

# **Cabinet**

**3 March 2026**

## **Procurement arrangements for specified services for Children's Services.**

### **For Decision**

**Cabinet Member:**

Cllr C Sutton, Children's Services, Education & Skills

**Local Councillor(s):** N/A county wide

**Senior Leadership Team:**

P Dempsey, Executive Director of People - Children

**Report author and job title:** Kelly Henry Head of Service Good Care Provision, Safeguarding and Business Support.

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**Statutory Authority:**

**Report status:** Public (the exemption paragraph is N/A)

**1. Executive summary**

- 1.1 Children's Services are responsible for commissioning a range of services. Some of these services involve procurements with delegations attached to them enabling named officers to make decisions, in conjunction with the Lead Member where appropriate.
- 1.2 Through these procurements the Council has been able to ensure there are sufficient homes for children in care and care experienced young people, sufficient educational provision and sufficient support services for children and families. This has met needs by increasing local capacity where it has been required.
- 1.3 Some of the delegations date back to 2021, market costs have risen materially since delegations were last approved in, driven by regulatory changes and national market pressures.

- 1.4 All Childrens Services contracts delegation and arrangements have been reviewed to ensure they remain up to date and compliant. This review has resulted in the need to ensure arrangements cover the extent of the procured services for Supported Housing for Young People and arrangements for securing of placements at independent non maintained special schools and specialist post 16 placements are clarified, as set out in Appendix 1.

## 2. **Recommendation(s)**

Supported accommodation.

- 2.1 Cabinet approves the budget and funding allocations to procurements within Appendix 1 and delegates authority to the Executive Director of People – Children’s, in consultation with the Cabinet Member for Children’s Services, Education & Skills and the Corporate Director Finance & Commercial / Chief Financial Officer & S151 officer to procure and award contracts, or release agreed funding to third parties delivering services, for any procurement within Cabinet approved Appendix 1 provided the cost is contained within the Children’s Services budget.
- 2.2 Cabinet approves the re-opening of the existing, previously approved procurement framework to support ongoing commissioning activity within Children’s Services, without the requirement of further Cabinet approval of openings.
- 2.3 Note that these frameworks have already been formally established in line with procurement regulations and governance procedures.

Independent non maintained special school and specialist post 16 placements.

- 2.4 Note the arrangements for securing placements at independent non maintained special schools and specialist post 16 providers which is operated in accordance with the Special Educational Needs & Disability (SEND) Scheme of Delegation see paragraph 3.6 below.

## 3. **Reason for the recommendation(s)**

- 3.1 To draw together several previous delegations against individual Children’s Services budgets to ensure consistency of approach and to ensure appropriate oversight and authority is in place to allow sufficient services to be procured to meet the needs of children and young people.

## 4. **The report**

## Supported Accommodation

- 4.1 In 2021 Cabinet approved Dorset Council's Children's Social Care Placement Sufficiency strategy and associated procurements. Supported accommodation for Children in Care and Care Leavers has been procured but the cost of this has increased above the amount Cabinet approved in 2021. Additional supported accommodation also needs to be procured to meet requirements on Dorset Council to provide accommodation to children who have entered the UK seeking asylum and being unaccompanied by their parents.
- 4.2 Supported Accommodation has become a regulated activity through Ofsted since 2023, and while this is a welcome development, leading to improved standards of provision for children and young people, it has contributed to increased costs to providers, including organisational and registered manager registration costs required by the regulator.
- 4.3 The Competition and Markets Authority concluded in 2022 that the social care market for homes for children was not a functional market, having been monopolised by private equity firms leading to consolidation of smaller providers into larger organisations making outsized profits.
- 4.4 Our response has been to structure the delegated procurement as an open framework, allowing us to develop partnerships with local private providers and voluntary sector organisations, prior to committing to block contracts. Annual reviews of pricing via open book account scrutiny before the Commercial Board has facilitated influence over inflationary pressures and managed costs.

