

13 July 2015**Agenda Item: 11****REPORT OF THE SERVICE DIRECTOR, CHILDREN'S SOCIAL CARE****BLOCK PURCHASE OF RESIDENTIAL CARE FOR LOOKED AFTER
CHILDREN WITH SOCIAL, EMOTIONAL AND BEHAVIOURAL DIFFICULTIES****Purpose of the Report**

1. To update Committee regarding the implementation of the Block Purchase of Residential Care for Children with Social, Emotional and Behavioural Difficulties (SEBD), and to seek approval to review the post contract award implementation arrangements.

Information and Advice**Rationale for undertaking the process**

2. Nottinghamshire's Looked After Children's Placements Commissioning Plan, agreed at Children and Young People's Committee in May 2014, identified that at least 40 SEBD residential care placements will be needed over the next 10 years, of which only 15 will be provided by existing internal provision. This assumed that Nottinghamshire will reduce the percentage of children placed in residential care from 11.5%, as it is currently, to the national average of 8% through increasing the use and stability of foster placements. In September 2014, following market consultation, the CYP Committee agreed a procurement process to identify two strategic partners to each provide 12 beds of SEBD provision.
3. Due to a shortage of good quality local provision, Nottinghamshire children in residential care are most likely to be placed out-of-county (when compared to other types of placements). At present, of the 52 young people in external residential SEBD care, only 42% (20 children and young people) are placed within Nottinghamshire. National evidence demonstrates that children and young people are less likely to go missing when placed closer to home. Placements are currently spread across 23 different providers, each with differing management structures, services and costs. Block contracting will simplify the contractual arrangements by working primarily with two strategic partners and internal provision.
4. The procurement exercise specifically required providers to detail their plans for opening new homes within the County borders and particularly in the North of the County as good practice is to place children and young people close to their communities.
5. By increasing provision within Nottinghamshire, children and young people in residential care are able to access local services such as Child and Adolescent Mental Health

Services (CAMHS) and Education and benefit from local universal services that are provided. The DfE, in recognition of the importance of placing children locally, issued further guidance in July 2014 that requires any 'distance placement' (defined as "a placement outside the area of the responsible authority and not within the area of any adjoining local authority") to be approved by the responsible authority's Director of Children's Services.

6. The block contract will reduce the cost of external placements. The average weekly cost of SEBD residential provision is in excess of £3000 per week. The block contract price is over 20% less and aims to achieve an annual saving of over £700,000. There are also additional savings to be achieved through social work / reviewing staff not having to travel out of County. The Council will also realise savings through not commissioning additional support services such as education and CAMHS as these are available to children and young people placed within Nottinghamshire.

The Process

7. Procurement activity initially began in summer 2014 with a series of market engagement events. The invitation to tender was published on 13 October 2014 and the procurement process was undertaken jointly with Nottingham City Council.
8. Seven providers submitted bids for this contract. After procurement checks were completed a total of four Providers were shortlisted. Providers had to evidence that over 75% of their existing provision was registered by Ofsted as being either 'Good' or 'Outstanding'; providers had to have viable financial and business plans and be able to evidence how they would be able to develop high quality provision within Nottinghamshire County.
9. Providers bids were then scored by a panel comprising the Service Managers for Children's Placements (City and County); the Service Manager for Residential Care (City); the Children's Service Manager for Looked After Children (County); Commissioning Officers from both City and County; and an additional question was scored separately by representatives from the Leaving Care group from the Children in Care Council.
10. The scores for each bid were verified by visits to residential establishments run by each of the shortlisted Providers; during the course of a week each establishment was visited by representatives from both City and County including the Service Managers for Children's Placements, two Commissioning Officers and representatives from City and County Children in Care Councils. A final award meeting was held to validate the scores on 30 January 2015.
11. The quality assessment accounted for 60% of the evaluation process; only once this had been completed was the financial package considered. The Council's commitment to providing good quality provision was demonstrated through this process, as although a bid was received that set a weekly bed price of over £1,000 less than our current average cost, the bidder's quality score was not sufficient for them to be awarded a contract.

12. The successful bidders for Nottinghamshire County Council were G4S Children's Services and Castlecare (The Priory Group), both of which had existing placements. The Block Purchase arrangement commenced on 1st April 2015 and gave a contract to each provider for 12 beds. The contract is for an initial term of 7 years with the option to extend to 10 years.
13. A procurement process of this scale typically costs in the region of £100,000.

