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THE PROVISION OF CARDIFF SHORT BREAK SERVICES AT TY STORRIE

Option Appraisal

The purpose of this options appraisal is to inform a decision to secure a future provider of the Cardiff Short Break Service at Ty Storrie. The document is an appendix to the Cabinet report presented by the Director of People and Communities to the 12 July Cabinet meeting.

The Cardiff Short Breaks service has been provided by the incumbent provider since the inception of the service in approximately 1997. Two single invitations to tender and associated contracts have been issued in recent years. Those contracts were in place during 2012-2013 and 2013-14. Since December 2014, the incumbent provider has continued to deliver the service on behalf of the Council out of contract.

Whilst those contracts and the period since were intended to provide an opportunity to resolve outstanding issues and secure future arrangements, the contexts has now significantly changed. Details are provided in Background section of the Cabinet Report.

Three options are considered below:

1. Do nothing / direct award to existing provider
2. Full tender
3. Bring the service in house

Option 1: Do nothing / direct award to existing provider

Benefits

- Parents and families know what to expect from this service and are familiar with its staff.
- A pre-agreed price. Control over spend is with the provider, with risks associated with overspend held with the provider.

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- Shared learning across a network of UK wide services.
- Staff provide cover across a number of similar provider owned provisions.
- The provider has access to third sector fundraising opportunities and volunteers for tasks such as painting and decorating or gardening.
- The provider would be responsible for registering the home and designating the responsible Individual to comply with regulatory requirements.
- The provider would be responsible for managing staffing issues.

Risks

- There is no longer justification for this option. Previous justification was reliant upon the implementation of an integrated model to include children who have complex health needs and require nursing care. That model is no longer progressing.
- It will not comply with the Contract Standing Orders and Procurement Rule which state:
'before any external procurement is considered, it is important to ensure that no existing in-house provision exists for the Goods, Services or Works required. In-house services must be used unless the procuring service area and the in-house services provider agree otherwise'.
- There have been quality issues with the service. Whilst the provider has worked hard to address concerns, staffing issues remain.
- Risks associated with poor performance are only partially delegated as Children's Services remain responsible for monitoring.
- This option remains highly resource intensive for Social Services Team Manager, Operational Managers, plus range of other Council staff involved in monitoring and performance management.
- A contract arrangement is inflexible in meeting the bespoke and changing needs of children and young people and in responding to emergency placements.
- Duplication of activity associated with resource functions (H&S, finance etc).
- Duplication of activity associated with the building because of the building ownership and maintenance arrangements.

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Costs

- Under current arrangements and based on evidence from recent years, the incumbent provider is likely to exceed their budget and incur a financial loss.
- The provider charges a management fee which detracts from the amount that is available for direct service delivery.
- Non-staffing costs appear expensive compared to Council costs.
- Staffing costs have been high due to the circumstances of the service in the last year.
- Staff salary rates of the incumbent provider appear lower than those of the Council.

Option 2: Full tender

Benefits

- Competitive process that may drive down overall costs and provide other social value / benefit opportunities.
- Open and transparent.
- A pre-agreed price. Control over spend is with the provider, with risks associated with overspend held with the provider.
- Permanent staff will transfer to the new provider under TUPE. Those staff will remain familiar faces to children and families using the service.
- A new provider may have access to third sector fundraising opportunities and volunteers for tasks such as painting and decorating or gardening.
- The provider would be responsible for registering the home and designating the responsible Individual to comply with regulatory requirements.
- The provider would be responsible for managing staffing issues.

Risks

- This option is not a favoured option within the Contract Standing Orders and Procurement Rule which state:

'before any external procurement is considered, it is important to ensure that no existing in-house provision exists for the Goods, Services or Works required. In-house services must be used unless the procuring service area and the in-house services provider agree otherwise.'

- Length of time a tender will take will cause considerable delay in improvement.

