

# Dynamic Purchasing System for SEND, IFA and Residential

Children and Young People's Services Select Committee  
June 2018

# What's the problem?



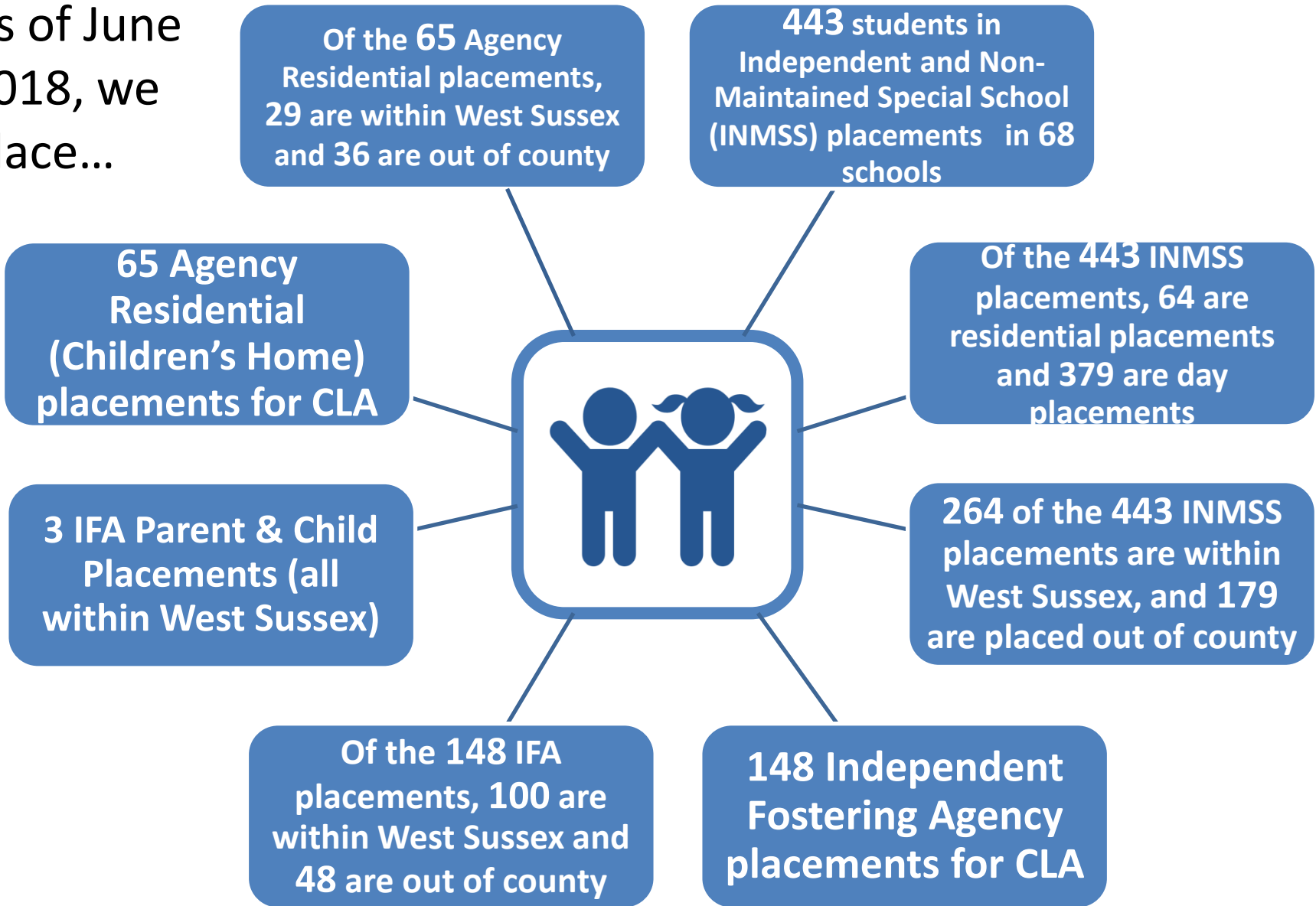
- To meet demand, we have a statutory requirement to secure external residential placements for children with Special Educational Needs and Disability (SEND) and for Children Looked After (CLA).
- We buy SEND day placements, SEND residential placements, Independent Fostering Agency (IFA) placements and residential CLA placements.



# What do we currently buy?



As of June 2018, we place...



# What does it currently cost?



As of June 2018, this costs...

