

15 October 2018**Agenda Item: 6****REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE &
IMPROVEMENT AND SECTION 151 OFFICER****DN2 PARTNERSHIP CHILDREN'S SERVICES INTERVENTION
PROGRAMME****Purpose of the Report**

1. To provide members with an update including the outcome of the collaborative procurement exercise undertaken in partnership with Nottingham and Derby City Councils to deliver a Children's Services Intervention Programme that is delivered via a Social Impact Bond and for which the three Councils have secured £3m of government funding.

Information

2. Social Impact Bonds (SIBs) are a commissioning tool that deliver outcome-based contracts and make funding for services conditional on achieving results. Social Investors fund the upfront costs incurred by providers in delivering the services to children and young people and then receive payments based on the positive outcomes achieved for those children and young people. SIBs incentivise the investor and their partners to use evidence informed approaches, i.e. approaches that are known to deliver results, but provide the freedom to adapt their services to the needs of the children and young people throughout the contract duration.
3. The three Councils (known as DN2) have secured £3m of government funding, via its Life Chances Fund, to develop and establish the use of Social Impact Bonds to jointly commission evidence informed services that support children on the edge of care and in care to achieve better social outcomes through achieving stable family type placements and, where possible, to remain at home with their families. DN2 has commissioned an investor-provider consortium to deliver an appropriate range of specialist and evidence-informed interventions to support young people with challenging behaviours and complex needs and who:
 - a) currently live in residential care to step down to foster care; or
 - b) are currently living in foster care and at a high risk of placement breakdown, or of entering residential care, to remain in stable foster care; or
 - c) are currently Looked After by the local authority (LAC) but whom the Council is seeking to re-unify with their birth family or primary carers; or

- d) are currently defined as being *Edge of Care*, i.e. at risk of being taken into care, to remain safely with their families / primary carers.

The project aims to help approximately 160 Nottinghamshire children and young people over four year period during which individual cases may be referred to receive interventions and support from the SIB provider (out of a total of 400 children and young people across the three Councils)

4. As well as better social outcomes, the Council expects cashable efficiency savings to be delivered through commissioning the services through a SIB and these form part of the Children and Families Department's budget savings proposals over the coming years. The £3m of government funding will contribute approximately 25% of the payments made in relation to successful outcomes, which correspondingly reduces the financial risk to the Council. The remaining element of the payment will be made from existing budgets, though these payments – based on young people successfully remaining out of care and / or out of high cost residential placements – will be lower than the cost that the Council would otherwise have incurred in bringing these young people in to care and / or in paying for specialist residential care.
5. At its meeting on 20 November 2017, the Children and Young People's Committee approved the procurement of specialist technical and legal advisors with relevant sector knowledge and experience to assist the three Councils in progressing the project in line with the strict government guidance and timescales. At its meeting on 16 July 2018, the same committee gave approval to completing the procurement process and delegated authority to the Corporate Director for Children and Families, in consultation with the Chairman of the Children and Young People's Committee (or Vice Chair in their absence), to appoint the chosen bidder and enter into the relevant contract/s, subject to certain financial parameters in relation to the overall affordability of the programme.
6. The outcome of the recent collaborative procurement process is that Outcomes for Children (the Core Assets / Family Lives / Big Issue Invest consortium), will deliver the programme of interventions with the contract beginning in October 2018. A presentation will be made at the committee meeting to explain how the three Councils have collaboratively commissioned the investor-provider consortium, and how the contract will work and be managed over the coming 4+ years that it will be in operation.,

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

8. A Data Protection Impact Assessment is being completed for the project to ensure any information the Council might share with the successful consortium is compliant with the new General Data Protection Regulations (GDPR).

Financial Implications

9. Finance officers from the County Council have developed the financial parameters for the project and evaluated the bidders' financial submissions – for veracity, relative value and cost effectiveness, and the potential to deliver overall financial benefit to the Council. 25% of outcome payments made under the contract will be drawn from government grant with the remainder being made from within existing budgets.
10. As the nominated *Lead Authority* for the project, the County Council will also be responsible for administering the drawing down and distribution of the government funding via its Life Chances Fund. The process for managing this will be set out within an Inter-Authority Agreement between the three Councils.

Human Resources Implications

11. There are no TUPE or other Human Resources implications attaching to this report. The services are being commissioned to complement the existing services and support provided for Looked After Children and those deemed to be at risk of being taken in to care.

Safeguarding of Children and Adults at Risk Implications

12. The investor-provider consortium comprises established children's services organisations that have a successful track record in the social care sector. Equally, it is a key requirement that the proposed interventions are underpinned by a successful evidence base. Moreover, there is an appropriate process of due diligence built into the selection process.

Implications for Service Users

13. Each of the bidding consortia has committed to engaging with children and young people in the process of mobilising their services if selected and it is anticipated that this will be facilitated through the Council's established processes for engaging with children and young people.

RECOMMENDATION/S

- 1) Members to support the outcome of this procurement exercise and consider if any further updates are required and at what frequency.

Nigel Stevenson

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For any enquiries about this report please contact:

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Constitutional Comments [KK 02.10.2018]

The proposal in this report is within the remit of the Finance and Major Contracts Management Committee.

Financial Comments [SS 03/10/18]

The financial implications of the report are contained within paragraphs 9 and 10 above.

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.

- None

Electoral Division(s) and Member(s) Affected

- All