

Report to:	Cabinet	Date of Meeting:	3rd July 2015
Subject:	Community Adolescent Service - Residential Accommodation	Wards Affected:	All
Report of:	Director of Young People and Families		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To seek approval to go out to tender for a four bedded residential children's home as part of the Department for Education Innovation Programme to develop an adolescent service. The new service to commence in summer 2015.

Recommendation(s)

- 1) the tender process for the provision of a four bedded residential children's home as part of the adolescent service be approved;
- 2) the Director of Young People and Families be authorised to approve the Short list of Providers for the Contract subject to the appropriate review of the Pre-Qualification Questionnaire;
- 3) the tenders be evaluated using the evaluation criteria set out in para 2.3 of the report; and
- 4) the Director of Young People and Families be authorised to award the contract to the highest scoring tenderer.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	X		
2	Jobs and Prosperity	X		
3	Environmental Sustainability		X	
4	Health and Well-Being		X	
5	Children and Young People	X		
6	Creating Safe Communities		X	
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

Reasons for the Recommendation:

Sefton Metropolitan Borough Council is currently developing a comprehensive Community Adolescence Service with significant financial support from the Department for Education Innovation Programme in the shape of a £1.1m grant. As part of this development and in keeping with the detail of the grant application the Council is seeking a partner from the Independent Sector to provide a dedicated residential care home. For the chosen provider of the residential care home, this represents an exciting opportunity to contribute to a new way of working with a high DfE profile.

The successful application by Sefton MBC to the Department for Education (DfE) outlined the partnership of the programme across statutory partners, the voluntary and the independent sector. The application specifically outlined the proposal to engage with an independent children's home provider for the supply of a four bedded home. This multi-sector partnership was seen as demonstrating the innovation that the DfE were seeking in making awards. There are currently 30 children's homes registered with Ofsted in the borough, of these 3 (10%) are provided by Sefton MBC with the others being provided by the independent sector including some voluntary sector provision. In total these homes provide more than 130 beds with less than 30 of those beds being occupied by Children "Looked After" by Sefton MBC. In 2014/15 Sefton spent £4.3m on residential care. Reducing the high costs of this provision is one of the purposes and success factors of the Innovation Programme.

The average cost of each of these beds is £2,500 per week, therefore the potential gross turnover of this sector, assuming full occupancy, is £16.9 million per annum.

The DfE Innovation Programme is a pilot and if it is not successful in supporting fewer adolescent children coming into care then will not continue, partnering with the independent sector is therefore not only innovative but reduces the risk to Sefton MBC during and beyond the lifetime of the programme.

There will be no capital costs incurred by the programme. It is expected that the conditions of the contract will achieve a 25% reduction in unit costs due to the "block" nature (4 beds) of the contract as opposed to "spot" purchase (individual beds).

Working in partnership across sectors including the independent sector was a critical element of the successful application for the £1.1m DfE grant. The partnership minimises the on-going risk to the Council during and beyond the programme lifetime. The contract will deliver improved value for money including reduced unit cost per bed in the residential sector.

Alternative Options Considered and Rejected:

1. That the Council provides this service itself: this option is not consistent with the grant and would have been unlikely to have been seen as "innovation" and therefore not attracting of the grant award (£1.1m). In addition it would place significant recurrent cost to the Council and could not be provided at the projected cost.

What will it cost and how will it be financed?

(A) Revenue Costs

The value of the one year contract will be £374,400, with potential to extend for a second and/or third year. The contract value is therefore £374,400 with options to raise this value to £748,800 (2 years) and £1,123,200 (3 years). The first year's contract will be jointly match funded by the Department for Employment and Sefton MBC, therefore revenue costs for first year for Sefton MBC is £187,200. The revenue for 2015/16 budget is expected to be £109,200. These costs will be funded from the Council's Residential Agency budget.