Of the £45.2 million total spend, £23.2 million on SEND placements and £22 million on Social Care placements

INMSS residential placements cost from £27,000 to £290,000 per year

Total spend of £45.2 million per year on SEND, IFA and Agency Residential placements

INMSS day placements cost from £9,450 to £84,000 per year

Average (median) cost of Agency Residential placements is £3,778 per week (£200k per year)

IFA placements cost from £331 to £1,925 per week (£17k - £100k per year)

Agency Residential placements cost from £2,131 to £7,900 per week (£110k - £410k per year)

Average (median) cost of IFA placements is £769 per week (£40k per year)

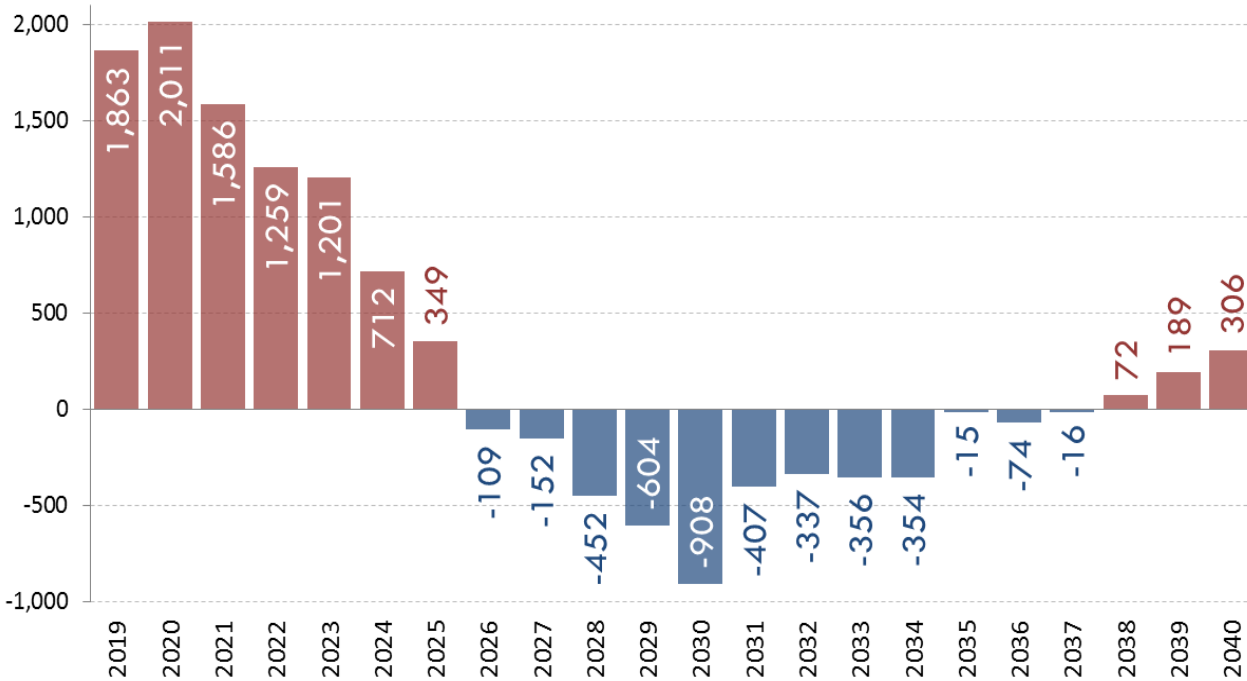


# What will demand look like in future?

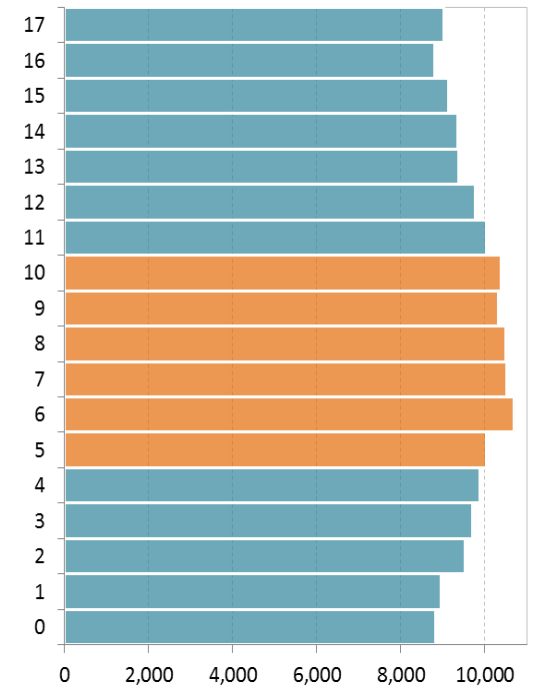


- The child (0-17) population is currently growing; latest projections released by the ONS predict an increase of almost 2,000 children from 2018 to 2019, more than 2,000 from 2019 to 2020 and then more than 1,000 per year for the next three years after that.
- West Sussex currently has a 'bulge' in the child population between the ages of 5 and 10 years. Over the next 5 years these children will reach the ages of 10-15; the majority of our agency residential placements are children aged 10-15.