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- Going out to full tender will also require significant officer time to administer the process.
- It is not known how many, what quality or how experienced the providers who will apply will be.
- Children's Services will remain responsible for monitoring.
- Is likely to remain highly resource intensive for Social Services Team Manager, Operational Managers, plus range of other Council staff involved in monitoring and performance management.
- A contract arrangement is inflexible in meeting the bespoke and changing needs of children and young people and in responding to emergency placements.
- Duplication of activity associated with resource functions (H&S, finance etc).
- Duplication of activity associated with the building because of the building ownership and maintenance arrangements.

Costs

- The tender will either specify a price or a service level. There is a risk that either the price will be higher or the service level will be lower. However a new provider might be more competitive and able to provide a higher service level or lower price.
- The provider will charge a management fee.
- Staffing and non-staffing costs will not be known until tenders are returned.

Option 3: Bring service in house

Benefits

- Cardiff Council's Contract Standing Orders and Procurement Rules state:
'before any external procurement is considered, it is important to ensure that no existing in-house provision exists for the Goods, Services or Works required. In-house services must be used unless the procuring service area and the in-house services provider agree otherwise.'
- Under the Regulation and Inspection of Social Care (Wales) Act 2016 (RISCA) there is an opportunity for Cardiff Council to re-structure the registration of its services. It makes sense for both of the Council's regulated children's homes to

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fall under the leadership of the same senior manager (Responsible Individual) and the same registered provider.

- The Council's People and Communities Directorate already operates Crosslands Children's Home as a highly successful and well regarded service. Crosslands provides quality care and value for money and it is therefore believed Children's Services has the capability to do similar in respect of Ty Storrie.
- This option will enable alignment of Cardiff Short Breaks with Crosslands.
- Direct governance. The greatest level of control, oversight and quality assurance, including direct professional supervision of the service manager, management of referrals, Regulation 73 quality of care visits, Council performance systems, recruitment processes and Human Resources processes.
- It will be possible to streamline activity, responsibilities and accountability through the service's appointed manager and it's Responsible Individual.
- The registered provider also being the owner of the building makes sense in achieving better management of building related issues and will reduce duplication.
- Lowest management resource burden – The Responsible Individual will be fully responsible i.e. no need to review and challenge provider's monitoring information, no monitoring meetings, Social Services Team Manager decision making no longer required in relation to the building budget.
- Access to training & development opportunities and public sector terms and conditions for new staff are expected to reduce staff turnover and strengthen recruitment and retention arrangements to promote a stable and appropriately qualified staff team.
- Permanent staff will transfer under TUPE. Those staff will remain familiar faces to children and families using the service.
- No management fee. This will mitigate the risk of higher staffing costs, set up costs, and making the necessary improvements to the service.
- The greatest control and understanding of spend.
- The ability to amalgamate the service area's furniture and equipment budget with the service budget to provide greater flexibility in meeting the needs of the service.
- Flexibility of model and practice to meet emerging need, since Social Services will not be tied to a contract.

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- A single record systems for short break and social work staff, which will enable professionals to have real time access to information which impacts on care or planning.
- Opportunity to review the model of care and address the issues of underutilisation of the building by exploring additional options.
- Retains potential to go back out to the market in the future if that becomes desirable.
- Recruitment and retention of staff likely to be more successful on Council terms and Conditions.

Risks

- Higher staffing costs than contracted provider.
- Staff transferring in under TUPE will have a different salary to those staff recruited into the service by the Council and this could cause initial disharmony in the team as others are recruited on the Council's salary scales.
- The Council will be responsible for managing existing and new attendance and wellbeing issues.
- Future restructure and capacity to complete this may be required to fully align the service structure with the Council's existing Children's Home portfolio.

Costs

- The current service level (or higher) can be delivered within the existing resource envelope.
- No management fee will be paid to an external organisation. The whole budget will be spent on delivering the service, or resourcing any subsequent restructure which may be required.
- Council non-staffing costs appear less than the incumbent provider.
- Council staff salary scales tend to be higher than commissioned providers.
- The Council has a track record of good staff retention, has robust attendance and wellbeing policies and is thought to be an attractive employer. Improved staff retention and reduced staffing issues will reduce the need to use agency staff and is likely to reduce the risk of any overspend on staffing costs.
- Financial risks can be best managed by the Council directly employing the Manager of the service.