Implementation

14. The contract formally commenced on 1st April 2015 but the development of new homes within the County was temporarily paused. It was regrettable that key stakeholders were informed of the intention to open new homes through the planning process rather than direct from the Council. In response to stakeholder feedback a series of consultation events have been set up. To inform future commissioning arrangements the Council will review the way in which local residents and stakeholders engage with the commissioning process and in particular the implementation of contracts.
15. A 'Matching Panel' was developed as part of the tendering process. The panel consists of representatives from the two external providers, the Service Manager for the internal provision, and representation from the Placements Team. The panel has now met three times and considered individual cases requiring residential provision. Matching has subsequently taken place across the range of providers. The panel is working well, promoting information sharing across services and allowing opportunity to consider longer terms plans for individuals.
16. The matching panel has successfully placed three young people within G4S provision and two placements have been made into Castlecare provision.
17. However, the establishment of new homes within County boundaries has been delayed. This is having a significant impact on the successful implementation of the contract. Not only is it undesirable to make placements out of County, the specification clearly identified that the children and young people placed within the block contract would be supported by local CAMHS and Education services at no additional cost.
18. Both providers have identified properties within the County boundaries and intend to submit planning applications. Once premises have been confirmed there is a further delay of 16 weeks to allow for Ofsted to register the homes. The strategic intention of having the most vulnerable children and young people within County boundaries will not be realised until new homes are opened.
19. Ofsted Children's Homes Regulations 2015 require providers to send a location assessment to Ofsted as part of the registration application. As part of this process, it is important for the provider to have a broad understanding of the characteristics of the area where a home is or may be located. Looked after children placed in deprived areas, perhaps far away from the authority responsible for their care, may face disadvantage and lack opportunities to enjoy and achieve in these communities. The considerations a provider of a new home will need to take into account, as they carry out a location assessment, include:

- whether the location of the home influences the potential for an already vulnerable child to be a victim of crime, such as being targeted for sexual exploitation;
 - whether there is a likelihood of children placed in the home becoming drawn into gang crime or anti-social behaviour in the local area;
 - the suitability of the local neighbourhood as a location to care for children who may have already been victims of abuse and neglect; and
 - whether there are environmental factors that would represent a hazard to children, such as locations near level crossings or busy roads.
20. Consultation events are arranged for early July to allow residents in the locality of the identified new homes to gain further information on the proposals ahead of planning applications being submitted.

Other Options Considered

21. None.

Reason/s for Recommendation/s

22. To ensure that learning from the initial implementation of the block purchase arrangements informs future commissioning activity.

Statutory and Policy Implications

23. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

24. The identified saving from the implementation of this contract is £811,000 per year. The part year saving for 2015/16 is £439,000 and this has been removed from the placements budget; any delay in implementation will result in additional budget pressure.
25. The contract allows for a steady 'ramp up' of placements with each provider. The Council is contractually obliged to pay for one additional bed each month until all 12 beds are commissioned. The Council is required to pay for the bed whether it is used or not. If the available spaces within the provider's estate do not meet the needs of the children and young people then the Council will end up double paying for the placement thus creating further budget pressures.

Safeguarding of Children and Vulnerable Adults

26. Research evidence and recent Serious Case Reviews into Child Sexual Exploitation suggest that children and young people are better safeguarded when placed nearer to home.

Implications for Service Users

27. The Block Purchase agreement will lead to a closer commissioning arrangement with external providers and will lead to better outcomes for Looked After Children. The 'No Labels' Children in Care Council were actively involved in the tendering process and will remain involved in the Quality Monitoring arrangements.

RECOMMENDATION/S

That:

- 1) the update on the implementation of the Block Purchase of Residential Care for Children with Social, Emotional and Behavioural Difficulties be noted.
- 2) Committee agrees to a review of the implementation process being undertaken with a view to informing future commissioning activity. The review will look at how best to incorporate the views of key stakeholders and local residents in future implementation activity.

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Constitutional Comments (LM 03/07/15)

28. The Children and Young People's Committee has delegated authority within the Constitution to approve the recommendations in the report.

Financial Comments (SS 01/07/15)

29. The financial implications of this report are contained within paragraphs 24 and 25.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Block Purchase of Residential Care for Children with Social, Emotional and Behavioural Difficulties (SEBD) – report to Children and Young people's Committee on 29 September 2014

Electoral Division(s) and Member(s) Affected

All.

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