

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....7th March 2013

1. Title of Item/Report

Children's Social Care Residential Placements

2. Record of the Decision

Cabinet considered a report that provided an update on the development of provision in the Borough for youngsters currently placed in social and education placements outside the Borough and requested Cabinet approval to progress a joint venture partnership and to agree the acquisition of properties for care facilities and the renovation of King Edwin School

Members were reminded of the increasing numbers of children with complex needs, who needed 52 weeks care and education provision. It was noted that as the Council did not own the type of facility these children needed many of them were placed in facilities outside of the Borough.

It was explained that the Council had 37 children costing approximately £4.6m per annum for residential social care. This had increased significantly in recent years from 20 children costing £1.8m in 2009/10. In addition to this, the cost of the education element to the placement was met from Dedicated Schools Grant.

This area had been considered as part of the work around the Children's Social Care 'Big Ticket' workstrand and, in February 2012, Cabinet had agreed to defer the demolition of the former King Edwin site, whilst opportunities were explored.

It was explained that an extensive procurement exercise had been undertaken, which sought innovative solutions, including the potential use of the building to generate financial savings and improved outcomes for the children.

A number of proposals were received and assessed for:

- &#61485; Financial savings
- &#61485; Innovation
- &#61485; Improved outcomes

The proposal was a joint venture partnership arrangement which would effectively mean:

- &#61485; A joint venture would be established between SBC and Spark of Genius with 50:50 share.
- &#61485; SBC would purchase and own a number of childrens' homes within/close to the Borough.
- &#61485; SBC would renovate and own the former King Edwin site which would be used for education provision.
- &#61485; SBC would receive market rent for the King Edwin site and Children's homes from the joint venture.
- &#61485; Spark of Genius would provide care and education services, manage and operate the school and be paid a management fee.
- &#61485; SBC would be charged a market rate for placements but would benefit from 50% 'profit' from the partnership.
- &#61485; Surplus places would be 'sold' to other local authorities.

The business case had been prepared based on 20 children who could be located in such facilities but were currently out of the Borough. The current cost of these children was approximately £3.5m including both the social care and education provision.

The cost of acquiring properties and bringing King Edwin into use was estimated at £2m and this would result in a saving of approx £400,000 per annum, if it was indeed four homes that were required. This was an excellent example of an invest to save initiative and the capital costs would be met from the transformation reserve which was established to support such initiatives.

Spark of Genius was committed to the partnership and in the first instance wished to establish the facilities and provide excellent services to Stockton. They were, however, ambitious and would, in future, be looking to expand to open more facilities for care and maximise the use of the school site. There would be opportunities for Stockton to be part of that expansion as part of the partnership which would generate further revenue for the Council.

The initiative would also create local employment with approximately 100 jobs expected once the homes and schools were operational.

Members noted the required next steps in this venture:

Acquire properties and develop King Edwin School. It was envisaged that the school would be operational by 1 January 2014.

Develop detailed plans for each child with a view to moving to the  
aforementioned facilities in partnership with Spark of Genius.

Develop plans for staffing, registration for homes, etc., in partnership with  
Spark of Genius.

RESOLVED that:

1. the establishment of a joint venture partnership with Spark of  
Genius, to deliver care and education to children with complex needs,  
with final legal agreement delegated to Director of Law & Democracy, be  
approved.

2. the acquisition of properties for care facilities and the renovation of  
King Edwin school to be funded from the transformation reserve, be  
agreed.

3. Reasons for the Decision

Agreement to the recommendations would enable officers to progress the  
proposal to secure social and education provision for youngsters  
currently placed out of the Borough

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

N/A

7. Date and Time by which Call In must be executed

Midnight on Friday, 15th March 2013

Proper Officer  
11 March 2013