

DRAFT SAVINGS PROPOSAL

London Borough of Tower Hamlets
Medium Term Financial Strategy 2021-24

Proposal Title:	Efficiencies in Commissioning for Placements		
Reference:	SAV / CHI 006 / 21-22	Savings Type:	Procurement
Directorate:	Children & Culture	Savings Service Area:	Children Social Care
Directorate Service:	Children's Social Care	Strategic Priority Outcome:	2. Children and young people are protected so they can realise their potential
Lead Officer and Post:	Richard Baldwin; Divisional Director, Children's Social Care	Lead Member and Portfolio:	Cllr Danny Hassell, Cabinet Member for Children and Schools

Financial Impact:	Current Budget 2020-21	Savings/Income 2021-22	Savings/Income 2022-23	Savings/Income 2023-24	Total Savings/Income
Budget (£000)	17,200	(425)	-	-	(425)

Staffing Impact (if applicable):	Current 2020-21	FTE Reductions 2021-22	FTE Reductions 2022-23	FTE Reductions 2023-24	Total FTE Reductions
Employees (FTE) or state N/A	N/A	N/A	N/A	N/A	N/A

Proposal Summary:

A saving of £425k is being proposed from efficiencies in commissioning for placements.

Cost reduction will be collectively achieved by the following:

1. Utilising existing and recent commissioning activity of placements which deliver value for money (VFM) following the completion of a competitive tendering process. Commissioned placements help reduce the need to spot purchase, often at inflated costs. Savings primarily derived from two sources: new Semi-Independent Accommodation framework for care leavers; and new North East London residential framework for children in care.
2. Future commissioning activity will focus on high cost placements, with a view to maximising current contracts, frameworks, and collaborations.
3. Refining practice of providers and frontline CSC teams to support young people to maximise benefits for which they are eligible to receive. In the context of placements, the received benefits will fund rents and service charges.
4. Solidifying and utilising joint funding arrangements with the Clinical Commissioning Group (CCG)

Risk and Mitigations:

The SIL provider marketplace is unregulated and populated with a high percentage of providers that renege on agreed costs for placements once the placement has been confirmed. In part this risk was mitigated by LBTH commissioning a framework, however some providers have been removed due to not adhering to the contractual arrangements that have a financial impact to the Council.

Initiating mini competitions from established and credible providers on the framework will limit the amount of occasions where LBTH must terminate placements and contracts with providers who do not adhere to the terms and conditions of the framework.

Resources and Implementation:

No further resource implications, however further commissioning activity will need to be added to the commissioning forward plan, and where required prioritised above other areas that may not provide the same savings.

SAVINGS PROPOSAL – BUDGET EQUALITY ANALYSIS SCREENING TOOL

Trigger Questions	Yes / No	If Yes – please provide a brief summary of how this impacts on each protected characteristic as identified in the Equalities Act 2010. This will need to be expanded in a full Equality Analysis at full Business Case stage.
Does the change reduce resources available to address inequality?	No	
Does the change reduce resources available to support vulnerable residents?	No	
Does the change involve direct impact on front line services?	Yes	Some of the commissioned placements are designed to bring CYP closer to LBTH so that frontline professionals such as Social Workers reduce the time travelling and can better use that time with CYP.
Changes to a Service		
Does the change alter who is eligible for the service?	No	
Does the change alter access to the service?	Yes	Some of the placement savings are dependent aligned to dampening demand through the delivery of early intervention.
Changes to Staffing		
Does the change involve a reduction in staff?	No	N/A: The savings relate to externally commissioned services.
Does the change involve a redesign of the roles of staff?	No	N/A: The savings relate to externally commissioned services.

Summary:

To be completed at the end of completing the Screening Tool.

Based on the Screening Tool, will a full EA will be required?

Yes

Additional Information and Comments: