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## Report of the Director of Children's Services to the Executive Board

Date: 22<sup>nd</sup> August 2007

**Subject: Approval of the Children's Services PFI Project and extending the Scope of the Independent Living PFI Project to include the procurement of the Children's Services PFI Provision.**

### Electoral Wards Affected:

All

### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In  
(Details contained in the report)

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## EXECUTIVE SUMMARY

This report sets out the detail of the two projects contained within the proposed Children's Services PFI Scheme with associated costs. The opportunity created by this scheme will both enhance the services provided to disabled children, young people and their families and potentially reduce some of the costs associated with responding to the very high care and support needs of a small number of children and young people. It is proposed to use PFI credits to build and equip a residential unit for learning disabled young people with very challenging behaviour and/or autistic spectrum disorder and to re-build and equip a residential unit providing short breaks for disabled children and young people. The report seeks approval for the proposed scope and affordability of the project, including the staffing revenue costs of the new service, and for the procurement route to be included within the PFI Independent Living Project.

## **1.0 Purpose Of This Report**

This report provides details of the proposed Children's Services PFI projects and seeks approval for them to be included within the scope of the Independent Living Project PFI Procurement. The revenue implications of the proposed Leeds based residential service for learning disabled young people with extremely challenging behaviours are identified for consideration. These projects will considerably enhance the quality of services provided to disabled children, young people and their families in Leeds and create potential savings by both reducing the need for purchasing out of authority placements and providing a service planned to meet the high care needs of a very small number of learning disabled young people who currently challenge our services both in terms of the high cost of individual care packages and the development of ad hoc arrangements to provide appropriate care.

## **2.0 Background Information**

2.1 The Independent Living Project (ILP) is a modernisation project launched by Leeds Social Services Department which aims to significantly improve housing, care and housing-related support services for adults with a learning disability and adults with mental health needs in Leeds.

Currently more than 340 people live in 13 hostels in the city. The ILP aims to remodel services to provide the maximum opportunity for people to live as independently as possible with increased choice and control over the way they live. In November 2005 Leeds City Council was successful in gaining approval of the Outline Business Case for the ILP. £60 million of PFI credits were made available to remodel these services to adults with learning disabilities and mental health needs in Leeds. To achieve significant improvements in people's housing, 73 new purpose-built properties will be commissioned. The properties will be built on 39 sites across the city enabling people to live in communities of their choice.

2.2 Subsequent to the formal approval of the ILP for adult service users additional PFI credits became available to support the Every Child Matters agenda (£60m nationally from 2005-08). The Director of Children's Services submitted a bid which met the criteria established for the PFI funding and the priorities of the Children and Young People's plan. The DfES confirmed in December 2006 that the Leeds children's bid had been successful and that £5m credits, which was the limit for any one Local Authority, had been awarded.

2.3 The Children's PFI scheme involves two separate projects. Project 1 with a working title of 'Transitions Unit' is to develop a new residential service for learning disabled young people with very challenging behaviour who are likely to be on the autistic spectrum. The need for this service in Leeds has been identified for some considerable time by agencies across all sectors working with children and young people in the city. There is a significant gap in our current services to meet the needs of this small group of learning disabled young people with extremely challenging behaviour.

Project 2 involves the re-provision of our short break residential unit for disabled children and young people currently provided at Broom Court.

### **3. Analysis of Need**

- 3.1 Children and Young People's Social Care Services are provided to a large number of children and young people who are in need because of a range of impairments and/or life limiting illness. The majority are supported in their own families.

For some disabled children and young people and their families, regular short breaks are provided by the service in order to increase their life opportunities and choices and to provide the families with some respite. These short breaks are provided either at one of our residential homes or through the Family Placement scheme and other shared care arrangements.

For a smaller number of children and young people who can no longer be cared for in their own families, the service provides residential and foster care placements, both within and outside the authority.

- 3.2 Nationally, there is evidence that there is a growing number of children and young people who have conditions on the autistic disorder spectrum. This has led to an explosion in demand on all children and young people's services to meet the needs of children with challenging behaviours. There is also national evidence that medical advances have enabled children with very severe impairment and conditions to survive into adulthood – again increasing the demand for services to support disabled children and young people and their families.
- 3.3 The Audit Commission Report 'Services for Disabled Children' (2003) identified that there is very limited choice available for disabled children and young people living away from home.
- 3.4 Investment in two new buildings that are specifically designed to offer disabled children and young people short breaks and a safe home for disabled young people with high care needs will enable Children's Services to provide a better service, close to home and enable more choice and better outcomes for this group of children and young people and their families.