Projected year-on-year change in 0-17 population of West Sussex, 2019 to 2040



Projected 0-17 population of West Sussex by age, 2018

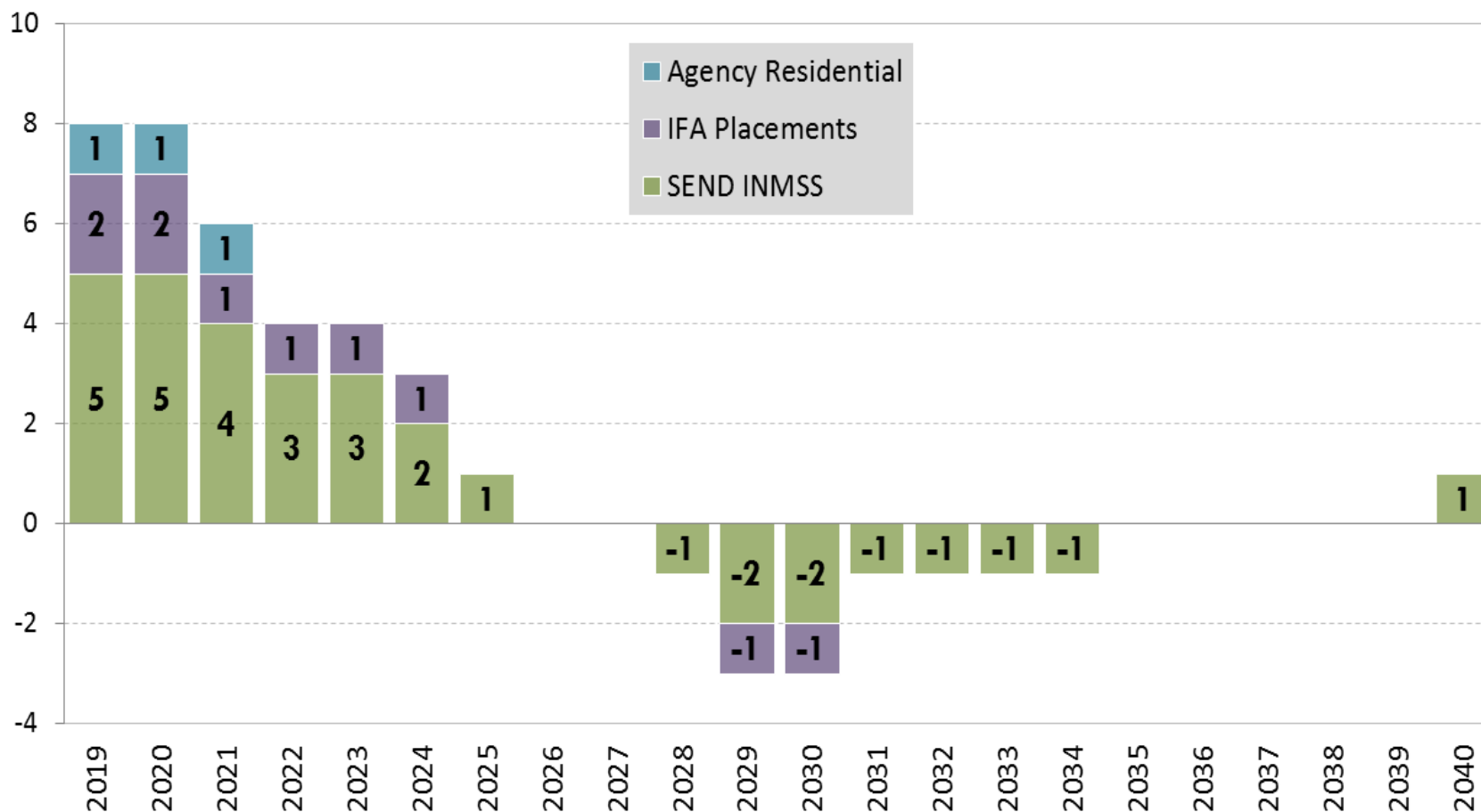


# What will demand look like in future?



- The chart below shows the effects of population growth alone on potential placement numbers. If rates of children in INMSS, IFA and Agency Residential placements per 10,000 children in the population were to remain static, we would see an additional 8 placements in 2019 (of which 5 would be INMSS placements), another 8 in 2020, six in 2021 and four each in 2022 and 2023

