



**Executive**  
13<sup>th</sup> November 2006

**Report from the Director of  
Children and Families**

For Action

Wards Affected:  
None known

**Small homes project - request to exempt a contract from a full tender process**

Forward plan ref: C&F-06/07-016

## 1.0 Summary

- 1.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500,000 need to be subject to a full tender process. However the Executive can authorise an exemption from this process, where there are good financial and / or operational reasons to seek an exemption. This reports requests that a contract to jointly commission a small children's home for young people with complex needs be exempted from the tender process.
- 1.2 The proposal is that Brent, Westminster City Council and Camden will enter into a contract with a specialist provider to purchase one bed space each, at a unit cost of £3986.70 per week, £621,927 over a 3 year period at 2007/8 prices. This cost is comparable with high cost beds currently purchased from out of borough establishments. Assuming that the Executive approve the exemption from tendering requirements, then this report is also requesting delegation of approval for award of contract to the Director of Children and Families when the contract and service specification have been finalised and delegation of contract management powers to Westminster.

## 2.0 Recommendations

- 2.1 The Executive approve the exemption from tendering requirements of the proposed contract with SCF Services Ltd (in partnership with Westminster and Camden Councils) for the provision to Brent of a 3 year residential placement service for a minimum of one bed space, on the basis that there are good operational reasons for the exemption, as set out in section 3 of the report, particularly in paragraph 3.3

- 2.2 The Executive agrees to the proposed Collaborative Procurement with Westminster and Camden Councils.
- 2.3 The Executive agrees to delegate to the Director of Children and Families the final decision to award the contract to SCF Services Ltd, subject to the Borough Solicitor confirming that the proposed contract terms are satisfactory.
- 2.4 The Executive agrees to delegate to Westminster City Council Brent's contract management function in relation to the service Brent receives from the provider.

### **3.0 Detail**

- 3.1 There are a small number of children and young people (usually age 12 plus) looked after by Brent whose behaviour is challenging and who have complex behavioural and emotional difficulties. These children cannot continue to live at home because their behaviour places them at risk and for the same reason they cannot be placed in foster care. They require specialist care in highly staffed residential establishments.
- 3.2 The objective of placing children and young people in a specialist establishment is to work with them to change their behaviour so that they can return home, move on to a less intensive residential home, or to a foster home.
- 3.3 There are very few establishments in London and none locally who offer places for this group of young people. The shortage of placements is recognised by neighbouring local authorities as well as by Brent. Appropriate placements are both very costly and difficult to find and it is not unusual to place children as far away as Cumbria or Deeside. When young people are placed at such distances the local authority has difficulty in monitoring the care offered or ensuring that value for money is obtained from the provider.
- 3.4 When young people are placed at a distance from their homes and communities it is difficult for them to maintain ties with their families. Residential homes out of London do not always have a staff group able to meet the cultural needs of Brent's young people, most of whom are black. Re-integrating back into Brent when a young person leaves school or reaches 18 years can prove difficult as they have established a network of friends and contacts in the host borough.

### **The proposal**

- 3.5 Westminster, Camden and Brent have agreed to cooperate on a joint commissioning project to establish a children's home locally that can meet the needs of their most difficult children. This is the first time they have cooperated on such an initiative. The partners have identified an organisation, St Christopher's (registered company name SCF Services Ltd), who are providers with a good track record of providing care to young people. St Christopher's have designed a model of care based on research, evidence of practice in the United States and their own experience and the partner local authorities are confident that it will prove effective with the identified group of young people.

