

**Decision Maker:** EXECUTIVE

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on 10<sup>th</sup> January 2017

**Decision Type:** Non-Urgent Executive Key

**Title:** PROPOSAL FOR CHILDREN'S RESIDENTIAL BLOCK BED PLACEMENTS

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**Chief Officer:** Lesley Moore, Director of Commissioning

**Ward:** Borough-wide

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1. Reason for report

- 1.1 This proposal sets out the need for block beds for residential placements for young people coming into care and what the benefits and implications would be for the London Borough of Bromley, particularly in the light of the cost pressures facing the department.
  - 1.2 Following the recent follow up visit from Ofsted they agreed with the Director of Commissioning that the Council's current strategy with placing children in high cost spot residential placements was not offering the council value for money and not the best placement for these children.
  - 1.3 Within the block bed contract it is proposed that 1 or 2 beds are set aside for emergency placements.
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2. RECOMMENDATIONS

2.1 The Care Services PDS Committee is asked to note and comment on the contents of this report prior to the Council's Executive being requested to:

- i) Agree to market test residential placements for young children aged 13 – 17 years of age, block booking up to 12 beds which will be within 10 miles of Bromley, for a period of 4 years with the option to extend for a further 4 years (2 plus 2), in line with the Commissioning Strategy as set out in para 5.6 of this report, with a whole contract value of £15.4m.

- ii) Agree to enter into discussions with a local provider in the borough to block book 4 emergency residential care beds for young children aged between 13 – 17 years of age for a period of 9 months as set out in para 5.5 of this report, with an estimated contract value of £540k.**
- iii) Note the on-going discussions with Drake Court a provision for 16+ children, which will need further investigations as set out in para 8.3 of this report.**

## Impact on Vulnerable Adults and Children

1. Summary of Impact:
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## Corporate Policy

1. Policy Status: Not Applicable Existing Policy New Policy:
  2. BBB Priority: Children and Young People Excellent Council Quality Environment Safer Bromley Supporting Independence Vibrant, Thriving Town Centres Not Applicable:
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## Financial

1. Cost of proposal: £1.9m p.a.
  2. Ongoing costs: Recurring Cost Non-Recurring Cost Not Applicable:
  3. Budget head/performance centre: 808101
  4. Total current budget for this head: £5.1m
  5. Source of funding: Core Funding
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## Personnel

1. Number of staff (current and additional):
  2. If from existing staff resources, number of staff hours:
- 

## Legal

1. Legal Requirement: Statutory Requirement Non-Statutory - Government Guidance None: Further Details
  2. Call-in: Applicable
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## Procurement

1. Summary of Procurement Implications:
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes No Not Applicable
2. Summary of Ward Councillors comments:

### **3. COMMENTARY**

3.1 Placements can occur as a result of a family crisis which can include:

- Parents determining they can no longer manage the young person.
- The parents may be either hospitalised or imprisoned and so children are placed in the care of the LA if there are no other suitable carers available in the extended family network.
- The young person may have become involved in crime and gangs and needs to be moved from the home environment.
- The young person may be discharged from a secure or hospital environment and be referred to LA to accommodate.
- The young person may be remanded to LA care following an appearance in court.
- The young person may have been subject to emotional, physical or sexual abuse. They could be susceptible to CSE or have been trafficked.
- There is also potentially a cohort of unaccompanied asylum seekers.

3.2 Whatever route a young person takes into care, the process is the same. An initial assessment is made (if there is time) and a request is made to the Head of Service in order to approve admission into care and the funding/type of accommodation that is being agreed.

3.3 These young people can often be complex and very difficult to turn around, on the basis that they may have quite a few years of emotional dysfunction and chaotic living. Some teenagers are under pressure from peers to continue with criminal or gang behaviour and young people with a history of absconding may continue to carry out this behaviour – quite often they are running to something rather than running from a situation.

3.4 Bromley has not used block placements since it operated its own children's homes (contracts ended in 2005). The approved provider and registered manager of each and every home have the right to either accept or reject a placement from any authority. The homes have a duty of care to their existing residents and their staff to ensure that any new placement is a match for existing residents, that they can meet the child's needs and will cause no disruption to existing tenants and/or there will be no safeguarding issues arising from the placement.

3.5 There has been on average 33 Looked After Children placed in a residential care type setting in the last 3 years. In 2016/17 specifically, there has been an average of 36 children of which 15 are placed in Residential Care Homes with Education, 17 children are in Children's Homes and travel for their education, 2 children placed in Specialist Community Homes funded 50/50 by children's social care and the CCG and 2 children are at Boarding Schools.

