

<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>CHILDREN'S EDGE OF CARE SERVICE</b>		
<b>DATE OF DECISION:</b>	<b>19 OCTOBER 2016</b>		
<b>REPORT OF:</b>	<b>CABINET MEMBER FOR CHILDREN'S SOCIAL CARE</b>		
<b><u>CONTACT DETAILS</u></b>			
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#### **STATEMENT OF CONFIDENTIALITY**

Appendix 1 supporting document ATQ Final Business Case is not for publication by virtue of category 3 (financial and business affairs) of paragraph 10.4 of the Access to Information procedure Rules as contained in the Council's Constitution. It is not in the public interest to disclose this information as it is likely to prejudice the Council's ability to obtain best value in a live procurement exercise.

#### **BRIEF SUMMARY**

Children's Services is proposing to change the way it delivers services by commissioning an edge of care service for children on the threshold of becoming looked after by working intensively and therapeutically to effect positive change and safely maintain them within their families over a sustained period of time. This will prevent the unnecessary escalation of need and cost and improve outcomes for children and young people longer term.

It is planned to go out to tender to contract a partner to deliver the service following an open procurement process, with the aim of being operational by April 2017.

#### **RECOMMENDATIONS:**

	Having complied with paragraph 15 of the Council's Access to Information Procedure Rules:	
	(i)	To approve changes to the way the Council delivers Edge of care provision through a contracted service
	(ii)	To approve estimated spend of up to £921,000 per annum for the duration of the contract on outcomes payments and contract management arrangements, to be funded from the Children and Families Services revenue budget for Looked After Children Placements.
	(iii)	To delegate authority to the Service Director for Children & Families Services to procure the service in accordance with Contract Procedure Rules and, following consultation with the Cabinet Member for Children's Social Care, to do anything necessary to give effect to the proposals in the report within

		overall budget envelope and Constitutional requirements.
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## REASONS FOR REPORT RECOMMENDATIONS

1.	<p>This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public.</p> <p>Having been through stages of 'in principle' business case sign-off, potential providers showing strong interest, and awaiting confirmation of external funding award, an urgent decision allowing tendering to begin November will allow mobilisation at pace by an April 2017 timeline addressing escalating costs and numbers of children in care as soon as is viable. It was not possible to add the item to the Forward Plan prior to confirmation of project sign off and indicative funding confirmation had been received.</p>
2.	<p>The proposals will deliver improved outcomes for children by employing a specialist evidenced based model, effecting positive change in families, and maintaining and sustaining children safely at home as an alternative to care. Where this is not successful, accelerating the process of securing permanence via the courts thereby preventing potential drift, delay and cost to the Council.</p> <p>The proposals offer the potential for savings through reduced cost of children being in care.</p>

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.	<p>In house provision. Providing this service internally would result in the Council carrying all the financial risk at time of budget and service reductions, coupled with a highly challenging task of replicating sufficient specialism or expertise deployed at the requisite speed to address an urgent need to reduce the numbers of children entering the care system.</p>
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## DETAIL (Including consultation carried out)

4.	<p>Southampton has seen a significant increase in the numbers of children coming into care, rising to a high of 637 in the summer of 2015. This is significantly higher than would be anticipated for a city of Southampton's size and demographics with a current figure of 611, one of the highest nationally at approx. twice the national rates per 10,000 of children's population.</p>
5.	<p>Following a survey and consultation group with children and young people in care in March 2016, a decision was made to investigate the potential for developing a service to provide a rapid and intensive therapeutic intervention service to safely prevent children and young people coming into care. A successful bid for a development grant was made to an external funding source to investigate the options specifically in relation to applying for a Social Impact Bond, a social investment fund model.</p>
6.	<p>Following a tendering process, a consultancy company, ATQ, was appointed and have worked with the Children and Families Service since April 2016 undertaking a feasibility study.</p>

7.	The business case was initially presented and agreed at Council Management Team on 22nd June 2016 based on estimations that a provider working with a total of 360 children over a 5 year operational period, dependent on a variance in success rates (worst, base and best case scenarios), could derive total gross savings between £5.4m and £10m in care costs avoided, from which that provider would be funded on a Payment by Results (PbR) basis with no 'upfront' financial risk to the Council. This has subsequently been presented and approved in principle to Strategy and Commissioning Board and Transformation and Improvement Boards.
8.	The net overall saving to the Council once the supplier is paid and deductions made to operate and manage the contract, across the cycle of programme, would vary between £2.7m and £5.3m.
9.	Payments to a provider would be offset by a 15% contribution, following a successful bid to an external funding source (to be announced 27.10.16), increasing net savings generated accordingly (between £3.1m and £6.1m).
10.	A market engagement event held 16.09.16 was well attended by providers, and 2 suppliers with a high national profile and experience of delivering children's service have lodged a firm intention of applying to any invitation to tender (ITT).
11.	The proposal now is to carry out a single, open competitive tender, in line with EU Procurement Directives and the Public Contracts Regulations/SCC Procurement guidelines, and to select a single provider to contract with to deliver the services with pre-qualification requirements emphasising quality and organisational competency.
12.	A Sourcing Plan, Pre-Qualifying Questionnaire (PQQ) and ITT documents to be completed by the end of October with the view of going to market from the beginning of November with the closing of bids and evaluation of tenders January 2017.
13.	As such, it is anticipated that a contract will be awarded by February 2017, and allowing for sufficient preparation and mobilisation of the provider, delivery of the new service from April 2017.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

14.	The cost of the outcome payments will be entirely dependent on the success of the provider in preventing children and young people coming into care. The provider will be funded on a Payment by Results basis with no 'upfront' financial risk to the Council. It is estimated that these payments could be as high as £863,000 per annum in the middle years of the initiative. However, this cost will be partially funded by the 15% contribution from an external funding source. In addition, an allowance of up to £58,000 per annum will be made for contract management arrangements.
15.	Approval is sought for estimated spend of up to £921,000 per annum on outcomes payments and contract management arrangements. The payment to the provider will be met through the net reduction in numbers of children in care and resultant savings from the Children & Families Services revenue budget for Looked After Children Placements.

### **Property/Other**

16.	N/A
<b>LEGAL IMPLICATIONS</b>	

<b>Statutory power to undertake proposals in the report:</b>	
17.	The proposals are delivered in accordance with the Council duties and powers under the Children's Act 1989 and s.1 Localism Act 2011 (General Power of Competence).
<b>Other Legal Implications:</b>	
18.	The procurement will be conducted in accordance with the Council's Contract procedure Rules and EU Procurement Directives / UK Public Contracts Regulations and is wholly compliant with the Council's duties under the Equalities Act 2010 and Human Rights Act 1998.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
19.	The proposal is in accordance with the Council's current Policy Framework and Council Priority Outcome 'Children and young people get the best start in life'

<b>KEY DECISION?</b>	Yes
<b>WARDS/COMMUNITIES AFFECTED:</b>	All
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	ATQ Final Business Case - CONFIDENTIAL
<b>Documents In Members' Rooms</b>	
1.	Equality Impact Assessment
2.	Privacy Impact Assessment
<b>Equality Impact Assessment</b>	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?	Yes. Undertaken 28.09.16
<b>Privacy Impact Assessment</b>	
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	Yes Undertaken 04.10.16
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	