



Meeting:	Cabinet
Meeting date:	28 September 2017
Title of report:	Herefordshire intensive placement support service (HIPSS) and therapeutic intervention support service (TISS)
Report by:	Cabinet member young people and children's wellbeing

Classification

Open

Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Wards affected

Countywide

Purpose

To approve a procurement exercise for the provision of the Herefordshire intensive placement support service (HIPSS) and therapeutic intervention support service (TISS).

Recommendation(s)

THAT:

- (a) the commissioning intentions (see paragraphs 9-10) for Herefordshire intensive placement support service (HIPSS) and therapeutic intervention support service (TISS) are approved;**
- (b) the Interim Director for Children's Wellbeing (or the substantive director for Children's Wellbeing once appointed) be authorised to take all necessary operational decisions to implement the above recommendation, including award of contracts to a maximum value of £2.5m for up to five years, effective from 1 April 2018; and**
- (c) The sufficiency of specialist in-house foster carers, who accommodate and**

support HIPSS children, is monitored alongside the future HIPSS / TISS contract, to be awarded to an external provider

Alternative options

- 1 Do nothing. The implication of doing nothing would be that the existing contract would expire on 31 March 2018 and as there is no further option to extend the contract, the service would cease. This would immediately reduce clinical support for complex and challenging looked after children (LAC) and increase the risk of placement disruption among the HIPSS cohort. If these placements are disrupted, the children are at high risk of being placed in residential care at an average weekly cost of £3,345. Assuming that without this support, five HIPSS placements with specialist carers, were to be disrupted, spend on residential provision could increase by £870,000 per year. Whereas the annual cost of the contract is £520,000.
- 2 To provide the therapeutic team as a specialist in-house unit from 1 April 2018. This option is not recommended as the council does not currently have the expertise in-house to deliver this very specialist service, and would have difficulty in recruiting suitably qualified staff at this time. Whilst there may be opportunity for existing staff to transfer into the council under TUPE regulations to provide capacity; these are specialist roles which require clinical management support and supervision, which the in-house fostering service can't support. It would have to either commission a service to provide this or recruit a suitably qualified and experienced person.
- 3 To reduce the value and scope of the contract. This is not recommended due to the ongoing growth of the LAC population and resulting budget pressures. Being in a stable family environment placement is in the best interests of children and mitigates against cost pressures. Widening the scope of the contracted service will support work to avoid placement breakdowns, prevent independent agency placements and ensure our looked after children are receiving the best care to meet their needs.

Reasons for recommendations

- 4 Wherever appropriate, the council as a corporate parent, aims for its looked after children to benefit from stable family-based placements. To achieve this, the council's fostering service requires confident, capable and well supported carers who are able to successfully accommodate children and young people with a range of levels of need. The specialist expertise provided by the HIPSS and TISS approach helps to enhance the confidence and capabilities of the council's foster carers when they are accommodating looked after children.
- 5 In 2016/17, the HIPSS approach provided 1,636 bed nights of care at a total cost of £714,000, which includes both the cost of the contracted service and delivering the in-house specialist fostering service. For those children accessing a HIPSS placement in that year, the comparative cost of a residential setting would have been £812,000, meaning that savings of almost £100k have been achieved. Further reduction in budget pressure will be achieved as a result of HIPSS children moving-on to other types of placements (see paragraph 29). Whilst the first contract was awarded in 2014, it was anticipated that HIPSS and TISS would be part of a long term strategic approach.
- 6 In addition to providing support in specialist HIPSS placements, the contracted service has also provided outreach support to children in general fostering, who are at risk of residential care. In 2016, 11 children were supported in this way and the total annual cost of their fostering placements was £258,093 (excluding on-costs). If these

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placements had gone on to be disrupted and required residential care, the equivalent average cost for the 11 residential placements is calculated to be £1.9m. Therefore, this represents a potential cost saving of £1.64m.

- 7 There is no duplication of provision with resources being focussed on a high risk complex group in terms of financial, legal and service risks. Without a continuation of the HIPSS / TISS approach, it is likely that the specialist needs of complex or challenging LAC could not be met by core council services.