3.6 When the Council block books placements there is a risk of paying for empty beds if there is no demand for that placement effectively causing 'double funding'. However, given the high demand for these type of placements and that the Council will have the ability to offer empty beds to other local authorities if not required, this risk will be mitigated. It is also proposed that 1 or 2 of these beds in each home are set aside for emergency placements.

#### **Current Arrangements**

3.7 The current arrangements to identify emergency residential placements for young people coming into care are on a spot purchase arrangement. As and when a placement is required for a young person a referral is submitted to the Central Placements Team to source the most appropriate available provision in which to place the young person.

3.8 Improving outcomes and providing better quality of care with added value for the Council can happen with a change in the current commissioning arrangement.

- 3.9 The responsibility of identifying the emergency placement is held by the Central Placements Team once the referral is completed by the Social Worker of the young person and authorised by a Head of Service.
- 3.10 Given that the Commissioning Strategy details that all young people should be placed within 10 miles of Bromley it has been identified the need to have more readily available local beds for these young people.
- 3.11 The Commissioning Strategy aims to provide and plan for the future and to ensure that we need to commission services that are effective, efficient and responds to the needs of Children Looked After in Bromley.
- 3.12 In recent months it has become more challenging to identify suitable placements for these young people coming into care for a variety of reasons:-
- A decrease in current vacancies available to the London Borough of Bromley.
  - Young people are presenting with very complex and challenging needs and providers are not able to take the placement due to the risk they present to other young people who are already accommodated in the placement.
  - Provisions with vacancies do not have a Good or Outstanding Ofsted Inspection.
  - Providers are not as willing to provide emergency placements and opt to only accept placements on a planned basis.
  - The majority of these young people are not known to the Local Authority and therefore a lack of information drives further complications and difficulties in identifying a placement. Potentially these children could have been fostered but a lack of information and time to gather this information prevents this.
  - The providers who can manage these young people do not have time to arrange the level of staffing these young people will need when initially placed.
- 3.13 The block booking of residential placements should address the above challenges by increasing local capacity and have a vetted and approved provider ready to take the placements.
- 3.14 When young people are unknown to the Authority it is difficult to identify immediately the best provision that will meet their needs longer term, or even to know what their needs might be. Having 2/4 emergency placement provision will enable an initial assessment of need from a place of safety will result in better quality care planning and potentially enable a move to a foster placement rather than on going placements in residential care.
- 3.15 The Commissioning Strategy identifies the need to build in-house fostering capacity; once this is achieved, having young people locally placed will aid the transition from residential to the in-house foster placements. This will allow the provider, Bromley's Fostering Service and Bromley's carers to be able to plan a move and work closely with the young person, something that is much more costly and harder to achieve when a young person is placed at a distance to Bromley.
- 3.16 The Commissioning Strategy identifies the need to ensure preventative and support services are in place to avoid children becoming looked after unnecessarily or to support quicker returns to home. Block beds could act as a preventative service by:-

- Supporting young people over a short period of time by means of a respite bed to prevent behaviours escalating at home and enabling a child and/or the family to have breathing space. This will prevent unnecessary longer periods of time in care.
- Reducing the escalation of placing children who do not necessarily need high cost residential placements while a period of assessment is undertaken by the Social Worker. This would allow more time to identify a suitable placement. Once more details have been ascertained it is more likely to find a suitable foster placement or more cost effective and better matched residential placement.

#### **4. SERVICE PROFILE / DATA ANALYSIS**

- 4.1 There has been an increase in Children Looked After in the London Borough Bromley.
- 4.2 There has been an increase in young people presenting with complex and challenging needs. The current trend is both boys and girls aged 13-17. They are presenting in need of an emergency/same day placement and are generally at risk of CSE and/or have a criminal history.
- 4.3 Analysis confirms that there will always be a need for the London Borough of Bromley to use residential placements but a block contract should deliver a reduction in spend rather than rely on the current arrangements of emergency residential placements purchased on a spot arrangement, which heavily depends on availability at the time. Supply and demand will inevitably push up cost of placements.
- 4.4 It is anticipated that a block contract will achieve:-
- An increase in young people being placed locally.
  - A reduction in residential spend
  - A reduction in travel expenses transporting the young person to the placement, home or even to court attendances.
  - A reduction in the need to commission out of other support services such as, CAMHS, therapy, contact centres.
  - Savings in placement officer and management time identifying emergency placements that will be suitable
  - Children being placed late in the evening/night (especially when at a distance)
  - More effective planning for the young person, leading to better outcomes and placement stability.
- 4.5 In 2015/16 there were 43 referrals of all ages requiring residential placements compared to this year to date which has seen 65 referrals. In the main these referrals have fallen within the 13-17 year old age category (about 95%). Given the level of demand for 13 -17 year old residential placements the Council will need to look at commissioning services differently to avoid continued pressure on this budget. Placements made outside of the borough also impact on SEN transport costs, which are forecast to overspend this year, so a block bed contract will help reduce costs in this area.
- 4.6 The numbers of children placed in residential care for the age group 13-17 years on placement for the last three years is shown in para 5.1 below.

