

Cheshire East Council

Cabinet

Date of Meeting: 01 March 2018

Report of: Mark Palethorpe
Acting Executive Director – People

Subject/Title: Children's Home Commissioning

Portfolio Holder: Cllr Jos Saunders, Children and Families

1. Report Summary

1.1. Cabinet received a report on the 12th April 2016 and on the 18th October 2016 setting out the approach to the redesign of Children's Homes in the borough and the tender process to be followed. Cabinet agreed a timeline to put in place a wholly commissioned Children's Home service from 1 April 2017 comprising of :

- Home 1 (existing) with 3 beds within Macclesfield (Registered for Emotional and Behavioural Difficulties EBD)*
- Home 2 (existing) with 4 beds within Macclesfield (Registered for EBD)
- Home 3 (existing) with 3 beds within Crewe (Registered for EBD, Learning Disability and Physical Disability) *
- Home 4 & 5 (new) with 2 beds each within Crewe (to be Registered as EBD and the ability to utilise 1 bed in each home for emergency)

**The above homes have the option of providing one additional bed each and as such are registered as 4 bed units with Ofsted*

1.2. The purpose of this report is to gain approval to go back out to tender following a difficult mobilisation of the residential care contract from 1st April 2017 and the subsequent termination of the contract (apart from the 3 bed home in Crewe).

1.3 Children in care are our children and it is our role to ensure they are supported, nurtured and helped to be, and feel, safe, achieve their potential and grow into confident young people and adults. Ensuring our children can live and grow up in a safe and stable home is integral to ensuring their wellbeing and securing their positive development. Awarding the Children's

Home contract through an effective and timely tender process supports our commitments to children in care.

- 1.4 The commissioning of Children's Homes supports the strategic intentions and ambition for our children in care and demonstrates further evidence of the Council's passion and commitment to put children and particularly children in care at the heart of all that we do.
- 1.5 The Government has started to utilise the recommendations of Sir Martin Narey's independent review of residential care. The Narey report is positive in respect of the role and impact that good residential provision can have for cared for children. The approach adopted by Children's Services in developing our residential offer fits with the findings and recommendations of the Narey report.
- 1.6 The draft specification for our Children's Homes tender is attached at Appendix 1. The specification has been brought to life through the co-production with young people and their reflection on living in residential homes. The specification has received positive feedback in respect of the child focused content and format.

2 Recommendation

- 2.1 To go back to the market and other local authorities to re-commission up to five local residential Children's Homes.
- 2.2 To authorise the Acting Executive Director – People, in consultation with the Children and Families Portfolio Holder, to award the Children's Homes contract.
- 2.3 To instruct the Director of Legal Services to enter in to the contract with the successful bidder and any ancillary legal documentation required including the granting or taking of leases, underleases and licence agreements.

3 Reasons for Recommendation

- 3.1 The commissioning of residential care places at the best price available in the current market ensures that local placements are readily available and the Council is able to take more control of placement decisions rather than being at the mercy of a difficult market. It also ensures our cared for children have more chance of being placed local rather than at distance.
- 3.2 The delegation of award of contract will ensure:
 - i) An effective mobilisation of the service following award of contract. There are a range of important steps following contract award (ie TUPE / pension provision and sourcing of 2 new properties and their Ofsted registration as Children's Homes) that are critical in ensuring the stability of residential placements for cared for children living in the current Children's Homes. The sooner the additional accommodation capacity delivered through the contract is

established the sooner the Council will see the value for money aspects applied.

- ii) There is a seamless move from existing contractual arrangements that remain in place to the start of the new contract.
- iii) That commercially sensitive tender information is not recorded within a public meeting.

4 Background

- 4.1 The mobilisation of the new contract with Bettercare Keys from April 2017 encountered an unusual twist when only one part time member of staff from across the 13 staff of the two Children's Homes formerly run by Together Trust transferred across under TUPE. All Together Trust staff were offered alternative employment opportunities within the Trust which they accepted. This had a significant negative impact on mobilisation and quality of care, creating an unsettled home environment for our cared for children and a recruitment challenge for Bettercare Keys which they never overcame. At the start of the mobilisation of the new contract Bettercare Keys also had a change of ownership and senior executive officers which would have impacted upon delivery of the contract.
- 4.2 Bettercare Keys established two Children's Homes from 1st July 2017 but one quickly encountered quality of care concerns and the Local Authority decided to act swiftly and terminated the whole contract with Bettercare Keys (apart from the 3 bed home in Crewe which had remained relatively settled due to the staff group transferring from the Local Authority). If the recommendations contained in this report are approved then appropriate notice will be given on the existing contract with Bettercare Keys and the end of contract will align to the timetable to deliver via a new contract.
- 4.3 Establishing a commissioned model of residential care is still a priority. The North West Framework and spot purchase market continue to cater for national demand for places. It is becoming increasingly difficult to find a relatively local placement at the right time and at the right cost. We are having to place a higher proportion of our cared for children at distance than we would like. Putting in place a commissioned model allows a higher degree of control over placement choice and increases local provision.
- 4.4 It is important that we are successful with this commission and take advantage of the change in staff complement / cared for children in residence now compared to the previous mobilisation. The significant impact on mobilisation and quality of care experienced due to TUPE issues last year should not be a risk factor for the proposed re-commission due to having only one Children's Home currently operating.

