

## **Appendix 1** to be read in conjunction with section 1 of the report

Procurement management information

8 March 2019

### **Non conformance**

Reports from managers on non-conforming spend for the month of July 2018 are provided below.

Reports on low level spend (less than £5,000) have not been requested by the procurement manager and so do not appear below.

#### **1. Adult services**

**99% conformance**

**£44,157 non-conforming spend**

##### **1.1. Dennis Edwards for Foodservice - £10,691**

The in-house residential care homes take advantage of spot purchasing to source food, including the use of promotional deals. This has enabled the catering manager, who works across the 5 in-house units, to broker discounts from other suppliers such as in this case Dennis Edwards. These discounts, plus shopping around across supermarkets and small independent shops has seen a cost saving of approximately £40,000 in the last year. Work is continuing via the catering manager to train kitchen cooks to work in a more business-like approach to the ordering of food.

Procurement manager's assessment of risk: Medium (ongoing spot purchasing needs to be assessed in context of aggregate spend, which may exceed EU threshold over time, and possibly within 4 years).

##### **1.2. The Open University - £12,364**

We currently use the Open University for our PCC Sponsored route to social work qualification for staff working in Adults' and Children and Families services. There is currently no other part time option available. There is a new Social Work Degree apprenticeship launching in September 2019 so we will begin to procure the social work qualification through our DPS and use the apprenticeship levy to pay for it. We will still need to use the OU for the next two years as the degree is a 3-year programme and we have people who will need to undertake years 2 and 3 as we won't be able to transfer those onto the apprenticeship.

Procurement manager's assessment of risk: Low

##### **1.3. Allsop and Francis Ltd - £5,198**

This was the purchase of three washing machines for Harry Sotnick House. When the previous supplier left and Hampshire County Council took over running the service a number of urgent purchases were required to ensure continuity of service to the residents of this care home of which this is an example. Contracts are being put in place to cover future need.

Procurement manager's assessment of risk: Low

##### **1.4. Partnering Health Ltd - £5,267**

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This was the provision of medical and nursing services for Harry Sotnick House. When the previous supplier left and Hampshire County Council took over running the service a number of urgent purchases were required to ensure continuity of service to the residents of this care home of which this is an example. Contracts are being put in place to cover future need.

Procurement manager's assessment of risk: Low

### **2. Children's services and education**

**73% conformance**

**£524,041 non-conforming spend**

#### **2.1. V Care 24 Limited - £30,523**

This was residential care for high risk young people with very challenging behaviours, who could not be placed in Portsmouth due to the risks to them and in some occasions criminal behaviour. V Care 24 Ltd provided individual placements within a residential provision in a rural location. All placements have ended and we will not be using this firm again Work will continue to develop the market to increase provision where possible.

Procurement manager's assessment of risk: Low

#### **2.2. South Gloucestershire County Council - £24,900**

This relates to a placement in a secure unit following the court granting a secure order. We have to apply through a central hub for secure accommodation and have to wait for our young person to be accepted by the unit and then a placement offered. An individual contract is then drawn up and signed by the director.

Procurement manager's assessment of risk: Low

#### **2.3. Keyword Central Ltd t/a Street Support - £30,110**

Individual contracts are in place for each young person, all of whom are unaccompanied minors. Street Support offers semi-independent housing accommodation in shared provision for 16+. Once reaching 16-17 most of our unaccompanied minors are moved from fostering placements to Street Support. There is limited similar type of accommodation within the Portsmouth area which is also more expensive.

Procurement manager's assessment of risk: Low

#### **2.4. Fairways Care (UK) Ltd - £19,769**

This relates to residential semi-independent provisions for post 16 and encourage young people to develop independence skills. As in all cases searches for vacancies were carried out with providers to see who had suitable placements and vacancies. Individual contracts were signed by a director. There is a Post 16 Semi Independent framework being developed and this provider has been asked to register their interest and tender for the framework so ensure future compliance.

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Procurement manager's assessment of risk: Low

### **2.5. Residential education provision - £341,088**

- **Cambian Group Ltd - £203,088**
- **Barford Children's Services Ltd - £17,936**
- **Priory Central Services Ltd - £66,029**
- **Keys Group Ltd - £54,036**

These are all contracts with specialist providers of residential and education provision. All involve special educational needs and disability (SEND) young people, and referrals are sent out to those specialist providers. Although there is a Children's Residential framework being sent up not all providers will join the framework and also there are parental wishes to take into account as they have a say over which provision they want their child to go to. We are looking into the possibility of joining West Sussex County Council dynamic purchasing system (DPS) for SEND provision, but some providers will not join frameworks.