Key considerations

- 8 The service supports the council's role as a corporate parent and the aims of the sufficiency strategy by providing placement stability and reducing the need for residential placements. HIPSS is an intensive therapeutic placement support service necessary for only a small number of young people aged 7 to 18, at the time of referral, who have the most complex emotional and behavioural needs. Over the period of the contract up to 31 March 2017, 21 young people have been placed with specialist HIPSS carers. During this period, TISS provided wraparound support to 16 young people (not placed with specialist HIPSS carers), to prevent the need for a residential placement.
- 9 The aim of TISS is to promote the use, by a range of professionals, of evidence-based approaches to divert families from the need for statutory interventions and to achieve better overall outcomes for children and young people. It does this by supporting the frontline teams and services that work directly with children and families. Through providing training and consultation, it has a key role in supporting the skills development of staff and foster carers and is contributing to a reduction in the number of child protection plans and numbers of children in need.
- 10 Following evaluation and learning from the first HIPSS / TISS contract, it is intended to revise the service specification for re-tendering, although it will continue to seek reduced reliance on residential placements. It will be expanded to provide greater value for money by further supporting the council's approach in enabling looked after children to benefit from growing up in a stable family environment, whether through special guardianship orders, kinship arrangements or in-house fostering placements. This means that, in addition to supporting 'specialist HIPSS placements', the role of the re-commissioned service will be expanded to include supporting looked after children who have been placed in general foster care and where there is a tangible risk of placement breakdown. Such breakdowns can result in disruption for the child and often incurs additional cost if they have to be moved to a new fostering or residential placement in the independent sector.
- 11 It is intended to award a contract for a period of up to five years, which will include a core period and renewal options that may be implemented subject to satisfactory performance, value for money and in response to changing demand. The initial contract will be for three years with options to renew being exercised subject to agreed performance. The contract will also include a price review process and clause to clearly state a non-fault option to terminate with six months' notice. This provides the option to stop the service if a different approach is needed, for example because carer sufficiency cannot be achieved or there is a significant change in local needs.
- 12 As the HIPSS and TISS elements complement each other, a consistent approach is preferable. Commissioning different providers to deliver each element could increase the risk of outcomes not being achieved due to extending the lines of communication and accountability. For these reasons, it is intended to tender the service in two lots to

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maximise the market opportunity, but with a preference to award both elements under a single contract if a strong bid is received from one provider.

- 13 The first HIPSS and TISS contract was awarded in 2014 to Action for Children. It is scheduled to end on 31 March 2018 and no further option to renew is available. An evaluation of the HIPSS and TISS service has been undertaken to identify progress made against the intended outcomes (appendix 1). Whilst there have been some HIPSS placement breakdowns, this does not exceed what would be expected given the needs and challenges of the young people being supported. During the first three years of the contract, 21 young people had HIPSS placements, most achieving positive outcomes:
- Five have been supported to return to live with their birth family
 - Two live independently
 - Six stepped down to general foster placements, of which two were kinship placements
 - Three have had to step up to residential care as a result of placement breakdowns
 - Five young people are currently placed with HIPSS carers
- 14 At the time of the original decision to proceed with the HIPSS and TISS approach, it was anticipated that the council could achieve residential savings in the region of £368,000 by 2016/17. These planning assumptions were informed by the expectations that the council would recruit up to ten specialist HIPSS carers and that other initiatives would help to at least maintain or even reduce the overall size of the LAC population. However, since 2014 the LAC population has increased from 242 to 301 (24% up to March 2017) and in the same time, the council's fostering service has provided seven specialist HIPSS carers.
- 15 The LAC population has increased nationally; however Herefordshire has seen an increase at a higher rate, compared to statistical neighbours. Whilst there has been a slowing in the number of young people entering the LAC system, there are cohorts who, due to their needs, are likely to remain looked after until they turn 18.
- 16 In 2016/17, TISS supported approximately 117 professionals and delivered 17 training sessions. In the same year, spend on residential placements reduced by almost £100k compared to the cost of specialist HIPSS placements. There is potential for further savings to be achieved through HIPSS placements, subject to the growth of the council's cohort of suitable foster carers. Additional reduction in budget pressures will be achieved, see paragraph 29, as a result of some children stepping-down from specialist HIPSS support to other types of general accommodation or returning to their families.
- 17 Although the LAC population has increased, the number of residential placements has remained fairly constant at around 10 to 12 a year. However, due to the complex and challenging needs of the children involved, spend on individual residential placements has increased. While the capacity of the in-house fostering service has improved in recent years, demand has meant that there has also been increasing reliance on the independent fostering sector, which is often a more expensive option compared to placement with a council foster carer. The table below shows the overall spend per £m by placement type:

	2013/14	2014/15	2015/16	2016/17
Agency Fostering	1.7	1.9	2.2	2.1
LAC only residential	1.4	1.4	1.2	1.8
In-house fostering (exc. overheads)	2.0	2.3	2.6	2.7