4.7 There is a steady increase in the number of children coming into care at 13years plus (with a steady 40-50% of all children looked after in the past three years being 13years plus) and they are presenting with more and more complex needs. These needs include CSE, absconding, mental health issues, drug and alcohol problems and gang affiliation/involvement or other criminal activity. These are the young people who generally we are not able to place in foster placements.

## 5. FINANCIAL DATA

5.1 The total expenditure on residential placements along with the forecasted spend for this year is:

	2014/15		2015/16		2016/17	
	£'000 Actual	FTE's	£'000 Actual	FTE's	£'000 Projected	FTE's
Community Homes with Education	1,715	14.59	1,534	10.29	1,894	14.59
Community Homes	1,300	9.30	2,387	12.48	2,951	17.00
Specialist Homes	529	4.00	254	2.16	209	2.33
Boarding Schools	377	6.55	344	4.71	189	2.25
<b>TOTAL</b>	<b>3,921</b>	<b>34.44</b>	<b>4,519</b>	<b>29.64</b>	<b>5,243</b>	<b>36.17</b>

5.2 The FTE figures for 2016/17 include children currently in a placement, who have been in the system and have since left and estimation for future placements during the year. The table shows a significant growth in placement numbers in 2016/17.

5.3 As you can see from the table above expenditure on children's residential placements has risen considerably in the last two years from £3.9m in 2014/15 to £4.5m in 2015/16 and projected to increase this year by a further £0.7m.

5.4 Unfortunately, emergency placements are not recorded in an identifiable or specific way. However the relevant Head of Service has identified that currently around £4,000 a week is the weekly cost of an emergency placement when placed. Although Emergency placements are reviewed and costs are often reduced, in some cases the placement needs to continue and this becomes a long term placement where the fee bar is set high from the onset

5.5 An existing provider in the borough currently operates a 6 bedroom children's home for 13 -17 years olds which has caused some issues for residents due to inappropriate placements. Officers propose as an interim arrangement, particularly given the concerns raised by Ofsted, entering into direct negotiations with this provider to secure 4 emergency beds for an interim period of up to nine months whilst a full tendering exercise is undertaken. It is estimated this will cost £540,000 for a nine month period,

5.6 Given the upward pressures on children placed in residential care aged 13 – 17 years of age, it is proposed to market test for up to 12 block bed placements comprising of emergency and non-emergency beds as required by the service. It is proposed to enter into a contract for a period of 4 years with the option to extend for a further 4 years (2 plus 2) if required. The annual contract value for this would be around ££1.9m and an estimated contract value of £15.4m (over 8 years).

## **6. MARKET RESEARCH**

- 6.1 From research carried out into other local authorities there appears to be a clear pattern in moving away from spot purchasing. This is in relation to all residential placements, not only those ones which are an emergency.
- 6.2 Over the last five years local authorities have moved from spot purchasing to block purchasing residential placements. The majority of the local authorities who currently spot purchase are looking at other options given demand on the service.
- 6.3 The main reason for moving away from spot purchasing is to deliver a more efficient and effective service. Spot purchasing does not always represent best value for money, particularly when a placement has to be found in an emergency situation or if there is a lack of availability which results in placements having to be made further afield, which then impacts on other services such as transport and social worker time travelling around the country to undertake visits to the child
- 6.4 Block booking of placements will also ensure where possible that the placement is kept in borough or very close to the borough, therefore minimising disruption to the child and reducing support costs.
- 6.5 Nottinghamshire Council block purchased 25 residential care beds for children in 2015 in order to save money from spot purchasing and drive efficiency.
- 6.6 Manchester City Council has a five bed in house children's home for emergency young people entering care.
- 6.7 In 2011 a consortium of local authorities in the North East came together in order to better manage the residential placements process. The aim of the consortium is to increase the residential placements market in order to increase competition, to improve quality and choice and control cost. The arrangements will modernise the way placements are procured making it a more open, transparent and robust process. LBB has this arrangement under London Care placements (formerly the pan London consortium).
- 6.8 There is a home in the Borough which could provide the Council with six bed placements. The Home is presently used by other local authorities, which has seen children placed which were not suitable for the home, and have caused disruption in the area. Given the Council could utilise these placements officers are currently in discussions with the home about block booking all these beds, both for emergency and longer term.

