project, with further revenue savings projected.

3.2.2 On average, partner boroughs have received a return on investment of over 1,700% based upon their annual partnership contribution (through the SEND commissioning work).

3.2.3 The SLCP has been successful in securing over £1.7 million of grant funding to jointly implement an integrated commissioning solution for SEN and later an integrated commissioning solution for LAC on behalf of the boroughs.

3.2.4 In 2016, the SLCP established the first multi-borough dynamic purchasing system for the commissioning of independent and non-maintained placements for children and young people with SEN. This has enabled the boroughs to achieve improved prices and economies of scale when securing placements in the independent and non-maintained sector.

3.2.5 In December 2016, the DCS's in 6 of the 12 boroughs (London Boroughs of Merton, Croydon, Sutton, Bexley, Lewisham and Royal Borough of Greenwich) determined to work collaboratively to improve outcomes for looked after children and young people (LAC). They agreed to jointly implement an outcomes-based commissioning model for LAC residential care and independent fostering agencies. As part of this agreement, each borough has committed to:

- An investment of £30,000 per year.
- Providing suitable representatives from their boroughs for the Board (strategic level governance) and Operational Group (operational level governance) to develop and implement the model.

- Submitting a joint proposal to the DfE Social Care Innovation Programme to enable us to establish a blue print for sustainable sub-regional commissioning arrangements for LAC that is scalable across the country.

3.2.6 The key priorities within the successful DfE Innovation Fund bid were as follows:

- Development of a sub-regional outcomes-based commissioning approach;
- Build the capabilities of providers to encourage innovation within the market;
- To maximise our purchasing power to make efficiency savings and securing more choice of good quality placements;
- Analysis our collective data to identify trends, understand demand, review and develop a strategic sub-regional approach to sufficiency planning (such as dynamic purchasing, block contracting or cost and volume arrangements) to address the findings;
- Jointly manage and shape the market to encourage new providers to set up services that meet the needs of children and young people.
- Ensure children are safe at all times, progressing well, and being prepared for adulthood;
- Establish the culture change and environment necessary to implement an alternative way of working; and
- Develop a blueprint for sub-regional commissioning which is scalable across the country.

3.2.7 Lambeth and Sutton subsequently decided to join this initiative bringing the total number of participating boroughs to eight.

3.2.8 The aim of the LAC framework is to develop the sub-regional commissioning model which operates at sufficient size to provide economies of scale and a varied range of placement options. This approach seeks to achieve the following outcomes:

- Increased placement stability;
- Children matched to the right placements to meet their needs;
- Opportunities to shape the market to deliver outcomes;
- Positive interventions for LAC through innovative joint projects; and
- Value for money for local authorities.

3.2.9 The SLCP are actively engaging with stakeholders. A recent provider event attracted 134 providers. To ensure that children and young people input into project development and delivery, meetings have been arranged with the Children in Care Councils in each borough. Project reference groups have been set up by youth engagement teams across South London.

3.2.10 The partnership has made significant progress in improving the relationship with the market and shifting attitudes towards local authorities as customers.

3.2.11 By sharing provider intelligence across boroughs, we have confidence in the quality of the provision where our children and young people are placed.

3.3 Progress

3.3.1 Following the success of the SEND commissioning work, a business case for the LAC project was agreed by the members of the SLCP to include the commissioning of Children's Residential Care and Fostering.

3.3.2 A formal partnership is now in place with Link Maker who will work in partnership with the Programme to develop and host the IT platform that will assist with the management of the Integrated Commissioning Solution. This will enable the Partnership to develop the data set that will allow for the effective stimulation of the market. This should result in innovative solutions to the challenges we face, in terms of addressing gaps in provision, promoting high quality placements, and encouraging investment by providers and SLC members.

Deliverable	Progress
Implement outcomes-based commissioning approach	<ul style="list-style-type: none"> • Draft outcomes framework has been developed in partnership with providers (includes measurable KPI's to track impact). • Process of developing the Individual Child Agreement that will incorporate outcomes & measurements. • Established partnership with NAFP and ICHA (Fostering & Residential) to assist in the further development of the outcomes framework.
Engage the sector with one voice – market engagement	<ul style="list-style-type: none"> • Hosted 5 provider events (109 providers in attendance 22nd May). • Bi-weekly working groups to develop the ICS. • Contacted the Children in Care Council CiCC in each Borough & established an engagement strategy with children and young people. • Establishing bi-weekly CYP Reference Groups in each Borough (Croydon & Bexley established).
Develop a joint sufficiency strategy	<ul style="list-style-type: none"> • Needs Analysis completed for LAC & SEND. • Baseline provider costs are now known for existing placements across South London.
Implement an integrated commissioning solution (ICS)	<ul style="list-style-type: none"> • ICS developed and shared with member boroughs. • Options appraisal to identify on-line IT provider. • Formed a partnership with Link Maker. • Developing & testing the IT platform (Southwark). • Options appraisal DPS or framework completed.
Streamline QA & contract management	<ul style="list-style-type: none"> • QA post established. • Draft contract management framework being finalised.
Ensure sustainability & consider opportunities to scale	<ul style="list-style-type: none"> • Options Appraisal submitted to SEND & LAC Board for sustainability. • Link Maker will be available to up-scale across UK (cost to Boroughs for full package 4k).