### **4. Project 1 - Transitions Unit**

- 4.1 This project is to build and equip two 4 bed-roomed bungalows on the Ridgeside site at Cookridge. This will be a new service for the city and will involve a number of children and young people's services – including social care, connexions/youth service, CAMHS, education and other health services. The limited consultation that has taken place with key partners to date indicates that there is very good support for this project.
- 4.2 The target group for this provision is learning disabled 14-18 year olds with substantial impairment and very challenging behaviour. Currently these young people are looked after in local authority and out of authority placements – many of them experience multiple moves as they exhaust the capacity of their own families, family placement, shared care and other residential placements.

- 4.3 The bungalows will enable early planning to take place and provide this group of young people with a stable and secure place to live up to the age of 18 years. The Ridgeside site is also to be used by the Independent Living Project to build a number of units of supported accommodation for adult service users with challenging behaviours, and it will be possible for the young people to move into other accommodation on the same site if this meets their particular needs.
- 4.4 This is a new service for the city and funding will need to be identified for staffing costs in addition to the costs of building and equipping the two residential units.

## **5. Project 2 - Short Break Residential Unit**

- 5.1 PFI credits will be used to build a replacement for our current provision at Broom Court. This respite care home currently provides short breaks for up to 140 disabled children and young people every year. The majority of the users have learning difficulties and physical impairment, a growing number are on the autistic spectrum disorder continuum and exhibit challenging behaviour. Short breaks of 5-7 days are offered on a 6-8 week cycle, and all families are offered at least one break during the summer school holidays. The service is very highly valued by parents, children and young people and demand exceeds supply.
- 5.2 Broom Court provides accommodation on two floors. The top floor is a 3-bedroomed flat, used for older disabled young people who are learning daily living skills. 9 younger children are accommodated on the ground floor. The 'trainer' flat was commended by a recent CSCI inspection and resulted in the provision being awarded a grade 4.
- 5.3 The building is, however, not fit for purpose. The building has a number of small rooms and alcoves and places where the children can be out of the direct sight of staff members. The staff team is stretched beyond capacity in meeting the detailed care needs of the group of 9 children at the same time as working with the group of 3 on a different floor to support their developing independence skills. This has unfortunately led to situations where the children cannot be offered a range or choice of activities because the risk is assessed as being too high.
- 5.4 A building specifically designed for this group of children and young people will enable the staff group to offer more personalised and flexible care and activities for the children. The service would also like to be able to be more flexible about the length and frequency of the short breaks offered.
- 5.5 The PFI credits will enable the building and equipping of a new build for this service. Maintenance will be included in the PFI contract on the same basis as the overall ILP with the exception of increasing the frequency of re-decoration from 5 to 3 yearly intervals.

- 5.6 There are very clear requirements for the location of the new short break facility including proximity to local amenities, outside space, a local community sensitive to the needs of disabled children and young people and consideration of journey times to school. In order to avoid decanting or building work on the Broom Court site causing major disruption in the lives of these families, it is proposed to build the replacement residential unit on a new site on Victoria Park Avenue in Armley. This has been agreed by Corporate Asset Management Group. The ward members have been informed of this development and have indicated their support.

## **6.0 Main Issues**

- 6.1 A condition of the award of the additional PFI credits for Children's Services was that the procurement was to be part of a larger existing PFI project to minimise the procurement costs to the authority. The Independent Living Project for learning disabled adults and people with mental health problems involves developing and equipping buildings that are very similar to the Children's Services projects. There is also intended to be an overlap in the services provided so that young people living in the Transitions Unit will be able to move to buildings procured on the same site as part of the adult ILP project. It is therefore appropriate for these two projects to be incorporated into the Independent Living Project and benefit from the considerable ground work already undertaken by the ILP Project Team
- 6.2 The two projects to be funded under the PFI arrangements will provide greater flexibility and choice. The new build home for short breaks will be designed specifically to meet the needs of this group of children and young people, replacing a building which is no longer fit for purpose, and will enable more choice of activity and support the development of skills for independent living.
- 6.3 The 8 bed 'Transitions Unit' will provide a new service specifically designed for a very small group of young people with very high care and support needs because of their extremely challenging behaviour. Some of these young people are currently placed in out of authority placements. The new unit will enable them to remain in Leeds and retain their links to families and friends and to continue to access the schools and other services in their community. Others are looked after in our current residential services with ad hoc additional staffing and other arrangements put in place to meet their particular needs. As they grow older, some of these young people are likely to be able to move into bungalows on the same site reducing the need to contemplate further change – which is very hard to manage for people with autistic spectrum disorders.

