

Meeting: Cabinet
Date: 13th January 2025
Classification: Part 1
Key Decision: Yes
Title of Report: Commissioning Residential Accommodation for Children and Young People

Executive Director: Michael Marks, Executive Director Children & Public Health
Report Author: CJ Reed, Lead Commissioner
Executive Councillor: Councillor Laurie Burton, Portfolio holder for children, young people and SEND.

1. Executive Summary

- 1.1. The purpose of this paper is to seek approval from Cabinet for the procurement and award of a contract to deliver residential children's services from the property at Caulfield Road.
- 1.2. The provider will be selected via a competitive procurement exercise to ensure best value, and it is hoped that the contract will be awarded by the end of 2024/25 fiscal year. The home in Caulfield Road is expected to open, following successful registration with Ofsted, some time in 2025/26 fiscal year.
- 1.3. The final contract price will be determined by level of demand and placements into Caulfield Road with the approved provider. Completing a competitive procurement exercise will ensure the Council achieves best value for money.
- 1.4. The paper also seeks approval from Cabinet to procure a Children's Residential and Accommodation Framework ("the framework"). This will establish approved providers to support the commissioning of future residential and accommodation provision for children and young people. The framework will bring together several stakeholders who are committed to improving outcomes for children and young people across Southend-on-Sea. This framework is separate from the Caulfield Road procurement and award.
- 1.5. With an ethos of improved contract management and quality monitoring, these recommendations will ensure our children and young people are able to achieve the best possible outcomes in the future, whilst making best use of the property at Caulfield Road.

2. Recommendations

That Cabinet:

- 2.1. Agree that officers proceed to procure a contract for a provider to run Caulfield Road as a children's residential home. The procurement will commence in the

2024-25 fiscal year via competitive exercise. The Contract would be for an initial period of 3 years with the option of extending for 2 years in 1 year increments.

- 2.2. Agree to delegate authority to the executive director, children and public health in consultation with the Cabinet Member for Children, Young People and SEND to award the contract to the successful bidder.
- 2.3. Agree the officers proceed to procure a framework of providers for the provision of Children's residential and accommodation services during the 2024-25 fiscal year, using an appropriate procurement process exercise.
- 2.4. Delegate to the executive director, children and public health, in consultation with the Cabinet Member for Children, Young People and SEND the authority to award inclusion in the framework to those providers who have been successful.

3. Background

Caulfield Road

- 3.1. With the aim to meet identified demand, Southend City Council (SCC) purchased a five-bedroom home (Caulfield Road) in 2021 as a residential children's home.
- 3.2. The unit was operational for a limited amount of time and offered a home to two children: one for 18 weeks and another for 8 months. No children have been placed in the service since July 2023. The lease with the provider ceased on 2nd October 2024.
- 3.3. In July 2024, all options for the property were explored and it was decided the property would be retained and utilised as a residential property for children the Council cares for as originally intended with a procured provider, following a complete and thorough procurement process.
- 3.4. Subject to Cabinet's agreement the Council will go out to tender and award a contract for a provider for Caulfield Road as a block arrangement expecting a minimum occupancy dependant on children's needs and suitable matching. The current average spot placement cost of residential placements (as at the end of September 2024), excluding the most complex children, is currently £5,870 per bed per week.
- 3.5. If the Council did not utilise Caulfield Road, 4 spot placements for a year could cost more than £1.2 million. Therefore, the contract for provision of services to 4 beds at Caulfield Road, would be over £250k, but is anticipated to be at a better value than individual spot placements and therefore achieve efficiencies.

Children's Residential and Accommodation Framework

- 3.6. Southend-on-Sea City Council's has a sufficiency duty, to supply and place children in placements as close to Southend as possible. Over the last couple

of years more children have either been placed in, or close to, the city, but too many children are still placed outside of the city.

- 3.7. Currently, we are placing children in residential services on a spot purchase basis. This is not cost effective and makes it difficult to negotiate pricing with providers.
- 3.8. Establishing this framework for children's residential services in Southend-on-Sea will bring several benefits aimed at improving the quality of care, safety, and outcomes for children and young people whilst also allowing better financial and contract management of all services contracted under this framework.
- 3.9. The framework will work in a similar way to an approved provider list for children's services moving forward. All framework members will have passed due diligence, financial questionnaires, and technical questions as per formal procurement. This framework will allow commissioners to hold mini competitions for future residential/accommodation services which will be less time consuming than individual procurement exercises. In addition, providers on the framework commit to working with the council to look at innovative ways to provide children's services moving forward.