- 3.6 The proposal is that St Christopher's will open one or two small children's homes located in one or two of the partner boroughs. The homes will have a maximum of 4 beds. St Christopher's will purchase suitable houses and make them fit for purpose as small children's homes. Each of the three partner boroughs will commit to purchasing one bed only. Initially it was envisaged that both homes would open within 90 days of each other but it is now more likely that one home will be opened and when its success is demonstrated a second will follow. If one of the partners cannot fill its bed space then it will be offered first to the partner boroughs and if they do not want the bed it will be sold to any borough who wishes to place a young person. Under the draft agreement, Brent would have to continue to pay for this vacant bed space if it could not be filled, however this is considered a very low risk in view of the shortage of this type of placement.
- 3.7 The establishment of the home will provide for one to one support for each young person and there will be therapeutic input. The high staffing ratio and small numbers of young people will ensure that the home can operate successfully based within the community.
- 3.8 At the time of writing Brent has 6 children who are placed in residential establishments that cost £3986.70 per week or more. All of them are placed at some distance from Brent. At any time in the last 3 years there have been at least 6 children with complex needs in extremely expensive placements who would have met the criteria for the proposed home.

#### **Advantages of the proposal**

- 3.9 This is the first time a residential home has been jointly commissioned by Brent and its neighbouring boroughs. Brent, Westminster, Hammersmith and Fulham, Camden and Kensington and Chelsea have begun meeting to explore if there are further opportunities to cooperate on children's placements and if the joint commissioning arrangements prove successful for this project it will provide evidence that collaboration can prove successful.
- 3.10 The process will be seen as a step towards meeting the action required in the Annual Performance Assessment letter to reduce the proportion of children placed at a distance from Brent.
- 3.11 Westminster has taken the lead on writing the contract and developing the specification and the drafts are now well advanced. Brent has benefited from the experience of Westminster City Council which has a track record of effective commissioning of children's services.
- 3.12 The partners have had considerable input into the specification and believe the home will meet the needs of their most difficult children. St Christopher's has demonstrable experience of setting up and running children's homes, including in Westminster and is trusted to provide a home that can meet the agreed specification.
- 3.13 Young people placed in the home will not have education and family ties disrupted and can continue to benefit from services available in their home boroughs.
- 3.14 The initiative offers an opportunity to open a children's home in Brent. Brent currently is the most likely location as property prices are lower in Brent than in Westminster or Camden. Within Brent, the area most likely to be chosen for purchase of a property is Harlesden, because of its prices and because it is easily accessible from Camden and Westminster. Brent has no in borough

provision. As the risks of this project are shared between the three boroughs and St Christopher's this provides a low risk opportunity to obtain some residential provision in Brent.

- 3.15 Brent is committed to the purchase of one place only and there are children who need such a resource. In the unlikely event that Brent cannot fill its place it can be sold to another borough. Brent will have the opportunity of purchasing more than one place if there are four beds in the home or if one of the partners does not use its bed.

### **Contract Process**

- 3.16 If the Executive agrees to exempt the contract from the full tender process then a final version of the contract and specification will be agreed between the partners and the contract entered into with the chosen provider. Westminster has not asked for a contribution to their costs of drawing up the agreement? St Christopher's will then purchase a suitable property to convert to a small home subject to relevant planning permissions. On completion, assuming registration standards are met, the home will be registered by the Commission for Social Care Inspection.
- 3.17 Westminster will be the lead authority and the contract will be regularly reviewed by the Authorised Officer who will be a Westminster City Council employee. Each of the local authorities will contribute to the monitoring process and will have a representative who will meet regularly with the Authorised Officer to monitor the contract. However the agreement does confirm the right of Brent to go to the premises and monitor its placement as necessary.
- 3.18 The draft contract has a provision that the contract can be ended with three months notice if all the partners are in agreement.

### **4.0 Financial Implications**

- 4.1 The cost of the contract will be met from within the Social Care purchasing budget.
- 4.2 The bed will be used for a young person currently placed out of borough in a high cost placement, for a young person with complex needs where a lower cost placement had broken down or for a young person who was assessed as having complex needs at the time they became looked after.
- 4.3 This is a very high cost placement but the cost is comparable with beds currently spot purchased out of borough for young people with very complex needs. There will be savings arising from travel and reviewing costs and because it will be possible to work more effectively to rehabilitate the young person home or to move them to a lower cost placement.
- 4.4 As stated at 3.8 above there are currently 6 young people in placements that cost £3986.70 per week or more. The number of young people requiring specialist placements of this type is increasing.