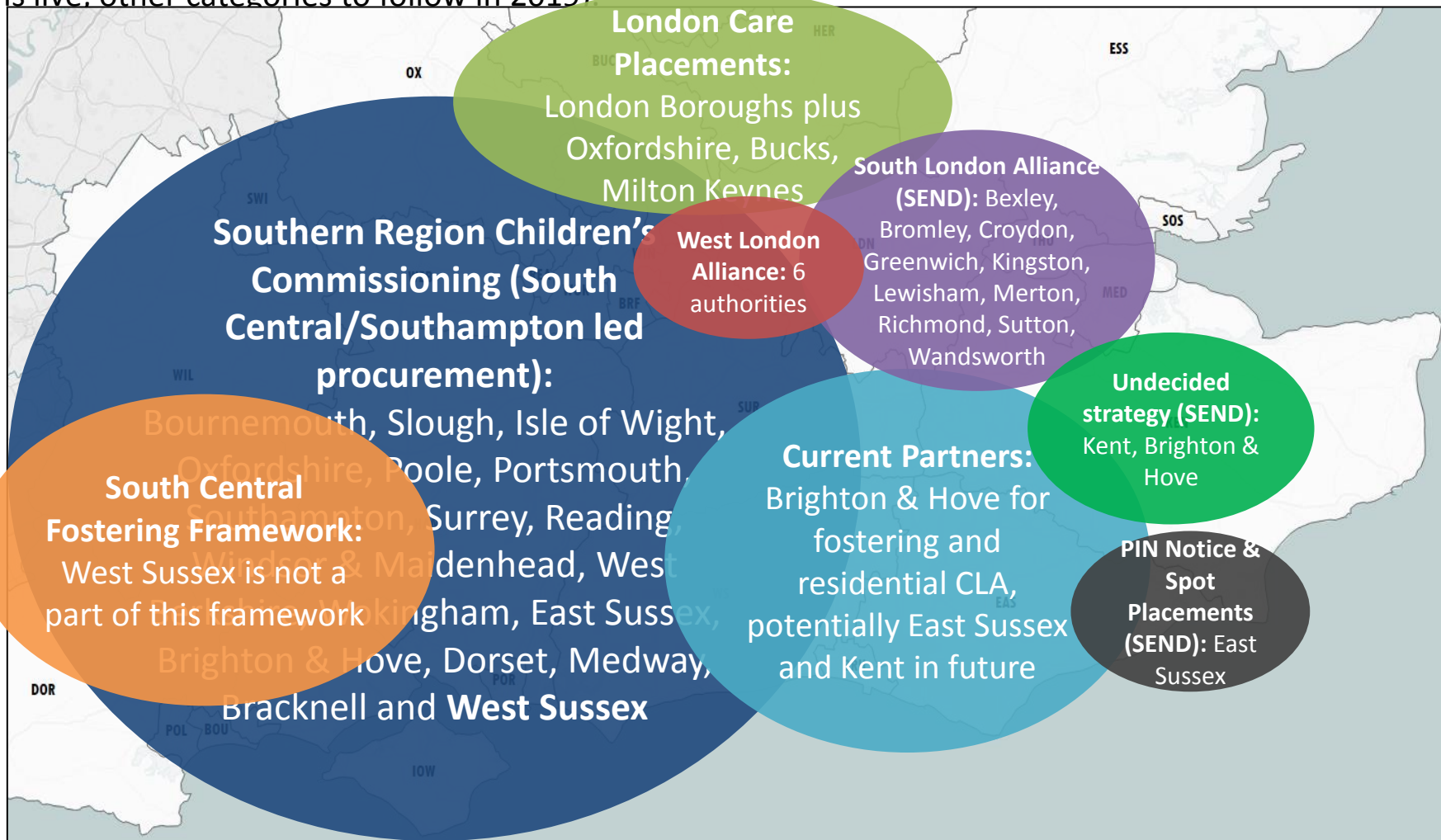
Projected year-on-year change in INMSS/IFA/Res placements if rates stay static