## **7. MARKET CONSIDERATIONS**

- 7.1 Our market analysis has identified several providers within 10 miles of the London Borough Bromley. These providers are based in, Bexley, Bromley, Croydon and Lewisham.
- 7.2 All these providers have been approached as part of our research but not all of these providers are able to offer a block bed arrangement for a variety of reasons:-
  - Some providers are only interested in planned moves, so do not offer emergency placements. Block booking of beds should reduce over reliance on emergency beds anyway, so this should not be an issue.
  - Some providers are registered for a certain age range which would be lower than 13 – 17 year olds that the Council is targeting.

- Although some providers said they could offer placements they would decline the option of Bromley having a block bed as they feel our young people with their presenting needs would substantially alter the focus of the work they carry out in their homes.
  - After initial visits to the providers by the Central Placements Team it was felt that some providers are not suitable to offer placements for complex and challenging behaviour, they do not have the staffing capacity and staff are not trained to deal with these behaviours. However, as part of the commissioning role, the market will need to be developed to manage this.
- 7.3 One risk identified in commissioning the block beds is the provider rejecting the referrals of the young people being referred for the placement; however this will be managed by ensuring that any block bed contract meets the needs of the service both now and in the future. A detailed analysis of what is required will be undertaken and accounted for in the service specification.
- 7.4 A provider cannot guarantee that they can accept every referral sent to them. An example given by one provider was, if Bromley referred a young boy who has a conviction of a sexual assault against underage girls, and the provider had two females currently in the placement they would not be able to accept the young boy, due to the risk it would impose on the females in placement and Ofsted would not allow this as this as it would be deemed an unsuitable match. This risk is lowered by having two block beds over two Units.
- 7.5 Providers however stated that if children were placed with 1:1 and 2:1 staffing then they would be able to manage most of our referrals and unless the proposed young person presented significant risk to young people in placement they could accept the majority of Bromley's referrals. However 1:1 and 2:1 staff can present a significant additional cost to the placement.
- 7.6 One provider suggested they would share live matching criteria for the home with Bromley on a weekly basis. This would detail the types of other young people in placement and any specific matching considerations that needed to be factored in. They would then complete an impact risk assessment and if for whatever reason they could not match, they would share this assessment with Bromley to show their rationale.

## 8. OTHER OPTIONS CONSIDERED

- 8.1 **Do nothing** – although some placements will still need to be spot purchased (if the child has very complex needs) given the significant pressures on the service in the last few years and going forward, a different service model will need to be implemented. Therefore, doing nothing is not an option.
- 8.2 Increase internal capacity by **opening a residential unit in Bromley**, run and owned by Bromley – The cost incurred would be a lot higher than have block bed contracts. In 2005 Bromley owned a residential unit; this cost £500k per annum. It is felt that in today's market this would be far more costly. This would also take time to implement which is not viable and Bromley would still have the same level of risk when it comes to matching the young people in placement.
- 8.3 **Drake Court** – Drake Court is a provision that is contracted for young people aged 16+ that provides supported lodgings. There is a possibility that they have an underutilised flat that could be used for children aged 16+. Again this would help reduce budget pressures for Children Leaving Care. This would not be suitable for all young people as this is not an Ofsted registered provision and could not be used for any child under the age of 16 years. However, this option is currently being explored for 16+ placements.

8.4 **Shared services** – (is this shared services with other authorities?) currently it would not be practical to share these services due to the arrangements in place. This could potentially be a long term option after further research but would not be the quick option required.

## 9. **OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS.**

9.1 It is proposed that we contract with two providers in order to secure block beds placements for children aged 13 -17 years of age, which will include emergency bed arrangements.

9.2 We will seek to enter into a contract with a provider for a period of up to 4 years, with the option to extend for a further two years plus 2 years (8 years in total) if required. As part of the contract any vacant beds will be able to be offered to other local authorities should they not be required. This helps mitigate any risks.

9.3 The specification will be developed with the Head of Care and Resources, the Central Placements Team and Procurement Team.

9.4 The provider will need a tried and tested high control behavioural management model in place to ensure the young people have the best support and best outcomes possible available to them.