## Externally commissioned specialist school and college placements

- 4.5 Local Authorities have a duty under Section 42 of the Children and Families Act to secure education provision as set out in a child or young person's Education Health and Care Plan (EHCP). Typically, such needs can be met within mainstream settings (including Resourced Provisions), or a local special school. In some instances, such as a lack of suitable provision, a third-party provider must be commissioned. Such providers are known as independent and non-maintained special schools and specialist post 16 institutions (INMSS and SPIs). Such placements are funded through the High Needs Block (HNB). The cost of such placements can vary significantly depending on the complexity of need, but indicatively, forecasts in Autumn 2025 were for 307 FTE placements at an average cost of £66,300 (a total of £20,354,100 per annum).
- 4.6 In line with good practice nationally, Dorset's approach is:

- to have in place overarching contacts with INMSS/SPI providers (where block contracts are not in place), with contract management and Quality Assurance arrangements; working with regional LAs to establish framework arrangements where possible (this is severely limited due to the nature of the market which is provider led due to national legislation)
- when the need for an INMSS/SPI placement is identified, a search is carried out of INMSS/SPI which can meet need, options are presented to the Multi Agency Resource Panel, and decisions made on the most appropriate provision in line with the child's Education & Health Care Plan, such decision making is governed by the SEND Scheme of Delegation
- an Individual Placement Agreement is then established (a contract for the specific placement)

## **5 Alternative options considered**

- 5.1 The alternative option would involve all procurements above the key threshold decision level to be brought to Cabinet on an individual basis for approval. This could result in an un-coordinated approach and lead to delays in meeting need, incurring additional costs. Children and young people have specific needs and require very timely decision making, for example to ensure a placement is secured before a provider becomes full again or to prevent a gap in provision.

## **6 Legal considerations**

- 6.1 The Children Act 1989 (Section 22G) requires local authorities to take steps that are reasonably practicable to secure sufficient accommodation for children and young people under their care who cannot live at home and whose circumstances indicate that it would be in their best interests to be accommodated within the local authority's area, so that they can see their family and stay at the same school. This is commonly known as the 'sufficiency duty.'
- 6.2 Local Authorities have a duty under Section 42 of the Children and Families Act to secure education provision as set out in a child of young person's ECHP.

## **7. Financial implications**

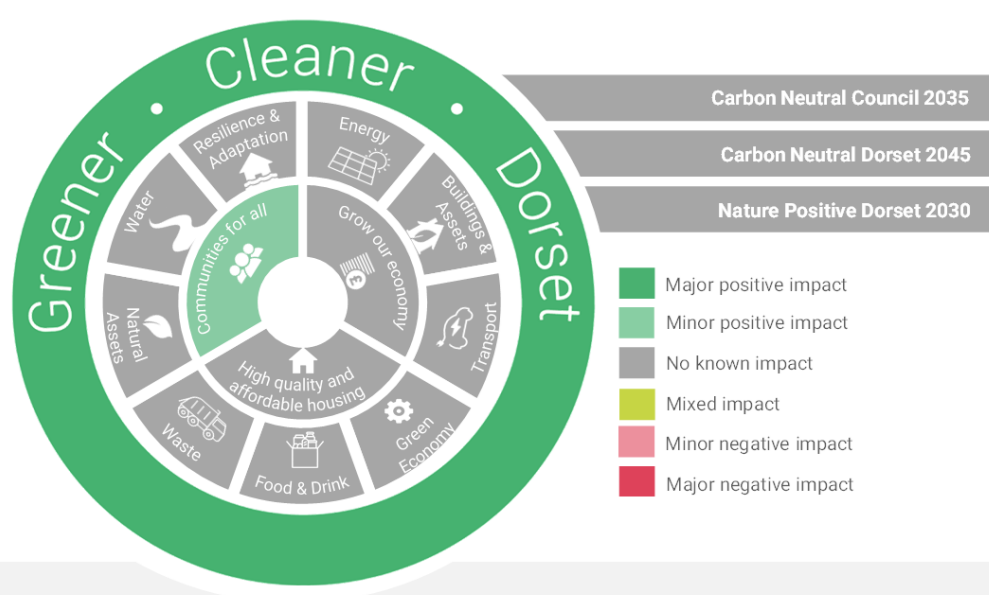
- 7.1 The aim of the Children's Services sufficiency strategies and these procurement arrangements is to contribute to a reduction in spend on children's social care, and to ensure that spending in these areas deliver value for money (including financial sustainability for the High Needs Block) and makes a positive impact on outcomes for children.