# How do we currently buy?



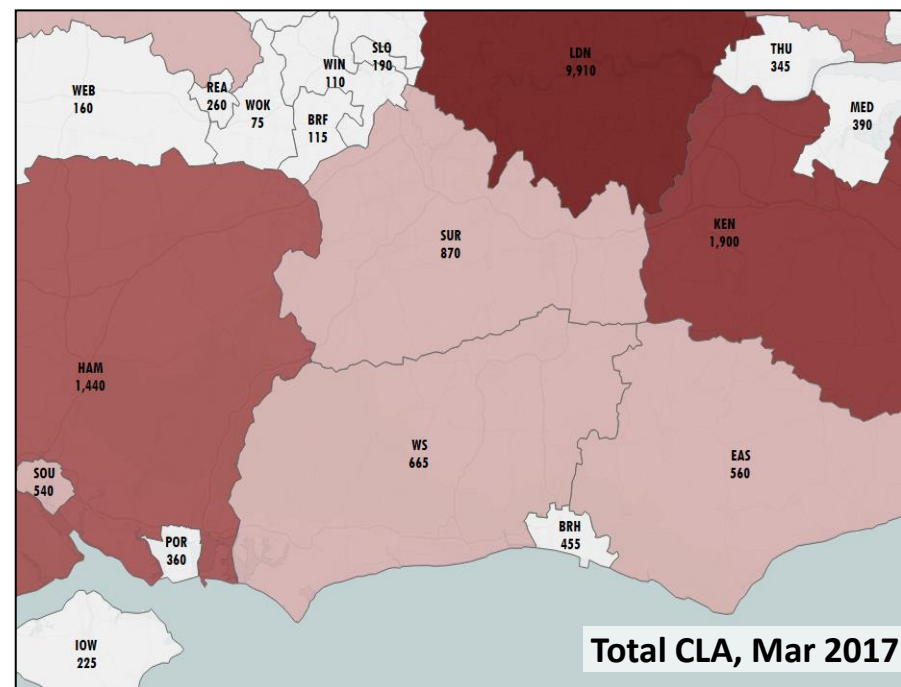
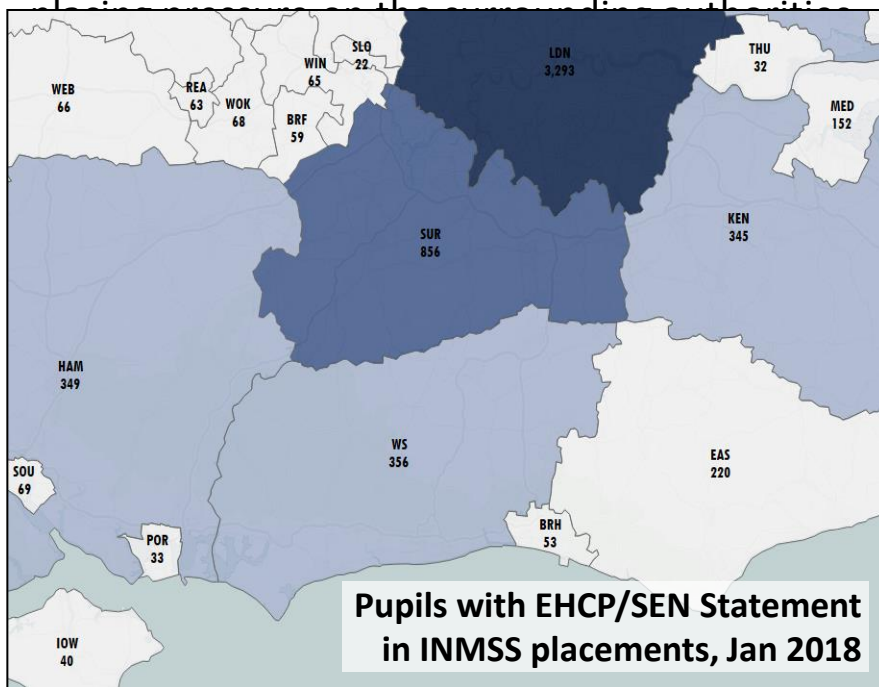
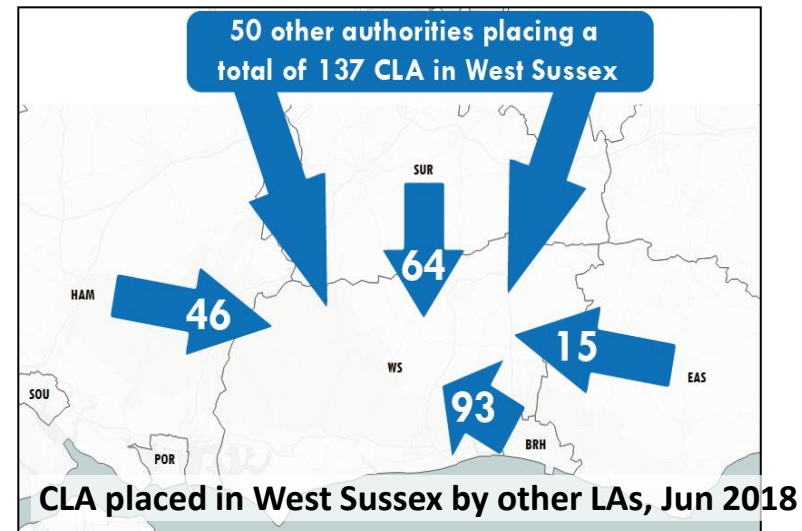
- We purchase via an assortment of frameworks, with spot purchases made outside of these frameworks also. The various frameworks cover different categories of placement, and all have different memberships. There are also some frameworks within the South East region that we are not part of. The South London Alliance is a multi-category DPS covering SEND, fostering and residential (only SEND is live, other categories to follow in 2019)