4.5 Through effective market engagement and testing we will get under the skin of prospective suppliers in terms of ethos and sustainable quality of care, ensuring:

- We commission a supplier that has a shared value of children being at the heart of all we do especially when it comes to placement decisions. We will build on our new and successful Resource Allocation Panel by inviting the commissioned service supplier(s) to sit on the panel. This should ensure the supplier(s) is invested in making the right placement at the right time and ensuring our harder to place children access the commissioned model rather than the external agency market at high cost. Many examples are apparent across the North West where in-house or commissioned services are put in place at a fairly high cost yet the harder to place still go to high cost external agency placements, a lose / lose that needs to be avoided.
- We explore the potential of splitting the specification into two geographical lots and will also provide the opportunity to gauge the appetite of other local authorities bidding and any new / smaller companies that may bring a fresh outlook on what has become a very traditional market.
- A budget envelope is set at a level that provides value for money whilst being reflective of the current market conditions
- That apart from the 3 bed Crewe home which continues to operate and has benefited from the consistency of staff that transferred across from Cheshire East Council on 1st April 2017, the rest of the commissioned service will provide the opportunity to grow a new staff team alongside new children placed.

4.6 Children's Services currently have properties on hold and earmarked for our local Children's Home commissioned model. These properties have catered for 3 or 4 children in the past. Through market testing and cost comparison, consideration will be given to a two bed model that utilises the layout of the properties to establish break out space. This should ensure the chance of matching two harder to place children is maximised thereby providing more costs effectiveness to the model of delivery.

4.7 The specification for our Children's Home services has been compiled with input from children and young people. This aspect of co-production is important if we are to follow through with our commitment to build services that are in line with the wishes and views of children that will actually live in the homes. The evaluation of the bidders for this service will also include a children and young people panel. The draft specification for services is attached at Appendix 1. This will be subject to change following market engagement.

4.8 A summary of the indicative procurement timeline is as follows:

Stage	Date(s)/time
Issue OJEU notice	16/04/2018
Issue of Invitation to Tender	23/04/2018
Deadline for queries and clarifications relating to Invitations to Tender	18/05/2018
Submission of Tenders	25/05/2018
Evaluation of Tenders	04/06/18 – 08/06/2018
Tenderer interviews/clarification meetings	w/c 18/06/2018
Notification of result of evaluation	25/06/2018
Standstill period	26/06/2018 – 09/07/2018
Expected date of award of Contract(s)	10/07/2018
Mobilisation (including TUPE, recruitment of Registered Managers and staff team, Ofsted registration etc)	11/07/2018 – 30/11/2018
Contract commencement	01/12/2018

5 Wards Affected and Local Ward Members

5.1 The three existing properties earmarked for Children's Homes are in Macclesfield and Crewe. The two new two bed Children's Homes are planned to be opened in the Crewe area but until properties are actually sourced this cannot be confirmed and therefore this increase in residential capacity has the potential to affect all areas of Cheshire East.

6 Implications of Recommendation

6.1 Policy Implications

6.1.1 The tender process will put care for children at the centre of Council policy and decision making. The invitation to tender will be undertaken with clear reference

to the Children and Young People's Plan, Corporate Parenting Strategy and Sufficiency Statement.

6.2 Legal Implications

6.2.1 These proposals support the Local Authority's statutory duties around achieving sufficient local accommodation for children in care.

6.2.2 The procurement process is being undertaken in accordance with the Public Contracts Regulations 2015 and the Council's own Contract Procedure Rules. There is active ongoing involvement to support the wide ranging legal implications of these proposals.

6.3 Financial Implications

6.3.1 The value of the contract over a five year period will be dependent on the final decision on the configuration of the model to be commissioned ie number of beds per Children's home and the overall number of beds to be commissioned. This will be influenced by further internal analysis and market testing. Based on 14 beds being commissioned, the value of the contract over a five year period is estimated to be between £11.6m and £12.4m.

6.3.2 The overall aim is to reduce the pressure on the children's social care placements budget through better value placements. The budget forms part of Children's Social Care Service within the People Directorate.

6.3.3 The invitation to tender will ensure that the best value for money solution is put in place. This will focus on the most effective blend of internal / external provision for the varying number and needs of cared for children. The final financial implications will only be evident when the tender is complete and comparison to the reduced use of the external agency market is clear.

6.4 Equality Implications

6.4.1 None at this stage.

6.5 Rural Community Implications

6.5.1 None identified at this stage.

6.6 Human Resources Implications

6.6.1 Consultation and effective communication with the staff at the current three bed Children's Home in Crewe via Bettercare Keys.

6.7 Public Health Implications

- 6.7.1 Cared for children are more at risk of health inequalities than their peers. The proposals are expected to improve the awareness and response in respect of these health needs.

6.8 Implications for Children and Young People

- 6.8.1 Children in care will have an increased ability to live closer to their family, friends and local communities. The new design of commissioned Children's Homes will ensure a range in size of home which will provide a better match to the varying needs of our children and an improved fit with the size / layout of the accommodation. The ability to link more of our cared for children to the range of internal support provided by Children's Social Care will also support the quality of care they receive and ultimately the stability of placement.

6.9 Other Implications

- 6.9.1 None

7 Risk Management

- 7.1 Cared for children are a vulnerable group that are at risk of a number of factors – poor education and training, health, safeguarding and transition into adulthood. The design of an effective residential offer will aim to mitigate these risks to our children.
- 7.2 Individual elements of the tender for a wholly commissioned service will provide risks surrounding reputation (ie location of Children's Homes) and finance.

8 Access to Information/Bibliography

- 8.1 The legislation and key statutory documents in relation to cared for children and care leavers are set out in this paper.

9 Contact Information

Contact details for this report are as follows:-

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