Procurement manager's assessment of risk: Low

### **2.6. SEND High Needs/ Element 3 Top-Up Funding - £7,863**

- **OLA Schools - £7,863**

This relates to Portsmouth SEND pupils who attend schools outside Portsmouth. Top-up funding is the funding required over and above the core or place funding an institution receives, to enable a pupil or student with high needs to participate in education and learning. This is paid by the local authority which places the pupil or student and should mainly reflect the additional support costs an institution incurs relating to the individual pupil or student's needs. Top-up funding can also reflect costs that relate to the facilities required to support a pupil's or student's education and training needs (either for individuals or on offer to all), and can take into account expected place occupancy levels and other factors. This funding is allocated by local authorities to institutions from their high needs budgets and is sometimes known as element 3 (E3). Top-up funding is paid from the high needs budget of the local authority in which the pupil or student is resident or to which they belong. If the cost of providing for a pupil with high needs is more than allocated through the core or place funding, the local authority will allocate the institution this additional top-up funding to enable a pupil or student with high needs to participate in education and learning.

The E3 funding is given to the LA by the DfE on an annual basis and this is then managed by the LA on behalf of the DfE. If a young person is assessed as having extra support needs that will cost more than £6,000, the Local Authority (LA) must provide 'top-up funding' to cover the rest of the cost. Top-up funding rates are for local authorities to agree with schools and academies and should reflect both the needs of the individual and the cost of meeting those needs, there is no cap to top-up funding per young person.

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No matter what school these students go to, PCC are required to pay the top up funding over the first £6,000. Sometime these schools are outside of area. The reason that students attend schools outside of Portsmouth is in some cases due to parental preference, in other cases where the children are LAC (looked after child) and are attending the nearest school to their placement, and in some cases the PCC SEND team have placed the student out of the city due to their needs.

For out of area schools based in Hampshire and the IOW the council are in which the school is based requests payment rather than the schools directly. This is because Hampshire and IOW offer an SLA to schools to undertake this work and then make payment to the schools.

Procurement manager's assessment of risk: Low

### **2.7. Ministry of Justice Shared Services - £15,456**

Children's Social Care at times need to place young people in secure residential placements following a Secure Order from the Court. There are a limited number of secure beds in the country and secure placements are made following an application to the central referral unit in Hampshire. Referrals are then submitted to providers who have vacancies at the time, therefore PCC have no control over what provider the placement is made.

There are two main pathways into a secure placement: the 'youth justice' or 'welfare' routes. Either a child is remanded or sentenced to detention through youth justice legislation; or a family court authorises a child to be detained under s25 of the Children Act 1989.

Procurement manager's assessment of risk: Low

### **2.8. The Open University - £8,784**

We currently use the Open University for our PCC Sponsored route to social work qualification for staff working in Adults' and Children and Families services. There is currently no other part time option available and the OU route has been in place since 2000. The Open University have declined to join our DPS and there is nothing else available to us. There is however a new Social Work Degree apprenticeship launching in September 2019 so we will begin to procure the social work qualification through our DPS and use the Apprenticeship levy to pay for it. We will still need to use the OU for the next couple of years as the degree is a 3-year programme and we have people who will need to undertake years 2 and 3 as we won't be able to transfer those onto the apprenticeship.

Procurement manager's assessment of risk: Low

### **2.9. Family Futures CIC - £8,784**

Adoption Services part funded therapy for a family provided by Family Futures. If further spend is anticipated an appropriate contract will be set up.

Procurement manager's assessment of risk: Low

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### **2.10. Home School Tutoring - £6,752**

When a Looked after child is not in education the Virtual School provide home tutoring so that the child does receive a certain amount of hours per week education. A waiver will need to be put in place.

Procurement manager's assessment of risk: Low

### **2.11. Jamma Umoja Integrated Services Ltd - £11,307**

This was a placement where the council had offered a parent and child placement in house, which subsequently broke down and we took back to Court to ask for separation. However the Court ordered that we placed Mother and Baby at the named Assessment Centre. PCC had to sign up to their Terms & Conditions.

Procurement manager's assessment of risk: Low

## **3. Community and communication**

**100% conformance**

## **4. Culture, leisure and regulatory services**

**96% conformance**

**£16,905 non-conforming spend**

### **4.1. VIP System Ltd - £8,774**

This is the "taxi plate supplier" for the 1300 or so licensed vehicle plates issued each year together with windscreen discs, plate brackets and other sundries. We are reviewing the processes associated with taxi plates currently and are likely to implement changes that may result in a spend reduction for the future.

## **5. Finance and information services**

**98% conformance**

**£4,667 non-conforming spend**

## **6. Housing, neighbourhood and building services**

**99% conformance**

**£22,385 non-conforming spend**

### **6.1. Alma Road Hostel - £12,492**

Housing Options are experiencing higher than expected levels of demand and all the local crisis provision for Bed and Breakfast accommodation for individuals/families pending a homeless decision is at capacity. The Authority have a provision to supply accommodation until a decision has been made to allow a discharge of their duty to the individuals concerned. Alma Road Hostel is based in Southampton and is providing additional support to meet the capacity issues within the city.

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### **7. HR, legal, audit and performance**

**100% conformance**

### **8. Portsmouth international port**

**100% conformance**

### **9. Public health**

**100% conformance**

### **10. Regeneration**

**98% conformance**

**£7,063 non-conforming spend**

### **11. Capital schemes**

**99% conformance**

**£30,681 non-conforming spend**