## **7.0 Implications For Council Policy And Governance**

- 7.1 The Children's Services projects will help deliver the Council's policy commitments with regard to the provision of services to disabled children.
- 7.2 The two children's projects will be managed and supported by a Project Board with representation from the Children and Young People's Social Care Services, the Director of Children's Services Unit, Education Leeds and the Health Trusts. The Project Board will report through the Children and Young People's Social Care Commissioning Board to the Social Services Independent Living Project Board which has delegated authority to make decisions on procurement issues.
- 7.3 Arrangements are in place to report to the Integrated Strategic Commissioning Board which is part of the Children's Trust arrangements, to ensure that there is

commitment from all partners in Children's Services to the PFI projects and the services to be offered. The projects are sponsored by the Chief Officer Children and Young People's Social Care Services.

- 7.4 A Programme Manager has been appointed to work on the two projects. Immediate work will include a full stakeholder consultation, to include disabled children, young people and their families.
- 7.5 The Children's PFI projects were discussed at the Integrated Strategic Commissioning Board (ISCB) on 4<sup>th</sup> June 2007. The life time costs of the project, both the capital and revenue costs associated with the PFI and the staffing of the new services on the Ridgeside site, were discussed. The key partners fully supported the opportunity created by the PFI particularly because the new service at Ridgeside will meet a long established need in the city. The ISCB gave agreement in principle to the funding implications for Children's Services and requested a further detailed discussion about the full costs associated with the projects.
- 7.6 The Children's Services projects will be managed within the Governance Framework approved by the Executive Board for all PFI Projects. The Children's Services Project Sponsor will attend the meetings of the Independent Living Project Board.

## **8.0 Legal And Resource Implications**

- 8.1 In June Children and Young People's Social Care committed 0.5 Programme Manager time and a nominal amount of revenue to support the procurement of their element of this project. It has always been envisaged that the additional accommodation should be secured as part of the main contract, or subsequently through a Council Change Order after contract close.
- 8.2 It is in the Council's interests to ensure this additional accommodation is provided as part of the main project to ensure value for money and to minimise additional resource implications. An update to Executive Board on programme will be provided at the most appropriate opportunity by the Deputy Chief Executive in the six monthly update report and in the submission of the Final Business Case.

## **9.0 Financial Implications**

- 9.1 The Financial Implications of providing the accommodation through PFI are detailed in Appendix 1, which is Exempt/Confidential under Exemption 1 (Prejudice to Commercial Interest).
- 9.2 An indication of the possible costs of making the care provision is set out in paragraph 3 of Appendix 1. However it must be noted that at this stage it is difficult to assess the precise cost of future provision due to the increasing complexity of the needs of the young people who will need this accommodation in the future.

## **10.0 Procurement Implications**

- 10.1 The Independent Living Project is being procured under the negotiated procedure under EU rules. When the project was advertised in the Official Journal of the European Union (OJEU), specific mention was made of the intention to include the transitional accommodation within the procurement, subject to obtaining credits.

The new project can therefore proceed, subject to Executive Board approval, as part of the existing procurement.

## **11.0 Conclusions**

The report and appendix outline the details of the projects and the implications for both Children's Services and the Council. Children's Services have considered these implications and approved the projects and are seeking, through this report, approval to move forward with the delivery of these projects.

## **12.0 Recommendations**

Executive Board is requested to note the content of the report and:

- approve the extension of the scope of the Independent Living Project to include the procurement of the Children's Services PFI Project;
- approve the Children's Services PFI Projects as outlined in this report;.
- to note the financial issues covered within Appendix 1 to the report;
- to agree the affordability threshold for the first full year of the Unitary Charge 2010/11 as set out in Appendix 1;
- to agree to issue to Bidders the affordability threshold for 2010/11 as set out in Appendix 1.