(B) Capital Costs

None

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
Legal	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and her comments have been incorporated into this report. ()

Head of Corporate Legal Services has been consulted and any comments have been incorporated in the report. ()

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 The Government has made available approximately £30 million in 2014 and significantly more for 2015 to support innovative approaches to some of the seemingly intractable issues facing children's social care. Adolescents in care or on the edge of care are one of the areas to be considered.
- 1.2 Sefton Council has been awarded £1.1 million based on the quality of the bid submitted to develop a new adolescent service to address these issues. This programme is subject to rigorous external evaluation and has a national profile.
- 1.3 The proposed service will bring together existing staff. Budgets and commissioning arrangements will be reconfigured to eliminate duplication, maximise impact and reduce cost. This 'hub and spoke' model will operate across a range of partners, including community, voluntary and faith sectors and independent providers. What will be different about this service is the concept of a whole family assessment and whole family plan that includes all aspects of the care, support and challenge needed to achieve and maintain changes for young people and their families. Younger siblings will be included in the family plan and early help will be in place to prevent escalation or to seek to place a child at the right time.
- 1.4 The Adolescent Service will hold our shared vision and set of values and will be reinforced by standardised approaches and practice. The application of evidence based intervention models such as restorative practice and social pedagogy (an approach to caring for children which combines education and care, emphasising that bringing up children is the shared responsibility of parents and society. A key principle is that the child is in charge of his or her own life, and the social pedagogue works alongside them rather than dictating to them) and specialist CSE approaches will support children to tackle difficult situations appropriately by developing emotional resilience and problem solving skills. The programme seeks to improve the practice of all professionals involved in a child's life: the views of young people will be at the heart of what we do.
- 1.5 The programme will design a partner led, flexible, intensive residential resource that identifies whole family needs and prepares young people to; return home with a worker from the residential service, move to specialist/ mainstream foster care or specialist residential care.
- 1.6 We will create a change environment in which services can be delivered more effectively and creatively by sharing resources and reducing layers of delivery. The key to success of this model is providing a stable and consistent presence that will enable young people to move into adult life; eliminating the current model that finds young people weaving in and out of a range of services and workers. Once allocated to a worker in the 'adolescent team' the case will not 'close' until the young person reaches the age of 25 (if appropriate).

2. Proposed Tender Process

- 2.1 It is proposed to seek bids from suitably qualified providers who can evidence a positive track record of Inspection outcomes from Ofsted, to provide residential

beds for adolescents, where it is felt necessary to place them for a short time in such accommodation.

2.2 Prospective providers will be required to complete a Pre – Qualification Questionnaire that will assess their financial standing and their relevant experience. (see background papers). A Panel made up of 3 officers will assess the responses to the questions set out in the tender document and allocate a score. Following this a short list will be established and potential providers invited to interview.

2.3 Short listed providers will then be invited to submit a tender. These will be assessed on a quality/ price basis. In evaluating potential providers the following ratio of marks will apply:

- 20% price
- 30% quality (based on the response to written questions)
- 50% interview

The emphasis on interview is to reflect the innovative nature of the proposal and the ability of any potential providers to work flexibly throughout the contract by providing community and family support at times when there is not full occupancy.

3 Financial Differences

3.1 As part of the opportunity to innovate we are offering the successful provider a guarantee of full occupancy rates for 12 months, which clearly is attractive to a provider who can then plan their staffing against a guaranteed income, something that would be impossible in the current circumstances.

3.2 The average cost of commissioning a residential place in a children's home is currently £2,500 per child per week. However, it is anticipated that the average cost for a bed from this tendering exercise will be in the region of £1,800 per child per week.

3.3 The award of the contract will be initially for one year with the option to extend for further years, reviewed annually, up to a maximum of three years.

3.4 To reflect the innovative nature of this bid, full training will be provided to the provider on restorative practice and social pedagogy to ensure fidelity across the new service. This cost will be met from Innovation Funding.

3.5 In the first year of operation the Council will fund 2 beds and the Innovation fund will meet the cost of the other 2 beds.

4 Implementation date

4.1 We would seek to implement this contract in full as soon as the provider has acquired registration from Ofsted. There will be room for some negotiation around staff training and community work prior to registration to ensure coherence with the rest of the service.

4.2 The target start date for the contract would be September 2015.