



**20 November 2017**

**Agenda Item: 9**

**REPORT OF THE SERVICE DIRECTOR FOR YOUTH, FAMILIES AND  
SOCIAL WORK**

**CHANGES TO CHILDREN'S RESIDENTIAL PROVISION**

**Purpose of the Report**

1. The report seeks approval to serve notice to a Provider to end the current block contract arrangements which aims to deliver a number of children's residential beds within the County, as they are not meeting the requirements of the contract.

**Information and Advice**

2. Some information relating to this report is not for publication by virtue of Schedule 12A of the Local Government Act 1972 as it would reveal information that would reveal the names of organisations with whom the Council intends to issue a formal legal notice and / or is engaged in major contract negotiations. Having regard to all the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because if the information was made public it would damage the Council's negotiating position and prevent it from obtaining the best deal possible with taxpayers' money. Some information is included within this public part of the report so that there is transparency without undermining the Council's negotiating position. The exempt information is set out in the Exempt Appendix.
3. In 2015 a commissioning process was undertaken to secure a number of homes across Nottinghamshire. The outcome of the process was two residential block contracts offering a total of 24 beds, with both contracts allowing the Council to increase the number of block beds commissioned as part of the specification.
4. There are currently 20 young people placed with one Provider ("Provider A") and the contracted arrangements are working well. The contracted arrangement with the other Provider ("Provider B") is not offering the Council value for money, as it is yet to reach full capacity and the Council is now having to pay for all 12 beds minus any referrals declined in accordance with the specification.
5. Regular compliance meetings have been held with Provider B to seek to address some of the shortcomings described above and, despite being provided with assurances about future intentions, it has not delivered the desired outcome of providing the Council with 12 beds.

6. As there is scope within the contracts to add bed capacity, the Council has had tentative discussions with the Provider A who is willing to open further homes in Nottinghamshire to meet the Council's future requirements. Indicative costs are in line with those presently being paid to the other provider.

### **Other Options Considered**

7. To allow the Provider B a further period to resolve the issues set out above that are impacting on value-for-money for Nottinghamshire taxpayers, and to open an additional children's home in Nottinghamshire. This has been discounted on the basis of Provider A's overall progress during the last 30 months of the current contract, and in not being able to offer the Council the contracted 12 placements specified as part of the commissioning process.

### **Reason/s for Recommendation/s**

8. To ensure the Council achieves value for money out of the block contract and has capacity to place locally and in appropriate provision some of the most vulnerable children and young people with complex needs.

### **Statutory and Policy Implications**

9. 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.

### **Financial Implications**

10. Serving 12 months' notice, on a no fault basis, to end the contract will help avoid any prolonged contractual issues and limit the amount of time the provider is paid for void beds. Twelve replacement beds can be purchased with a well performing provider for an equivalent or lower cost.

### **Implications for Service Users**

11. Making use of the full capacity of the Council's contracted block beds will allow children to be placed locally in accommodation that is suitable to meet their needs.

### **RECOMMENDATION/S**

- 1) That the Council serves notice to Provider B, on a 12 months no-fault basis, to end the current block contract for children's residential beds within the County.

**Steve Edwards**  
**Service Director, Youth, Families and Social Work**

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**Constitutional Comments (EP 06/11/17)**

12. The recommendation falls within the remit of the Children and Young People's Committee by virtue of its terms of reference.

**Financial Comments (SAS 08/11/17)**

13. The financial implications of the report are contained within paragraph 10 above

**Background Papers and Published Documents**

None.

**Electoral Division(s) and Member(s) Affected**

All.

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