4 CONSULTATION

- 4.1 Operational leads and service representatives from all participating boroughs have regular opportunities to influence SLCP development and delivery of agreed work streams.
- 4.2 SLCP engages with the market in relation to project progress and next steps in order to strengthen the position as a strong buyer and partner. The most recent event took place on 22 May 2019 where 134 suppliers were in attendance. Feedback received was positive.
- 4.3 A series of child and young people events have been undertaken by the SLCP's engagement support officer. Children and young people will be engaged to influence the development of referral forms and the IT platform.
- 4.4 Young people have reported feeling listened to and that engagement approaches have been friendly. Continued and sustained engagement will be maintained to capture feedback and input of CYP.

5 FINANCIAL IMPLICATIONS OF ESTABLISHING A FRAMEWORK

5.1 Revenue and Capital Projections

- 5.1.1. The table below sets out which provision participating boroughs have signed up to and the estimated annual spend for Residential and Fostering that is expected via the development of the framework.

Service Area	Estimated Annual Spend
Residential Care Provision	£50,264,202
Independent Fostering Agency Provision	£39,517,659

N.B. LB Croydon annual spend figures are for 2018-19. All other boroughs are 2017-18.

5.2 Risks

- 5.2.1 The LAC project is now in phase 3 – Development of the procurement documentation. This work is being completed in partnership with the member boroughs.
- 5.2.2 The current risks are highlighted in the table below:

Risk Category	Description	Risk Rating	Mitigation
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Service Delivery	Disruption to service provision as a result of procurement exercise	Low	<ul style="list-style-type: none"> Existing placement arrangements will be maintained.
Meeting Timescales	Failure to meet the deadlines for approvals, publication of tender, and service commencement.	Medium	<ul style="list-style-type: none"> Continued engagement with LAC board members, operational and service leads. Project plan with key dates, resource requirements and procurement strategy shared with member boroughs.
Framework Design	Framework does not address specific needs of all eight boroughs.	Medium	<ul style="list-style-type: none"> Engagement with contracting authorities to understand specific needs and demand. Representatives of participating boroughs involved in service design and development. Standardisation of documents/templates to improve effectiveness of Framework.
Legal	Design of Framework not compliant with PCRs	Medium	<ul style="list-style-type: none"> Ongoing legal involvement to ensure processes comply with PCR 2015. Care taken to ensure that PCR 2015 LTR mandatory requirements are adhered to in procuring a 'pseudo' type of framework. Tender documentation will set out how the framework re-fresh will be handled.
Data Protection	Issues regarding the way data is shared between the Council and the Contractor.	Medium	<ul style="list-style-type: none"> A Data Protection Impact Assessment is completed and will be reviewed regularly. Each borough will sign up to a data sharing agreement, ensuring all data is processed in accordance with Data Protection Legislation.
Market Capability	Suppliers, especially SMEs and the voluntary sector, experience difficulties in participating in the bidding process	Medium	<ul style="list-style-type: none"> Extensive engagement has been undertaken with providers. Additional market event will be held before the tender goes live. Tender process will include clarification window for bidders to ask questions. Helpline established to respond to queries during the tender.

Framework Providers	Insufficient number of providers awarded to Framework	Low	<ul style="list-style-type: none"> • Re-open Framework periodically to admit new entrants to the framework. • Extensive early market engagement being undertaken.
Contractual Obligation	Providers unable to meet contractual obligation	Low	<ul style="list-style-type: none"> • Ensure potential providers meet the standard requirements in relation to their technical and financial capability.
Contract Management	Objectives and outcomes of Framework not realised due to poor contract management.	Medium	<ul style="list-style-type: none"> • Robust referral process and contract management protocols will be implemented to maximise the benefits identified.
Financial Risk	Failure to achieve proposed cost benefits due to reduced competition among Framework providers and poor contract management.	Medium	<ul style="list-style-type: none"> • Refresh Framework periodically to maintain competition among suppliers. • Robust referral process and contract management to maximise the benefits identified. • Engagement with participating boroughs to ensure commitment to use the Framework. • Encourage placement teams to exhaust placement opportunities with Framework providers before using spot purchasing.
Financial Risk	An increase in Looked After Children (LAC) numbers and therefore costs - due to increasing demand pressures mirroring national trends	Medium	<ul style="list-style-type: none"> • Market development and capacity building using innovative solutions. • Re-open Framework periodically to admit new entrants to the market.

