
Meeting: Executive
Date: 15 July 2014
Subject: New Residential Children's Homes contract – Delivering Outcomes for Vulnerable Children
Report of: Cllr Mark Versallion, Executive Member for Children's Services
Summary: The report proposes that the Executive agrees to award a new contract for the management of residential children's homes from November 2014.

Advising Officer: Edwina Grant, Deputy Chief Executive/Director of Children's Services
Contact Officer: Karen Oellermann, Assistant Director Commissioning and Partnerships
Public/Exempt: Main report Public (Appendix A exempt under exempt paragraph 3 – commercially sensitive information)
Wards Affected: All
Function of: Executive
Key Decision Yes
Reason for urgency/ exemption from call-in (if appropriate) Not applicable

CORPORATE IMPLICATIONS

Council Priorities:

The provision of residential children's homes relates to the second of the Council's key priorities:

- Educating, protecting and providing opportunities for children and young people.

The service also supports the priorities set out in the Children and Young People's Plan:

- Improved educational attainment.
- Protecting vulnerable children.
- Early help and improving life chances.
- Being healthy and positive.

Financial:

1. The current contract for residential children's homes costs the Council £854k per year. This cost secures 50% of a shared contract with Bedford Borough Council that provides up to 14 places within two local residential children's homes. The current contract started in 2007 and will end on 30 October 2014.
2. The cost of the current contract equates to £2,346 per bed per week. This is based on Central Bedfordshire having 7 children placed in the homes at all times.
3. *The Department for Education, Children's Homes Data Pack 2013* stated that the national average amount spent on private/voluntary residential children's homes was £3,860 per child per week, and for homes run by Councils it was £4,135 per child per week.
4. The new contract will enable the Council to secure efficiencies of £297k per year based on full occupancy of the homes.

Legal:

5. The Council has a statutory duty to ensure that there is sufficient accommodation to meet the needs of looked after children in their community. This duty is supported by statutory guidance (*Securing sufficient accommodation for looked after children 2010*. Department for Education) that makes it clear that children should live in the local authority area, with access to local services and close to their friends and family, when it is safe to do so.
6. The guidance emphasises that 'having the right placement in the right place, at the right time', with the necessary support services such as education and health in place, is crucial in improving placement stability, which leads to better outcomes for looked after children.
7. The National Minimum Standards for Children's Homes were issued by the Department for Education (DfE) in 2011 under section 23 of the Care Standards Act 2000. The Secretary of State will keep the standards under review and may publish amended standards as appropriate. These national minimum standards are underpinned by the Children's Homes Regulations 2001 and as amended January 2014.

Risk Management:

8. The commissioning of local residential children's homes enables Council staff and partners to maintain a strong link with looked after children and therefore mitigate any risks to them. Children placed outside of the 'home' Council area face additional risks if their support is not provided in a coordinated way between all agencies.
9. By securing local residential children's homes places via a contract with one provider, the Council will manage the risk of paying significantly increased costs as illustrated in paragraph 3 above.

Staffing (including Trades Unions):

10. There would be no impact on staffing.

Equalities/Human Rights:

11. The Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
12. An Equality Impact Assessment (EIA) has been completed. Paragraph 13 below outlines the summary of the EIA.
13. The Children's Commissioner and other national research has identified that invariably, the most damaged children and young people are placed in residential care, often with relatively largely unsupported and poorly trained care staff. The young people placed in these establishments need a broad range of support, focused on issues such as treatment, attainment and aspirations, as well as protection from abuse and exploitation. Experiences of residential care are also likely to vary by protected characteristics such as gender identity, race, religion or belief, sex and sexual orientation.

The invitation to tender includes a strong focus on addressing the issues that have been identified in national research and the contract is therefore likely to have a positive impact in terms of promoting equality and tackling discrimination.

Public Health:

14. By securing places in local residential children's homes, the Council will support looked after children to access statutory health services through working with our local partners.

Community Safety:

15. In line with statutory requirements, the providers of residential children's homes are obliged to complete a local area risk assessment in partnership with the police and Council. This assessment will be completed for both homes included in the contract and will be made available to the Community Safety Team.
16. If any specific risks relating to the homes or children placed in the homes are identified, the provider will develop action plans with the Council and police to address these.

Sustainability:

17. The re-commissioning of this contract will support the Council to secure improved social benefits by providing sufficient accommodation to meet the needs of looked after children in their community.
18. The new service will also secure economic benefits for the council and will deliver efficiencies as outlined in this report. By placing children locally, this will also reduce other costs associated with supporting children in care, including transport which in turn will have a positive impact on the environment.