7.2 For accommodation, service budgets have identified the funding required for the procurement set out in this report, which are from existing placement spend and reimbursements from central government for accommodating unaccompanied asylum-seeking children.

7.3 Spend against INMSS and SPI placements is funded from the High Needs Block (HNB) of the Dedicated Schools Grant (DSG) which is in significant deficit. This decision requested in this paper does not positively or negatively affect this position.

## 8. Natural environment, climate & ecology implications

8.1



### Quantitative Impact on CEE targets (if known)

2030 - Natural asset extent & condition

Unit

Number of units (+/-)

Ha

Unknown

2040 - Operational Emissions

CO<sub>2</sub> (tonnes)

Unknown

2050 - County Emissions

CO<sub>2</sub> (tonnes)

Unknown

|                    |                 |
|--------------------|-----------------|
| Energy             | No known impact |
| Buildings & Assets | No known impact |
| Transport          | No known impact |
| Green Economy      | No known impact |
| Food & Drink       | No known impact |

|                                   |                       |
|-----------------------------------|-----------------------|
| Waste                             | No known impact       |
| Natural Assets & Ecology          | No known impact       |
| Water                             | No known impact       |
| Resilience and Adaptation         | No known impact       |
|                                   |                       |
| <b>Corporate Plan Priorities</b>  | <b>Impact</b>         |
| High quality & affordable housing | No known impact       |
| Grow our economy                  | No known impact       |
| Communities for all               | Minor positive impact |
| Climate and nature crisis         | No known impact       |

## 9. Well-being and health implications

- 9.1 A lack of adequate and sufficient supported accommodation for young people in our care may result in young people being placed in higher-cost provision or in settings that do not appropriately meet their needs. This may also lead to an increased number of children being placed at a significant distance from Dorset at significant cost and adding pressure to services that support them as well as moving them further from their home and connections. In addition, there is a need for a broader range of specialist education provision for children whose needs cannot be met within mainstream settings, both of which could have a negative impact on their wellbeing and health.

## 10 Other implications

### 10.1 N/A

## 11. Risk implications

### 11.1 **HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:**

Current Risk: High

Residual Risk: Low

- 11.2 There are no direct impacts arising from a decision of Cabinet to grant delegated authority for new providers joining the Supported Housing for Young People framework or noting the arrangements in respect to the purchasing of INMSS and SPIs.

## 12. **Equalities**

- 12.1 No EQIA has been undertaken as the decision of Cabinet to grant delegated authority for new providers joining the Supported Housing for Young People framework or the internal agreement in respect to the purchasing of INMSS and SPIs does not directly impact our children, young people or communities.

## 13. **See Appendix 1**

## 14. **Background papers**

- 14.1 Children's Provision Report (Including Supported Accommodation Procurement) ([Public Pack](#))[Agenda Document for Dorset Council - Cabinet, 19/01/2021 10:00](#), pp. 119-147.
- 14.2 Strategy: Sufficiency of Homes for Children 2024-27 [Decision - Children Sufficient Places - Dorset Council](#)
- 14.3 Competition and Markets Authority (2022) [Children's social care market study final report - GOV.UK](#)
- 14.4 [Main findings: children's social care in England 2025 - GOV.UK](#)

## 15. **Report sign-off**

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

## Appendix 1 - Procurements

| No. | Contract Description               | Portfolio / Portfolio Lead     | Executive Director | Contract Term (Initial) | Term Extensions Beyond Initial (Recommended) | Estimated Spend Over Initial Contract Term | Spend Extensions Beyond Initial (Recommended) | Potential Market Route      | Risk Category | Comments                                                                                                                                                                 |
|-----|------------------------------------|--------------------------------|--------------------|-------------------------|----------------------------------------------|--------------------------------------------|-----------------------------------------------|-----------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Supported Housing for Young People | Children's / Cllr Clare Sutton | Paul Dempsey       | 5 years                 | 1 year + 1 year                              | £13,664,000                                | £7,200,000                                    | Call off from Framework/DPS | High          | Contract start date 1/4/2023. Light touch rules apply. Extensions value reflects increase in provision to meet increased statutory duties from Year 4 (2026-27) onwards. |