# Risks – Availability of placements



- There are currently 355 children placed by other LAs in West Sussex, including 78 in residential placements. Brighton & Hove are the top authority placing in West Sussex (93), followed by Surrey (64) and Hampshire (46). The total of 9,910 CLA in London places significant pressure on residential placements across the whole of the South East.
- Similarly for INMSS placements, there are over 3,000 such placements made by London Authorities, far exceeding the capacity of INMSS schools in London and placing pressure on the surrounding authorities.

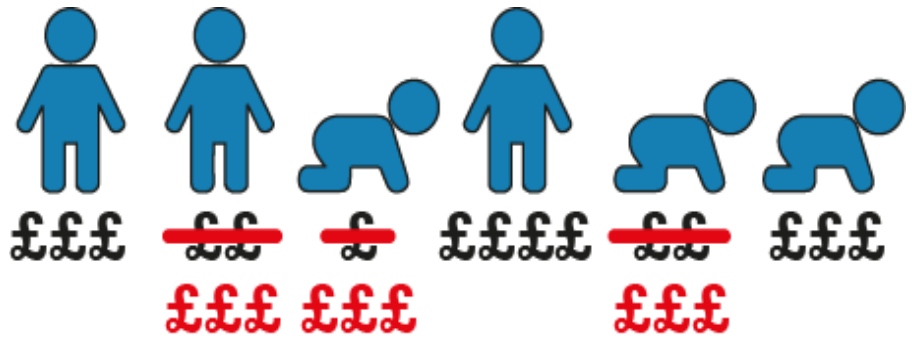




# Risks – Affordability of placements



- West Sussex currently has predominantly maintained low unit costs for residential CLA placements; however there is a risk that they could increase.
- For example; our current framework unit costs for residential CLA placements are lower than Hampshire, Surrey, East Sussex and London Borough's.

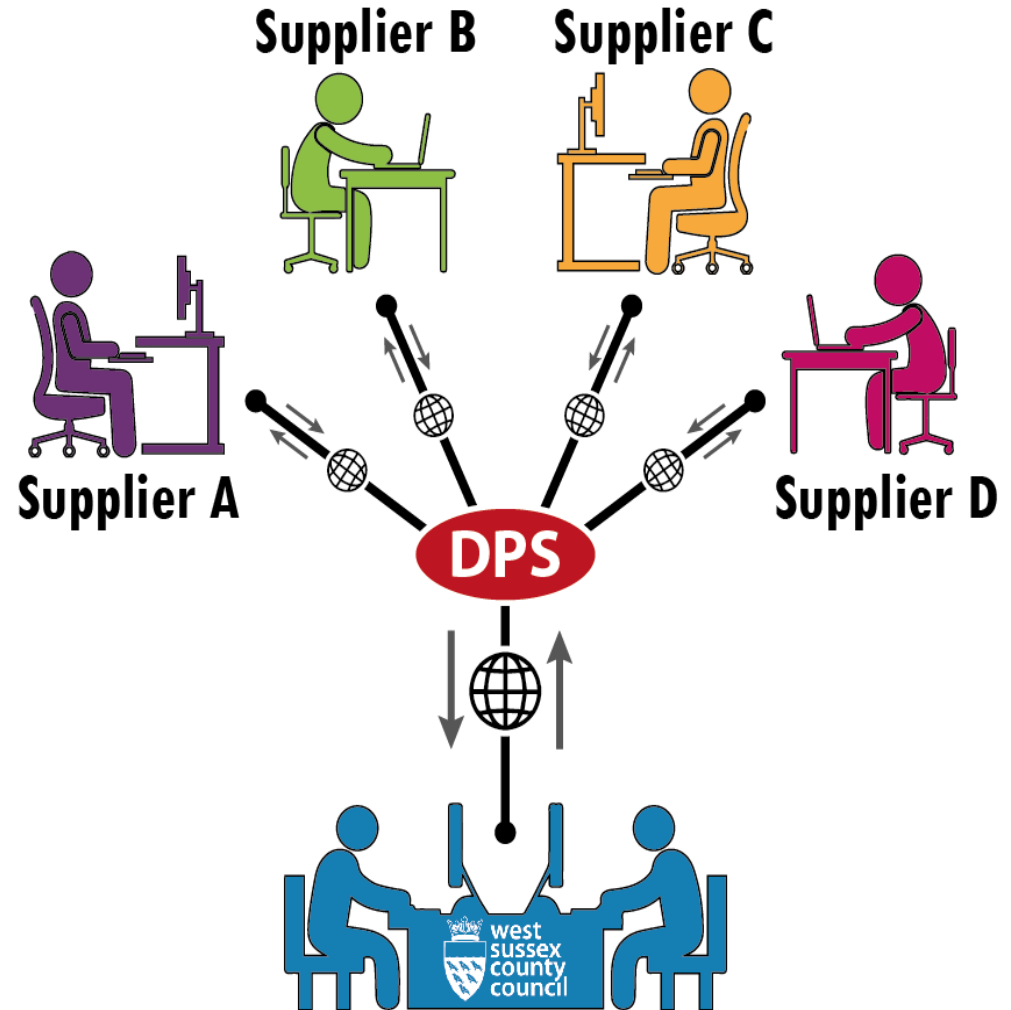


**£1.5 million**  
per year additional costs  
incurred if we paid  
Hampshire's unit costs for  
residential CLA placements

# What is a Dynamic Purchasing System?



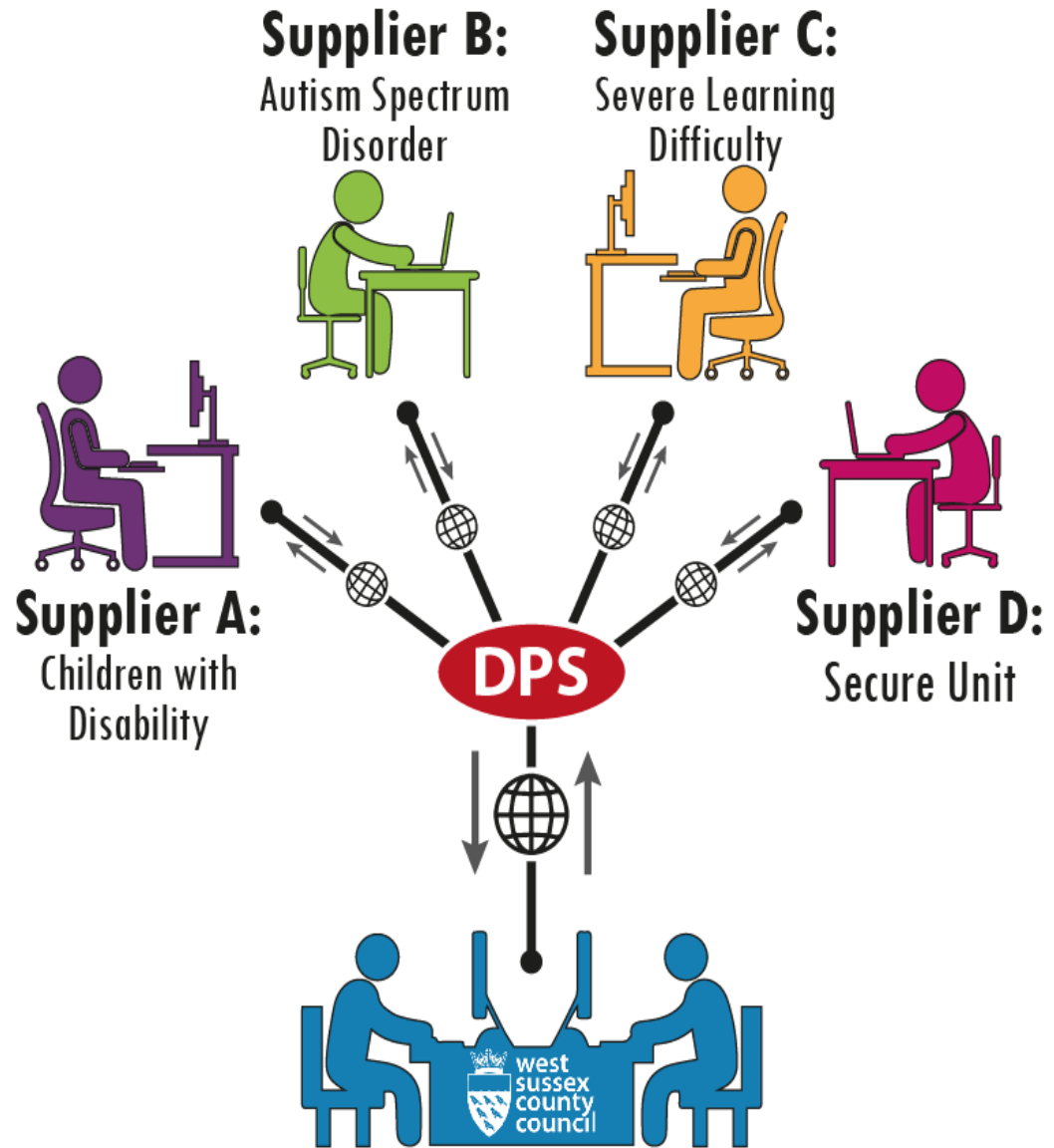
- An entirely electronic process for purchasing commonly used services, usually divided into categories; in this case, placements for Children Looked After or children with Special Educational Needs & Disability.
- Differs from existing electronic frameworks in that suppliers can join at **any time**.
- Joining is free, with no limit on the number of suppliers who may join. All suppliers meeting selection criteria must be allowed to join.
- WSCC sends out invitations to tender via the DPS. Any supplier may choose to submit a tender in response. Bids are then evaluated and the winning contract(s) are awarded.