- 18 Herefordshire has had success in recruiting in-house foster carers, with an increase of nearly 27% (from 146 to 185) since 2014. Although due to the need for specialist in-house carers, there has been a reduction of 11% (14 carers) the number of “general” foster carers during this period. The need to place with an independent fostering agency is often a result of insufficient capacity or capability within the in-house fostering service. There have been fostering placement disruptions, particularly leading up to school holidays, where some carers have felt unable to support the needs of some young people. Disruptions may result in the child being placed with an independent agency. For children that have experienced placement disruption, there can often be an increased risk of further disruptions, poor outcomes and increasing placement costs. It is intended that the re-commissioned HIPSS and TISS services will improve placement stability for any Herefordshire looked after child identified as being at tangible risk of placement disruption. Improved placement stability should mean that children achieve better outcomes and reduce the need for agency foster placements.
- 19 In addition to opening the service up to supporting children who have been placed in general foster care placements, where there is a tangible risk of placement breakdown, the availability of a full complement of specialist HIPSS foster carers will improve service capacity, enabling more looked after children to benefit from life in a family environment; resulting in a reduced need for residential placements. As difficulty in recruiting specialist foster carers has impacted on the service’s ability to operate at its full capacity and capability, it is intended that carer sufficiency is monitored alongside the contract, as part of the overall commissioned approach.

Community impact

- 20 The Children and Young People’s Plan has the vision for children and young people to grow up healthy, happy and safe within supportive families and care settings. Its main priority is to keep children and young people safe and give them the best start in life. This includes having the best health, education and opportunities to enable them to reach their full potential. The evaluation report demonstrates the value of the HIPSS / TISS approach in supporting this aim by targeting support at particularly vulnerable individuals with complex needs; ensuring they can benefit from the opportunities of growing up in a stable family-based setting (see appendix 1).
- 21 The approach also supports the principles outlined in the Children and Young People’s Mental Health and Emotional Wellbeing Transformation Plan by supporting vulnerable children and young people, who will have poorer emotional health than their peers.
- 22 Improvement continues to be made in supporting Herefordshire’s overarching principle in accommodating looked after children as close to home as possible. This can be viewed as a significant achievement given the increase in the LAC population. Without the HIPSS and TISS approach, it is anticipated that since 2014, there would have been more children placed outside Herefordshire. Remaining within the county is

better for the majority of looked after children and supported by the council it allows them to maintain contact with family and friends, as well as being able to continue education without a change of school, in most circumstances. Their network of support is also closer to them and does not involve lengthy travel times.

- 23 The approach provides intensive wraparound therapeutic support as an alternative to residential care. Substituting the use of institutional care with local family based alternatives, increases the potential for improved long term positive outcomes for young people, enabling them to play an active role in their communities.

Equality duty

- 24 Under Section 149, the "General Duty" on public authorities is set out thus:

"A public authority must, in the exercise of its functions, have due regard to the need to -

eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;

advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

- 25 The approach provides extensive wraparound support in a foster care family environment within the county, as an alternative to being placed in a residential setting usually outside the county. It is a council priority not to place children and young people in residential care wherever possible, but to place them within local communities, in a family environment. This enables the children and young people to access the same things as their peers, which includes a family life, involvement in the community and a similar quality of life.
- 26 An equality impact and needs assessment form has been updated. There are no concerns at this stage that indicate the possibility of inequalities or negative impacts. This approach can actually enhance the lives of some of the most challenging children and young people in the county by helping to return or retain them in family based care settings rather than residential care, which could be located regionally or nationally.
- 27 Within the contract, there will be an obligation for the successful provider to monitor equality and diversity. They must have in place (at all times whilst providing any services and in relation to its activities within the United Kingdom) appropriate policies, procedures and systems to monitor and enforce those procedures, to ensure its compliance with relevant UK law relating to equalities and anti-discrimination, including the Equality Act 2010.

Financial implications

- 28 The contract to deliver the service for 2014-2018 had a maximum value of £1,956,000, which included an initial mobilisation period followed by operating costs of £520,000 per year. However, as a result of a negotiated cost reduction, and an underspend as a result of staff vacancies, the total spend for the four years is £1,685,000.