9.5 The Provider will be expected to work with community partners, the Local Police and Safeguarding Boards and other agencies to always promote a team around the child to promote better outcomes.

9.6 All staff who work within the homes will be recruited in line with Safer Recruitment guidelines and undergo a rigorous training programme.

9.7 The Provider, will ensure they meet all nine Quality Standards contained within the Children's Home Regulations to help young people achieve better outcomes:

- The quality and purpose of care standard (regulation 6)
- The children's views, wishes and feelings standard (regulation 7)
- The education standard (regulation 8)
- The enjoyment and achievement standard (regulation 9)
- The health and well-being standard (regulation 10)
- The positive relationships standard (regulation 11)
- The protection of children standard (regulation 12)
- The leadership and management standard (regulation 13)
- The care planning standards (regulation 14)

9.8 The Provider, will ensure they meet all Statutory Requirements and Legislation around providing care for looked after children; this will be clearly identified in the Specification.

9.9 The Provider will ensure that their Statement of Purpose is current and has regard to the needs of children placed in the home and the home's role and aims are clearly identified.

## **Procurement Process**

- 9.10 Soft market testing was carried out with the fourteen providers who are within 10 miles of Bromley, for emergency beds. Only five at the time of market testing would be able to offer block bed arrangements, the other providers declined for the variety of reason stated in 6.2. However, this will be very different if we went out as planned for block bed contracts for permanent placements.
- 9.11 Prior to entering into a formal EU process there will be a discussion with a number of service providers in the locality to further inform the Councils procurement strategy given the complexity of the service and the needs of the client groups identified, along with the need for the services to located in or close to the borough. It is proposed that the Council enter into a competitive dialogue procedure with negotiations (with notice) within the light touch regime.
- 9.12 The proposed draft timetable is set out below:-

### **2017**

Report to Executive	January/February
Specifications drafted	February
PIN/Contract Notice issued	March
Contract Award	July

\* Maybe earlier for contract with local provider (recommendation 2.2)

- 9.13 The monitoring of these contracts along with all the other contracts for children's services will be undertaken by the central contracts monitoring team in the Commissioning & Procurement Division.

## **10. IMPACT ON VULNERABLE ADULTS AND CHILDREN**

- 10.1 Blocking booking of emergency beds and more local provision will allow for more effective planning for the young person, leading to better outcomes and placement stability.
- 10.2 Improving the lives of vulnerable children in Bromley is at the heart of this proposal.
- 10.3 There is no impact on vulnerable adults associated with this report.

## **11. SUSTAINABILITY**

- 11.1 Block beds should reduce the number of out of borough placements for young people in care which should reduce placement disruptions and achieve better outcomes.

## **12. POLICY IMPLICATIONS**

- 12.1 Improving Bromley's capacity to provide appropriate and cost-effective residential placements is a key objective for Children's Social Care and contributes towards *Building a Better Bromley*.

### 13. LEGAL IMPLICATIONS

- 13.1 This report seeks the approval of the Executive to procure a contract for the provision of:
- 1) 12 children’s residential block bed placements for a period up to 4 years with an option to extend for a period or periods up to 4 years and an estimated total value of £15.4 million; and
  - 2) 4 emergency children’s residential block bed placements for a period up to 9 months and an estimated total value of £540,000.
- 13.2 Rule 5 of the Contract Procedure Rules provides that for a contract with an intended total value of £1,000,000 or more the Executive will be formally consulted on the intended action and contracting arrangements having first been reviewed by the Commissioning Board.
- 13.3 Rule 8 of the Contract Procedure Rules provides that for contracts with a value above the EU threshold the Council must open the procurement to between 5 and 8 organisations.
- 13.4 The Public Contracts Regulations 2015 apply to this contract and the Council will need to comply with these Regulations. It is intended to procure the 12 children’s residential block bed placements using a competitive procedure with negotiation.
- 13.5 The estimated financial value of the procurement of the 4 emergency children’s residential block bed placements falls under the light touch regime set out in the Public Contracts Regulations 2015 and is under the financial threshold of £589,148 for that regime. These beds are required urgently owing to an unforeseen circumstance, see paragraph 5.5 of the Report. Accordingly, the procurement procedures under Part 2 of the Regulations do not apply.
- 13.6 The report author will need to consult with the Legal Department regarding the contract terms and conditions.

<b>Non-Applicable Sections:</b>	Personnel
Background Documents: (Access via Contact Officer)	supporting papers held in commissioning and finance