Procurement:

19. The new service has been tendered in accordance with the Council's Corporate Procurement Rules. The Council's Code of Procurement Governance provides that the Executive must approve expenditure for any procurement over £500,000 per annum. The annual costs of the contract exceed that threshold.

Overview and Scrutiny:

20. This report has not been discussed at Overview and Scrutiny.

RECOMMENDATION(S):**The Executive is asked to:**

1. **approve the award of the contract as outlined in this report and Appendix A.**

<i>Reason for Recommendations:</i>	<ul style="list-style-type: none">• <i>To ensure that the Council meets its statutory obligations to secure sufficient accommodation for looked after children. .</i>• <i>To ensure that the Council provides suitable high quality residential places within the available resources.</i>
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Executive Summary

21. The statutory guidance "*Securing sufficient accommodation for looked after children 2010*" from the Department for Education emphasises the need to secure sufficient accommodation that meets the needs of looked after children as a means of achieving better outcomes for this vulnerable group. The award of this contract will support the Council to meet this duty.
22. Central Bedfordshire Council currently has 22 children placed in residential children's homes. Seven of these are placed within the homes managed by St Christopher's; the remaining 15 are placed with providers outside of Central Bedfordshire.
23. The demand for residential places is expected to remain at this level or increase in the next 5 years, therefore securing high quality places locally will support the Council to meet this demand. Further provision of additional residential places will be commissioned before the end of 2014 to address demand.
24. The current contract for local residential children's homes on behalf of Central Bedfordshire Council and Bedford Borough Council is with the St Christopher's Fellowship, a charitable organisation, and ends on 30 October 2014. The current service provides 14 beds within two residential children's homes.
25. The current contract costs Central Bedfordshire £854k per year. This is 50% of the contract costs regardless of the proportion of use by the two Councils. This equates to each bed costing £2,346 per week.

26. The newly commissioned service will enable the Council to secure efficiencies of at least £297k per year for the life of the 5 year contract. This equates to a 34% reduction in costs against the current service.
27. The new Service Level Agreement with Bedford Borough Council will provide the governance for this contract. Each Council will pay for the places they use, and split the costs for any un-allocated beds on a 50/50 basis.
28. The new contract will also enable the Councils to offer spare places to other Councils who may have suitable young people who could be placed there. This will provide both Councils with the opportunity to maximise the cost effectiveness of the contract if we are unable to place suitable children in the homes.
29. Bedford Borough has agreed to commit to the Service Level Agreement that will support the award of this contract, and for Central Bedfordshire Council to manage the contract on behalf of both Councils.
30. The award of the contract follows a robust re-commissioning process that has focussed on securing the best outcomes for the children that will reside in the homes whilst delivering excellent value for money.
31. The outcome-based specification for the new service reflects nationally recognised good practice and focusses on securing a provider that has demonstrable experience of managing residential children's homes that are recognised by OFSTED as Good or Outstanding.
32. There were five providers that submitted an application to manage the residential homes. Of these original applicants, three were shortlisted and invited to interview. The shortlisting and interviews were supported by representatives from both Councils and the Children in Care Council.
33. The results of the competitive commissioning process are enclosed in Appendix A.

Background Information

34. The Council inherited a service from the predecessor County Council for the management of three children's residential homes with the St Christopher's Fellowship. This contract started in 2007 and will end on 30 October 2014.
35. Bedford Borough Council currently manages the contract with St Christopher's. Central Bedfordshire Council pay Bedford Borough Council 50% of the contract regardless of the proportion of beds that is used by each Council.
36. The original contract was for the management of three residential homes – 80 Bunyan Road, Kempston, 32 Bedford Road, Clophill and 14 St Peter's Close, Flitwick. Due to an inadequate OFSTED inspection in 2012, the Councils, in conjunction with St Christopher's Fellowship, decided to close the home in Flitwick.

37. The Clophill home is currently graded as Good by OFSTED. The Kempston home is graded as Good by OFSTED.
38. The Clophill home is owned by Central Bedfordshire Council, the Kempston home is owned by Bedford Borough Council. The successful provider will be provided with contained leases for the management of the buildings for the whole of the 5 year contract.
39. The new specification for services reflects the considerable changes to the statutory requirements for residential children's homes. The specification has been designed to reflect the outcomes of Central Bedfordshire's Children and Young People's Plan and the Bedford Borough Partnership Framework for Bedford Borough Children, Young People and Families.

Conclusion and Next Steps

40. The Executive is asked to agree to award the contract to the successful provider as proposed in Appendix A.
41. Following the decision of the Executive, the contract will be awarded to start from 1 November 2014 to secure a seamless continuation of the service for the children currently placed in the homes.

Appendices:

Appendix A – **Exempt** results of competitive commissioning process

Background Papers: (open to public inspection)

None.

Location of papers: Priory House, Chicksands