- 29 An estimated saving of £100k has been achieved through specialist HIPSS placements in 2016/17, compared to the cost of equivalent residential placements for the children involved. It is important to note that HIPSS support is intended to provide a stepping-stone to longer term placement stability, at a lower level and cost. Therefore, further cost savings are expected to be achieved as a result of improved placement stability and reduced reliance on independent fostering or residential placements. For example, over the life time of the contract to March 2017, 14 children have either been successfully stepped-down from or avoided entering residential care. They have either returned to their family at little or no cost, gone to live independently or stepped down to general foster care or kinship placements at a reduced cost. In the worst case scenario, had all of these children entered or continued in residential care, additional cost pressures could have been experienced of up to £170,000 a child per year or £2.4m for all 14 children in a single year.
- 30 The final value of the new contract will be confirmed through the competitive tendering process. The anticipated new contract value will not exceed that of the 2017/18 contract value, which already included a negotiated price reduction. On this basis, should the options be implemented to renew the contract for the maximum five year period, the total contract value from 1 April 2018 to 31 March 2023 would be at a maximum of £2.5 million.

Legal implications

- 31 The commissioning and letting of contracts to a third party for HIPSS and TISS will support the council to meet its sufficiency duty. This is a general duty, as set out in Section 22G of the Childrens Act 1989, to take steps, as far as is reasonably practicable, to ensure sufficient accommodation within the council's area which meets the needs of looked after children, whose circumstances are such that it would be consistent with their welfare to be provided with accommodation.
- 32 As the current contract expires on 31 March 2018, with no provision to extend, the council is required to carry out a competitive tendering process. The value of this contract requires further compliance with the Official Journal of the European Union (OJEU) tendering process, as set out in the council's contract procedure rules.
- 33 Legal services will be engaged in the development of a set of terms and conditions for tender.
- 34 The delegation of the implementing decisions relating to the contract to the Interim Director for Children's Wellbeing is in line with the provisions set out in the council's constitution.
- 35 As this service is being re-procured, consideration has to be given to any implications under the Transfer of Undertakings (Protection of Employment) Regulations 2006 and the European Acquired Rights Directive 77/187 and Rights Amendment Directive 2001/23/EC or any re-enactment or amendment thereof.

Risk management

- 36 If this service was not re-tendered, the council would not have the capacity or capability to effectively support the children the service is aimed at, which may result in increased placement breakdowns and increased use of costly independent fostering or residential placements. Placements would need to be supported by less specialised internal services, which in itself would create significant pressure within the social care

system. There would be a reduction in skills development of staff and foster carers, which could destabilise families who access the service. This may result in increased referrals to the Multi-Agency Safeguarding Hub (MASH) and some children having to be accommodated.

- 37 The contract will be monitored to ensure the service is on course to deliver the anticipated financial returns and outcomes. This will include Herefordshire's commissioning team having quarterly monitoring meetings with the provider(s) and the council's fostering team. The provider will also submit annual reports, which will be analysed to validate accuracy and ensure progress is being made against the key performance indicators and outcomes.
- 38 The challenges in recruiting specialist foster carers have impacted on the council's ability to operate the HIPSS / TISS approach at full capacity and capability. To manage this risk, it is intended that carer sufficiency is monitored alongside the contract as part of the overall commissioned approach.
- 39 The current service is based on a solo placement model which is self-limiting, so a more flexible approach will be adopted to enable specialist carers to support more than one young person, where appropriate to the needs of each child. The terms of reference for the HIPSS and TISS steering group, will be reviewed and amended accordingly to ensure it reflects the changes to the services. It will include an agreed entry point for the service and require all referrals to include an exit plan.

Consultees

- 40 The service evaluation involved seeking the views of:
- Young people who have used HIPSS
 - HIPSS carers
 - Independent reviewing officers
 - Herefordshire Clinical Commissioning Group (CCG)
 - Child and Adolescent Mental Health Service (CAMHS)
- 41 The majority of young people who expressed a view, gave positive feedback with regards to the time they spent with their Action for Children young person's practitioner. They also feel their HIPSS carers support them to understand their emotions and manage their own behaviour.

Comments from young people include:

- "The way how she put things into different words...easier ways to make me understand."
- "I talk more now."
- "When I start to get annoyed or feel like I am losing my temper I just get up and leave...and then I go back later....I couldn't do this before."
- "I think they were quite good...I interact better now."

- “I was more settled when I had a HIPPS in my life.”
- “They are very caring people, please look after them.”
- “I want to move into a flat / supported living / back to my mum when I am 16. I feel like I have matured a lot and changed a lot since being in placement.”

Appendices

Appendix 1 - HIPSS and TISS service evaluation report.

Background papers

- None identified.