

BUSINESS CASE: BLOCK PURCHASE OF RESIDENTIAL CARE BEDS FOR LOOKED AFTER CHILDREN WITH SOCIAL, EMOTIONAL & BEHAVIOURAL DIFFICULTIES

1 PROBLEM OR OPPORTUNITY

1.1 SUMMARY

This business case seeks agreement for Nottinghamshire County Council to block purchase 25 residential care beds for children assessed as having a social, emotional & behavioural difficulty (SEBD) and meeting the threshold for residential care.

Analysis has confirmed that Nottinghamshire, in line with all other local authorities across the country, will always need to place a small cohort of looked after children in this type of provision.

Trend analysis to March 2017 has confirmed that, assuming a looked after population of 898, 25 SEBD residential care beds will be needed. This also assumes that Nottinghamshire will place 8% of its' looked after children in residential care. At present it places 11.5%. This is in line with Nottinghamshire's Placements Commissioning Plan.

As a result of the block purchase it is anticipated that Nottinghamshire County Council may achieve:

- A minimum of 10% reduction in weekly unit costs
- An increase in the number of residential care placements that are in-county and close to the communities from which children enter care
- Reduction in staff travel time and travel expenses
- Improved placement stability
- Models of best practice through joint training & greater collaboration between internal and external residential care homes

1.2 Current Position

Looked after children trends

Nottinghamshire has historically had a low number of children in care. However since 2008 the rate of LAC increased faster than anywhere else in the country. Despite this rapid increase Nottinghamshire continues to have less children in care than its statistical neighbours or the national average.

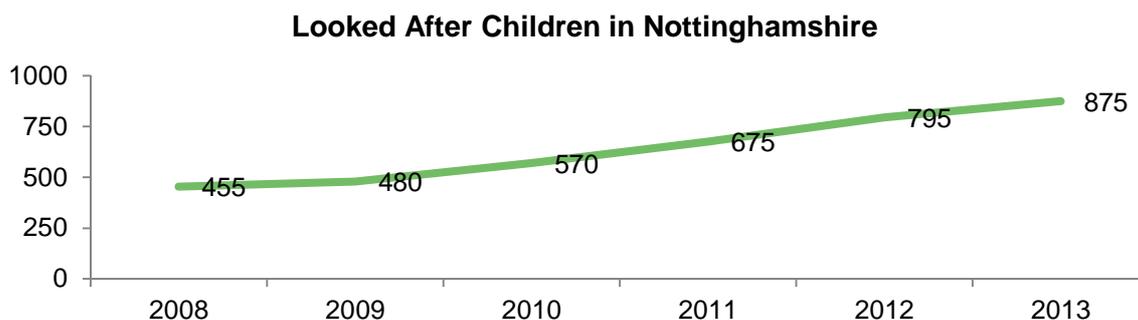


Figure 1: Number of looked after children

Out of County Placement Costs:

Residential beds are higher in cost than alternative placements. Additional costs are incurred by the local authority commissioning additional education support for young people who are excluded or unable to attend other Local Authority Schools and additional Emotional Health and Wellbeing services as CAMHS services often have different priorities and waiting lists in other local authorities. In addition to placement costs additional costs in staff time and travel are incurred as Social Workers and other Professionals (including Independent Reviewing Officers, Commissioning Officers and Team Managers visit out of County Placements).

Out of county Residential placements by distance

Current analysis indicates that there has been a downward trend over the last 11 months

Nottinghamshire	May 2013	March 2014	Variance	%
LAC	896	828	-68	-7.5%
Residential	95	61	-34	-35%
Residential Outside County	48	38	-10	-21%

Source: CSC Placements Team

Area	No. of Children Placed September 2013	No. of Children Placed March 2014
Barnsley	1	1
Cambridgeshire	1	0
Cumbria	2	2
Derby City	1	1
Derbyshire	10	8
Doncaster	1	0
East Yorkshire	1	0
Leicestershire	2	1

Lincolnshire	4	5
Northamptonshire	5	0
Nottingham	10	8
Rutland	0	2
Sheffield	1	1
Shrewsbury	0	1
Shropshire	1	0
Staffordshire	6	7
Tameside	1	0
Warwickshire	1	0
Total	48	38

Source: CSC Placements Team

Placement stability

Analysis of placement stability in residential care placements has identified that of the 315 moves that took place from March 2013 to February 2014, (141) 44.7% were due to a placement breakdown. It also suggested that 43% of children and young people in residential placements at that point entered that placement immediately on entry into care.

2 BENEFITS TO THE ORGANISATION

2:1 Reduction in Overall Spend

There is an opportunity to drive through cost efficiencies by commissioning more local provision.

It is not possible to predict the efficiencies in Nottinghamshire at this stage, but it is expected that reducing uncertainty and spot purchasing will allow Residential Providers to reduce their prices as they take less commercial risk. There will be a series of meetings held with Providers to agree and understand the relationships between risks, costs and price to help develop a model which is robust and attractive to the market.

There is an opportunity to stimulate the market within the county, moreover there are additional cost savings to be made by placing the majority of Looked After Children in Residential Care in County, these include education and mental health needs which can be better met by County Council Services (rather than expensive externally commissioned packages of support.) There will be reduced costs in staff travel times (Social Workers, Team Manager and Independent Reviewing Officers.)

Any existing or future spot-purchase beds from the preferred provider/s will come in line with the agreed unit costs within the block contract.

2:2 Improved Quality: Placement stability and developing Best Practice

Shropshire Council was consulted with at an early stage as they have already implemented a similar arrangement. Their experience indicates a significant improvement in the stability of placements through the use of a 'no disruptions' clause in the contract, although a key element of the success of this would be robustly enforced contract management, supported by senior management in both the provider's organisation and NCC.

As part of NCC's offer to providers there would be opportunity to share models of best practice between internal & external homes. All Residential Units homes within Nottinghamshire can share training across the block thus building a resilient Children's Workforce which will benefit all Nottinghamshire LAC placed in Residential Care.

The "No Labels" Children in Care Council will be actively involved in the tendering process and undertake monitoring visits which will both assure quality and increase young people's participation in planning and assessing their Care needs.

Evidence from Best Practice suggested that young people achieve better outcomes when placed near to home and within organisations which already know and understand their needs.

2:3 Initial Risks

1. Opposition to opening new Children's Homes within the County, from Residents and Politicians.
2. Inability to agree reduced costs/ prices with Market Providers.
3. Inability to implement other parts of the Commissioning Plan (e.g. growth in Fostering for complex teenagers which will impact on demands for Residential Care and potentially affect costs and delivery).

1.4 Indicative timeline

- Business case Agreed: May 2014
- Market Consultation Events: April- May 2014
- Contract specification agreed and tender process begins: July 2014
- Preferred providers agreed: September 2014
- Provider meetings arranged: October 2014
- Internal communications agreed and issued: October 2014
- Block purchasing begins: January 2015