

Highland Council Redesign Board
19th September 2017

Review funding for Preventative Services commissioned for Children

Scope of Review

Introduction

Following the design review of Children Services as part of the 2016/17 Council's Redesign Programme a key recommendation of the review was to:

1. Scope and undertake a Best Value Review (BVR) of current funding against outcomes to establish value for money.
2. Consider future commissioning arrangements.

It is anticipated that there are potential savings through rationalising services refocusing and re-procurement.

It is also acknowledged that as well as potential savings, the greatest benefit would be in ensuring that the funding is used to support initiatives and Third Sector contribution to the key aims of preventing children entering care or achieving the best outcomes for formerly looked after children.

Background

There is a large and diverse range of contracts and SLAs held within children's services, not including those related to culture and sport. Currently there are 28 commissions in place and with few exceptions, the SLAs/contracts have not been through a tender process and have been in place for many years, often without any written agreement. This has been identified as a weakness within the Service and over the last 3 years a spreadsheet has been developed, held by the Contracts team, and a lead manager and link from Contracts was allocated to each agency. Written agreements were put in place and regular contract monitoring visits. There has been no uplift in payments for the last 3 years.

The overall budget for identified contract arrangements is £5.689m and there is a significant range in value within this from £1.946m to £0.018m and include provision of residential care, child care, respite care and child and family support. There are also several arrangements to pay for support ad hoc at an hourly rate and total spend on these needs clarified.

The ad hoc development of SLA/contracts over the years and the view that it was problematic to stop or reduce payments meant that there was no underpinning rationale. There is a significant financial resource tied up in these agreements but often not linked to priorities for the service. There is very limited scope to develop new services to meet newly identified needs. Some services are only available in certain parts of Highland.

Having fewer providers focused on key priorities would be more time-efficient in terms of contract monitoring and support. However some of the smaller organisations are almost entirely dependent on the Highland Council for income and have become dependent on this over the years.

Review Group

A core review has been set up led by the Head of Development and Regeneration with HLH's Head of Business and the Corporate Audit & Performance Manager who will work closely with the Head of Children Service to conduct the review along with 2 elected members Cllr Maxine Smith and Cllr Andrew Jarvie. The trade union representative will be Ian MacPhee; other members with the relevant skills will be co-opted on to the team as required.

The team will consult managers and staff from Children Services, NHS colleagues and shared procurement services as well third sector partners.

Scope of Review

In order to assess best value the redesign group will have to consider the following:

1. What services the current commissioning SLAs and contracts deliver
2. What the Council priorities for funding are as set out in For Highlands Children (including statutory requirements)
3. How the SLAs and contracts should be refocused to support priorities for Children's Services, as linked to the other Redesign recommendations.
4. Identify where an activity is seen as a priority, the aim should be to support this as far as possible on a pan-Highland basis.
5. Consider the best option of service delivery against the 10 options as set out in the peer review Framework
6. Identify where it may be possible to ask existing providers to refocus their services to align with one of the identified priorities e.g. to provide a specialist service to Looked After Children.
7. Recognise that Notice periods for any change will be set out in the contracts/SLAs but as some services are dependent on Highland Council funding, a longer lead-in time may be required to introduce change.
8. Identify which contracts are managed jointly with NHS Highland where a joint approach will be required.

Next Steps

- Organise workshop to confirm priorities with stakeholders
- Map current provision to priorities and carry out gap analysis
- Use the process to identify more affordable services to deliver priorities
- Identify any opportunities for income growth for potential suppliers
- Seek to adopt a more commercial process to commissioning services
- Meet with NHS to identify a more cohesive approach

Timescales

It is proposed that an up-date report will be provided for the Redesign Board workshop on 14th November with recommendations presented and discussed at the workshop on 12th December. The final report can then be considered at the next formal Board meeting.