5.3 Future Savings/Efficiencies

5.3.1 The following efficiency savings are expected as a result of joint working via the SLCP:

- Better value for money through economies of scale with twelve London boroughs.
- Reduction in the number of procedures the contracting authorities have to run, therefore decreasing the time and costs linked to carrying out procurement.
- A more streamlined, standardised and efficient referral process.
- A reduction in the number of spot purchases made by participating boroughs.
- The original business case assumed that between 5%-8% savings on current spend can be achieved

6 DELIVERING THE NEW FRAMEWORK

6.1 Commissioning Solutions:

6.1.1 The single new framework is likely to be divided into 3 lots (subject to final agreement from our partner boroughs and the SLCP LAC Project Board):

1. Residential LAC Placements.
2. Independent Fostering Agencies.
3. Positive Interventions Through Innovation.

6.1.2 The first two lots will be attractive to existing and new providers from a wide geographical area. There is a high level of potential business for good quality providers that are admitted to the framework.

6.1.3 Increased levels of support should benefit providers and service users, leading to improvements in placement stability. There will be improved management and sharing of information to assist with placement planning in the wider geographical area.

6.1.4 The third lot reflects opportunities to stimulate and shape the market. This will allow member boroughs to collaboratively invest in market provision to benefit children and young people. Innovation may include;

- Tackling gaps in the market to create new provision.
- Encouraging providers to respond quickly to the needs of our children and young people.
- Investment in new premises to increase capacity.

6.1.5 The proposed length of the framework is eight years (4 years + 2 years + 2 years). This long duration for the framework will give providers a high degree of security, leading to investment in the service offer and a strong focus on raising the quality of the service offered.

6.1.6 SLCP will work closely with teams in all member boroughs to develop the framework, shape the market, and deliver outcomes for service users. This will be a continuous process linked to robust performance and contract management. It is intended that this collaborative model of commissioning will result in improved quality for service users, greater stability for providers, and significant cost savings for the member borough.

6.2 Ensuring the Quality of Providers

6.2.1 The SLCP will engage and work collaboratively with providers to further develop the social care outcomes framework and improve service delivery.

We will look to embed a good practice agreement with all providers. This will be enhanced on a regular basis.

- 6.2.2 We will organise regular good practice seminars and workshops through the provider forum. These events will focus on local and national good practice, developing shared resources, and establishing innovative projects as part of Lot 3 – Positive Interventions Through Innovation.
- 6.2.3 A performance monitoring schedule will specify performance indicators linked to the outcomes framework. This is being developed with member boroughs and providers and will set out KPIs and performance expectations.
- 6.2.4 The SLCP will look for opportunities for high quality providers to expand provision to meet gaps in the market. The framework will provide the stability and needs analysis data to give providers and commissioners the confidence to invest in new and expanded services.
- 6.2.5 There will also be a strong focus on social value with all providers required to develop a social value action plan. We will seek to create excellent practice in this area by using the resources of the member boroughs and our links to local organisations.

6.3 Next steps:

- Procurement of a Light Touch Framework to go live in March 2020.
- Further development of the IT Platform (standardised referral form, provider information, children and young people tool for engagement).
- Complete outcomes framework in partnership with participating boroughs.
- Start work on a Therapeutic Support Framework.
- Analysis Borough Management Information Systems.
- Produce market statement from gaps identified via data base (pipeline).
- Up-scale the IT Platform across boroughs.
- Increase the scope of the SEND project to include a joint approach to managing the Further Education sector.
- Develop and implement the quality assurance process for SEND.

6.4 Procurement Timeline

Activity	Proposed Date
Commissioning Intentions RP2 Report: LBC Commissioning and Contract Board Approval	11 July 2019
LBC Cabinet Delegated Approval	August 2019
Final specification agreed & tender documentation approved by LAC Board	End August 2019
OJEU Contract Notice dispatched	7 October 2019
Advertisement published	7 October 2019
Issue Invitation to Tender	7 October 2019
Expressions of interest deadline	11 November 2019
Tender return deadline	11 November 2019
Tender evaluation	November 2019 and December 2019
Tender Award Report RP3 Commissioning and Contract Board	16 January 2019
Cabinet meeting	24 Febraury 2020
Contract award	6 March 2020
Contract commencement	March 2020
OJEU Contract Award Notice dispatch	March 2020

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