# What are the benefits of a DPS?



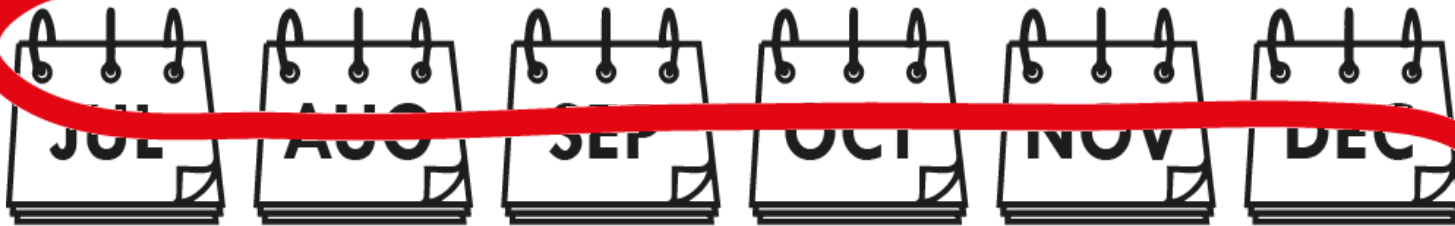
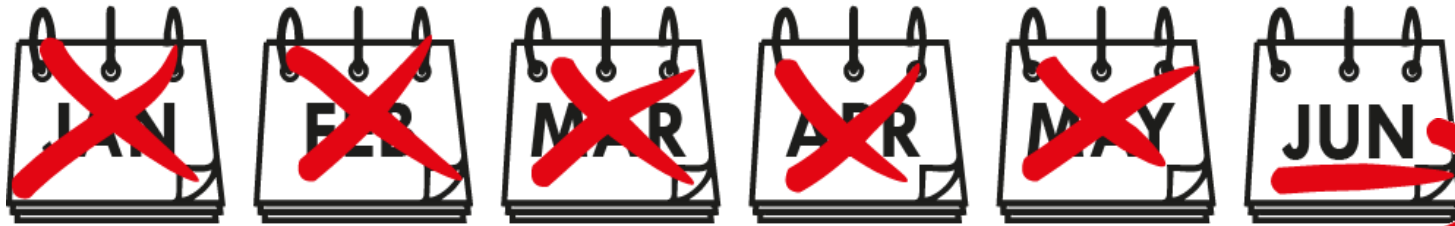
- Allows new suppliers to join at any time.
- Gives suppliers the ability to joint venture.
- Facilitates specialist provision.
- Allows greater influence over unit costs.
- Allows block purchasing.



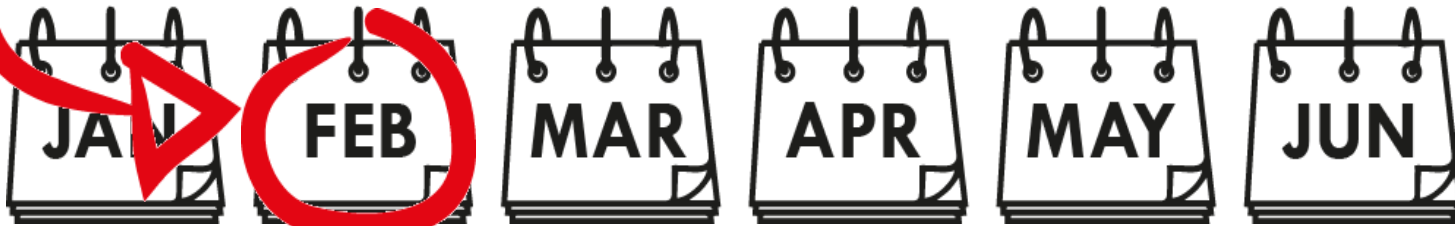
# When will it happen?



**2018**



**2019**



- Mobilised by February 2019