**PRIOR INFORMATION NOTICE**

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ESTIMATED VALUE: £TBC

TERM: January 2024-March 2025 [with potential for 3, 12-month extensions]

We plan to launch a procurement in late October 2023.

DESCRIPTION OF SERVICES:

The Department for Education committed, in [Stable Homes, Built on Love](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1147317/Children_s_social_care_stable_homes_consultation_February_2023.pdf), to commission an external organisation to deliver national support with forecasting, procurement and market shaping to local authorities, in advance of subsuming this function into a regional model over time. This commitment was made in response to recommendations in a [review by the Competition and Markets Authority (CMA)](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1059575/Final_report.pdf) into the children’s social care placements market.

To ensure that the national support is effective, we think that an element of evidence gathering is required up front to fill evidence gaps and to identify what data local authorities are collecting, how they currently go about forecasting, commissioning and market shaping, what works well, what their challenges are and what we can do to support them. We expect that this would take 3-4 months and consist of:

* Carrying out local authority deep dives/engagement to analyse and understand current practices and determine tools currently used in respect of forecasting demand and market shaping across a selection of local authorities nationally.
* Assessing and understanding the current local market and the sector appetite for change. Setting out and highlighting the benefits of adopting a standardised approach and the specific need for national support going forward.
* Producing a report highlighting the practice identified around forecasting, procurement and market shaping and proposing how this can be built on to enable local authorities to better and more accurately forecast their future demand.
* Identify what skills are needed to do this work effectively and identify any potential skills gaps.
* Assessing and making recommendations for how the RCC pathfinders could test new approaches to data collection, analysis, forecasting and market shaping on a regional level and what systems/support they need to do this.
* Considering information gathered through local authority engagement and plan how best to deliver support as part of the second phase of the contract.

Based on the findings of the research/evidence gathering phase, we expect the next phase to take approximately 12 months until March 2025 with a possibility of extension for 2-3 years to deliver national support that may include:

* Help to spread identified best practice in forecasting, procurement and market shaping, and support the implementation of these approaches in local authority areas.
* Supporting local authorities and RCCs to identify their individual skills gaps and plan how to address them.
* Help local authorities to develop new and improved ways to forecast future demand, utilising the recommendations from the research/evidence gathering phase.
* Deliver market shaping support to local authorities to enable them to clearly communicate their forecast needs to providers and incentivise them to create and maintain sufficient appropriate provision to meet these needs.
* Provide a clear focus on achieving best value for money for the public
* Work with the RCC pathfinder regions to input into the co-design process with local authorities and other partners and support their approach to regional data collection, analysis, forecasting and market shaping.
* Provide clear recommendations to help build a robust evidence base in the longer term – identifying how forecasting, market shaping, and procurement could best be undertaken by a national network of RCCs once we have rolled these out to achieve better outcomes for children and savings to the public purse.

Policy background

The Competition and Markets Authority (CMA) launched a market study in 2021 into the children’s social care placements market in England (Scotland and Wales). Their findings, [published in March 2022](https://www.gov.uk/government/publications/childrens-social-care-market-study-final-report), concluded there were serious failings with how the placements market is functioning and attributed some of these failings to poor procurement and commissioning, and an inability within local authorities to accurately forecast demand.

The CMA made a series of recommendations around improving commissioning, providing additional national support to local authorities with forecasting, procurement and market shaping.

In our implementation strategy response; [Stable Homes, Built on Love](https://www.gov.uk/government/consultations/childrens-social-care-stable-homes-built-on-love)*,* we agreed to commission a national organisation to take forward this work. This would seek to improve local authority commissioning and forecasting.

Also in [Stable Homes, Built on Love](https://www.gov.uk/government/consultations/childrens-social-care-stable-homes-built-on-love), we set out our support for the approach of a regional model for providing homes for children as set out in the Independent Review of Children’s Social Care, [published in May 2022](https://webarchive.nationalarchives.gov.uk/ukgwa/20230308122449/https:/childrenssocialcare.independent-review.uk/final-report/). We will work with local authorities to co-design RCCs and co-create pathfinders in two areas with a view to rolling out after testing and evaluating the best approach in conjunction with the sector. We recently started the application process for the RCC pathfinders. The application process will conclude on 20 October, and we expect to notify successful areas by the end of 2023. Funding for these pathfinders will run until the end of March 2025.