### **Contractual arrangements**

- 4.4 The contract is for three years from the agreed commencement date and the fee for the bed will be payable to the contractor monthly in advance.

- 4.5 The fee will be revised annually on the first anniversary of the commencement date to reflect any increases in accordance with the Local Government Index.
- 4.6 The parties will carry out a performance review 6-8 months before the end of the contract and following the review decide if they wish to enter into a new contract.
- 4.7 There is a provision that the contract can be ended with three months notice if all the partners are in agreement.

## **5.0 Legal Implications**

- 5.1 The type of service described in this report is a social service. It is therefore classified as a Part B service under the EU public procurement legislation. Under the EU legislation there is no requirement to tender such a service. Therefore the proposal not to tender this service does not have European tendering implications and the issue of compliance with the Council's Contract Standing Orders is the main matter to address.
- 5.2 Under Standing Order 84(e), a contract of this value is required to follow a formal tender process. However the Executive can grant an exemption to this requirement where it considers that there are good operational and / or financial reasons for doing so (SO 84(a)). Such reasons are put forward in the body of the report.
- 5.3 Under Contract Standing Order 85, the Executive needs to approve any collaborative Procurement where this involves delegation of functions. A Collaborative Procurement is defined as "Any arrangement between the Council and any other body under which the other body undertakes a procurement process with or on behalf of the Council." This report recommends approval for the collaborative procurement itself, and also for the proposed delegation of contract management functions to Westminster Council.
  
- 5.4 A draft contract has been produced by solicitors acting for Westminster Council and this is currently being reviewed by Legal Services. A contract of this value (that is exceeding £500,000) is required by Standing Orders to be awarded by the Executive. However as the contract terms are still being reviewed it is proposed that the Executive delegate the decision to award to the Director of Children & Families, subject to the Borough Solicitor agreeing that the terms are satisfactory. However a preliminary assessment revealed no areas of unusual risk for the Council; in particular, the provider takes all the risk of setting up the home and obtaining planning permission, to the extent that the agreement is nullified without Brent having made a contribution, if the provider does not achieve this by an agreed date.
- 5.5 Under the Education (Areas Pupils/Students Belong) Regulations 1996 when a pupil has a statement of special educational needs then it is the local

education authority which maintains the statement of special educational needs which funds the statement. This remains the position when the pupil is living in a different local education authority including when the pupil is, say, in boarding accommodation or a special school. If a local authority "looks after" the pupil then it is the local education authority of that local authority which funds the statement. So, as regards children from other authorities who go to the home they will have their statements of special educational needs funded by their respective authorities, even though the home will be located in Brent. Brent is in discussions with Camden and Westminster on the best arrangements for the placement of the children at appropriate schools whilst they attend at the home.

## **6.0 Diversity Implications**

- 6.1 The proposals in this report have been subject to screening and officers believe that there are no adverse diversity implications. The provision of a local residential resource provides the opportunity to place young people within or near to their communities of origin and to maintain important family links and cultural connections. As the partners are responsible for the specification it will be possible to ensure that a diverse staff group is recruited and to influence the treatment model to ensure it meets the needs of young people from a diverse community.
- 6.2 The Contractor will be monitored to ensure that they are complying with requirements and the views of the young people placed will be sought regularly.

## **7.0 Staffing Implications**

- 7.1 Staff will be recruited and employed by the provider, St Christopher's. There are no staffing implications for the local authority arising from this proposal.

## **Background Papers**

i) St Christopher's Charity Homes file : 2005/06

### **Contact Officers**

Janet Palmer Assistant Director - Social Care, Children and Families  
Department, Chesterfield House

Jan Fishwick, Head of Service Placements, Children and Families  
Department

John Christie

Director of Children and Families