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Planning

Diversification of Children's Social Care Market - Preliminary Market Engagement (PME) Notice

Department for Education

UK2: Preliminary market engagement notice - Procurement Act 2023 - [view information about notice types](#)

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Scope

Description

Please note:

This PME does not signify the commencement of any procurement process and does not constitute any commitment by the Department for Education (DfE). If DfE decides to commence any procurement process subject to the Procurement Act 2023 as contemplated by this notice, a separate notice(s) will be published at the relevant time. This Notice has also been advertised on Find a Grant.

The DfE is keen to maximise opportunities to participate in procurement for Small to Medium-sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs). Consideration will also be given to consortia and collaborative bids from all forms of organisations subject to confirmation of a competitive tender process.

The Purpose

A Preliminary Market Engagement event is being undertaken to refine DfE's requirements and better understand the capacity and capability of potential partners to deliver a Social Investment Vehicle (SIV) to facilitate the entry of new providers into the children's social care placements market. We refer to any future potential partner as a "Social Investment Facilitator" (SIF). The SIV would blend public and social finance to enable capital investment in new or re-entering regulated providers, with a focus on Ofsted-registered children's homes.

During the event we will talk through the requirements in more detail and our journey thus far in developing our SIF option.

Background

Children's homes provide care for some of the most vulnerable children in our society. However, we know that the current children's social care placements market, of which children's homes are a key part, has been described as 'dysfunctional'. There is a significant regional imbalance in the availability of children's homes, resulting in many children being placed outside their local area. This not only negatively impacts the children but also leads to high costs for Local Authorities (LAs).

The DfE is exploring options as to how it can make best use of public funding to:

- (a) improve children's outcomes and meet the needs of LAs and looked after children by increasing capacity where it is most needed;
- (b) provide LAs greater choice over where to place the children in their care; and
- (c) boost market sustainability.

A route DfE is considering is a proposed new model of investment which would enable us to work alongside social investors. This would enable us to diversify the market by investing in new local authority, charity or other third sector provision where it is most needed, allowing government investment to leverage a greater overall budget.

Funding model options and eligibility

Organisations interested in acting as SIF should note that the DfE is still exploring options for the contractual funding model (whether under a grant or public contract), should the DfE decide to proceed with the project. It is therefore not yet clear whether this pre-market engagement will require further notices on the central digital platform or not but PME is voluntarily being conducted in accordance with the Procurement Act 2023 in the event that it should later be deemed to apply.

Within the last year, DfE has undertaken a range of desk-based research into potential

funding models which would help us achieve our goals, as well as engaging with the DfE's Market Interventions Advisory Group. As a result of a range of informal conversations with several operators in the social investment sector, the Department is considering a model involving the creation of a Children's Social Care Social Investment Vehicle (CSC SIV) and would like to share the considerations to date with a wider market.

Under this model, DfE would engage a SIF to administer the CSC SIV which would then contribute funding on their own account and secure additional funding from social investors. It is intended that by working with social investors, we will be able to increase the funding available by a multiplier of 2-4.

Eligible organisations, which may include charities and local authorities, could then bid for funding from the CSC SIV. We intend for this model to operate on a regional basis, targeting areas where there are placement shortages. The SIF would be responsible for management of the CSC SIV and the disbursement of funding to eligible organisations.

Contract dates (estimated)

- 1 April 2026 to 31 March 2029
- 3 years

Main procurement category

Services

CPV classifications

- 66100000 - Banking and investment services
- 66120000 - Investment banking services and related services
- 85311300 - Welfare services for children and young people
- 66171000 - Financial consultancy services
- 79412000 - Financial management consultancy services

- 85000000 - Health and social work services
- 85322000 - Community action programme
- 98000000 - Other community, social and personal services

Contract locations

- UKC - North East (England)
- UKD - North West (England)
- UKF - East Midlands (England)
- UKG - West Midlands (England)
- UKH - East of England
- UKJ - South East (England)
- UKK - South West (England)
- UKI - London
- UKE - Yorkshire and the Humber

Engagement

Engagement deadline

14 November 2025

Engagement process description

The Department for Education is holding a market engagement webinar via Microsoft Teams on Wednesday 1st October 2025 which will run for approximately 1 hour, 11am -

12pm. Following the webinar, a Microsoft Forms questionnaire for organisations to respond to will be sent out via Jaggaer (the department's e-sourcing system).

There are several ways to participate in this opportunity and register your organisation's interest in attending the webinar:

For organisations registered on Jaggaer:

1. If you are already registered on Jaggaer, please link through to project_10032 or ssq_563.
2. Please ensure full names, job titles and email addresses are provided via Jaggaer for those who wish to attend.

For organisations not registered on Jaggaer:

1. We aim to ensure all relevant organisations have the opportunity to participate and have contacted organisations we are currently aware of who are not registered on Jaggaer. If your organisation has not received an invitation, please email Families.COMMERCIALDELIVERY@education.gov.uk, stating your organisation name, names of attendees and job titles. We will send a Microsoft Teams invite directly to you with the joining instructions.

For organisations who wish to register on Jaggaer:

1. If you are not registered on Jaggaer and would like to set up an account for this engagement session, please view the "current opportunities" page at Jaggaer <https://education.app.jaggaer.com> and search for: project_10032 or ssq_563." This is not necessary for this engagement but please note that all future communications with DfE, including access to the post-webinar questionnaire and all additional market engagement activities will be held via Jaggaer.

Once you have located project_10032 / ssq_563., please confirm your interest by selecting "Intend to Respond" and "Submit" to receive full access to the opportunity. All relevant documentation will be made available in the Data Room.

All organisations who have expressed an interest in this opportunity, including those who are unable to attend the webinar, will have access to relevant information and any supporting notes which will be made available via the Data Room within project_10032 /ssq_563 at <https://education.app.jaggaer.com/>. This will include any questions or clarifications sent via email that would benefit all interested in the event.

One to one sessions

Following review of the post-webinar questionnaire we plan to hold one to one with organisations interested in fulfilling the Social Investment Facilitator role for further discussions. We would aim to conclude all meetings by the end of November 2025. These discussions will be formally structured with notes taken to ensure transparency and fair treatment of all interested participants. Should this be of interest please indicate desire to attend on the questionnaire.

Participation

Particular suitability

- Small and medium-sized enterprises (SME)
- Voluntary, community and social enterprises (VCSE)

Contracting authority

Department for Education

- Public Procurement Organisation Number: PDZG-3487-DPVD

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Region: UKI32 - Westminster

Organisation type: Public authority - central government