

**Children's Services Scrutiny Committee
Wednesday 20th September 2006**

**COMMISSIONING OF RESIDENTIAL SERVICES FOR LOOKED AFTER
CHILDREN AND YOUNG PEOPLE IN WILTSHIRE**

Purpose of Report

1. To inform members of progress with regard to implementing the Scrutiny Task Group recommendation (2.5) June 2006 regarding the external commissioning of residential provision for Looked After Children and Young People (LACYP) in Wiltshire.

Action Required of the Scrutiny Committee

2. That the committee considers progress to date and satisfies itself that the externalisation project is consistent with the Task Group recommendation and Cabinet decisions of 17 March and 25 July 2006.

Background

3. The Scrutiny Committee and Cabinet agreed the following recommendations of the Contracted Out Placements for Children & Young People Scrutiny Task Group in June 2006.

With immediate effect, the Department is recommended to:

- (a) pursue the option agreed by Cabinet on the 17th March 2006 to invite tenders from external providers of children's residential care services, with a view to the Council's in house residential service being transferred to the independent sector; or
 - (b) dependent upon the outcome of (a), by the 31st October 2006 give consideration to the development of an alternative in-house residential service, that facilitates improved pay, conditions, career prospects and recognition of the role played by children's home staff
4. At the Cabinet meeting on 17 March 2006, it was resolved that officers should proceed with the option of externalising the provision of Orchard House and Towpath Road Children's Homes and to seek to transfer staff to an external provider under existing terms and conditions. Cabinet considered a further progress report on 25 July 2006. It was resolved "to continue to progress the externalisation.....up to final award of contract and to report back to Cabinet at that stage".

Current Position

5. A Project Board has been established which is chaired by the Director of the Department for Children & Education (DCE). The Board has adopted the task of directing the project plan and monitoring and supporting the work of the Project Implementation Group. The Implementation Group has representatives from Environmental Services, Finance, Central Procurement, Legal Services and Human Resources, as well as DCE.
6. A Business Case has been developed to support the work of the project group (Appendix 1). This has been amended based on informal consultation with external providers and the continuing work of the Project Implementation Group.
7. The Project Implementation Group organised a successful Providers Forum on 5 July 2006. The purpose of the Forum was to test interest in the market and to invite providers' feedback on the potential model of provision.
8. The Forum was judged to be a success with 33 providers represented on the day. Feedback from providers has largely been positive and there appeared to be considerable interest in tendering to provide a service in Wiltshire.
9. An advertisement appeared in August inviting formal expressions of interest in tendering for the service. This resulted in some thirty four responses from a range of independent providers.
10. The detailed service specification and applicant appraisal questionnaires have now been issued to interested organisations. Short-listing is planned to take place on 9 October, following which invitations to tender will be issued. Final interviews and selection will take place on 28/29 November.
11. There have been a number of consultation meetings with staff in March and again in August to keep them informed. A meeting with stakeholders, the 'Project Reference Group' will be held in September. Arrangements are also in hand to consult with the current young people in residence.

Service Implications

12. The impact of the closure of Orchard House in October 2005 on placement flexibility was compounded when it became necessary to close Towpath Road temporarily during the summer because of major plumbing and sewage problems which made the building unsafe.
13. It was possible to arrange for two young people to be accommodated in the staff house at Orchard House, with temporary registration agreed by the Commission for Social Care and Inspection (CSCI). The works at Towpath were completed and the unit re-opened in July.
14. Since the re-opening Towpath Road has been operating at full capacity. Vacancies which arise in the two staff teams are not being filled. This has meant that Orchard House staff have been re-deployed to cover vacancies

at Towpath Road. Other staff have been re-deployed to vacancies within the fieldwork service.

15. Strenuous efforts continue to be made to manage the existing shortfall of in-house provision. This, in part, has been achieved through utilisation of foster care provision and the careful procurement of a number of residential placements from the independent sector.

Financial Implications

16. There are potential financial benefits for the Council in managing this project to a successful conclusion. As indicated in the business case, limited in-house provision restricts the potential to respond flexibly in meeting the complex needs of young people who may require residential care. There is increasing evidence that the voluntary and independent sectors can more easily deliver such a service based on their specialist and versatile range of provision.
17. Past experience of attempting to operate two six bedded units indicates that it has not been possible, due to particular needs of the young people, to consistently operate at a level of capacity which is financial viable.
18. The opportunity to procure a range of residential provision, with the scope to secure favourable terms for the Council is therefore a primary driving force for this initiative.

Risk Assessment

19. The main risks are as outlined in the Business case, section 7.

Conclusion

20. The Scrutiny Committee is requested to note the progress to date, to comment on the report, and seek any clarification or actions they consider appropriate.

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