4. Reasons for Decisions

Caulfield Road

- 4.1. Caulfield Road is currently not operating as a children's home and is empty which means we are having to source alternative placements for Southend children outside of the city, who could have been placed in Caulfield Road. When placed outside of the city it is harder for children to maintain links with their friends and family and stay at the same school which can impact on their outcomes and placing them outside of the city tends to be at a higher cost.
- 4.2. If this contract award is not approved, Caulfield Road will remain empty, and the Council will have to separately spot purchase children's placements at a higher rate.

Children's Residential and Accommodation Framework

- 4.3. This framework would help the Council to improve on their sufficiency duty and support the children and young people of Southend within their care.
- 4.4. This model will allow the Council to go out to the market and award experienced providers to deliver care and support to children as efficiently as possible and avoid some costs currently incurred through the existing spot purchase placements for less complex children.

5. Other Options

- 5.1. If we do not procure and award a contract to a provider to operate a children's home from Caulfield Road, the property will remain empty, and the service will

have to continue to spot purchase services for Children at higher rates and possibly place these children outside of the City. This option is not recommended.

- 5.2. If we do not procure future residential placements from a framework we will have to continue to spot purchase services with minimal quality, financial and contract management. This presents several risks including minimal financial control over placements and no scope for adapting service specifications around emerging needs of children and young people. This may lead to poorer outcomes for children and young people and does not provide best value for public funds. This option is not recommended.

6. Financial Implications

- 6.1. The Caulfield Road procurement and contract award, and the Framework would utilise the existing budget for children's placements, with a focus on providing better value placements, and is therefore anticipated to achieve efficiencies for the spend on placements.
- 6.2. The framework is not anticipated to incur any additional budget pressure, and we envision spend would be lower than the current spend provision. This would be explored further in pre-market engagement exercises prior to contract awards including options when required to minimize void costs.
- 6.3. The current average spot placement cost of residential placements (as at the end of September 2024) excluding the most complex children is currently £5,870 per bed per week. Current spots prices are continually rising above inflation, and it is also clear that the current residential market is also short on bed spaces, which in turn drives spot prices up further. We anticipate achieving a better value provision at Caulfield Road following a competitive procurement, and for future placements under the framework, with a focus on higher quality and lower overheads.

7. Legal Implications

- 7.1. Sections 22A to 22D of the Children Act 1989 make provision for the accommodation and maintenance of a looked after child. The Children Act 1989, and the Children Act 2004 place a duty on local authorities to safeguard and promote the welfare of children. Where a placement with the child's parent is not possible, the responsible authority should place the child in 'the most appropriate placement available,' that is, the one that they consider will best promote and safeguard the child's welfare.
- 7.2. Local authorities must ensure that any service providers comply with the Children's Homes (England) Regulations 2015, which include Quality Standards for children's homes.
- 7.3. Section 22(C)(7) to (9) requires (among other conditions) that 'in so far as is reasonably practicable' any placement must allow the child to live near his / her home and be within the local authority area.

7.4. The recommendations within this report will assist the Council to meet its statutory duties towards children in care.

7.5. In relation to the procurement of services for Caulfield Road, and the procurement of an innovation framework, the Council must procure in accordance with the Public Contract Regulations 2015 (or if, in force the Procurement Act 2023) and the Council's Contract Procedure Rules.

8. Policy Context

8.1. Southend City Council have a duty to provide suitable and safe residential and accommodation services for children, which is primarily governed by the Children Act 1989, Children and Young Person's Act 2008, Children (leaving Care) Act 2000, Children and Families Act 2014 and Care Planning, Placement and Case Review (England) Regulations 2010.

8.2. Other relevant legislation for children's accommodation includes Care Standards Act 2000 and Children's Homes Regulations 2015.

8.3. The sufficiency duty is a legal obligation placed on local authorities in England under the Children Act 1989 to ensure that there is enough accommodation within their area to meet the needs of children in care. This duty is aimed at ensuring that children who cannot live with their families are placed in high-quality, stable, and appropriate settings.

9. Carbon Impact

9.1. No anticipated impact.

10. Equalities

10.1. An equality impact assessment will be completed regarding the tender and contract award for Caulfield Road, as well as separately for the Children's Residential and Accommodation Framework.

11. Consultation

11.1. We will be working with internal colleagues within children social care and consulting with the Southend-on-Sea City Council "Children in Care Council" and "care experienced council" to inform service delivery.

12. Appendices

N/A

13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:
Executive Director(s)	Michael Marks	26/11/2024
S151 Officer	Joe Chesterton	26/11/2024

Monitoring Officer	Susan Zeiss	26/11/2024
Relevant Cabinet Member(s)	Cllr Burton	26/11/2024