

## MUNICIPAL YEAR 2017/2018 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### PORTFOLIO DECISION OF:

Councillor Ayfer Orhan

Lead Member for Children's Services

Contact officer and telephone number:

Paul Sutton, Assistant Director, Youth &  
Service Development  
0208 379 5840

**Agenda – Part: 1**

**KD Num: 4666**

**Subject** Children's Social Care, Edge of Care  
Service

**Wards: All**

### 1. EXECUTIVE SUMMARY

This report makes the case for commissioning an external provider to deliver an intensive, targeted approach to reducing the number of children entering the care system.

£780,000 capital funding has been approved from the Council's 2018/19 to 2021/22 Capital programme for investment over 2 years [18 months of delivery over two years and then a 6 month Payment by Results period after the second 12 months means two years of finance] in a commissioned Family Breakdown Prevention Team. "Trickle down" funding released by the LAC budget will then be used to create a long-term in-house Family Breakdown Prevention Team for Enfield. This will reduce the short and long-term costs of LAC provision to Enfield ensuring year on year efficiency savings.

Skylakes (Social Care Services) will be appointed through the Matrix Mstar Framework Agreement to deliver the project.

### 2. RECOMMENDATIONS

It is recommended that Skylakes (a brand of Sanctuary Personnel) are appointed through the Mstar Framework Agreement to deliver this project. There is incentive through the Payment by Results approach for Skylakes to achieve the required outcomes on behalf of Enfield Council. Inputs, outputs and outcomes have been agreed with Skylakes.

### 3. BACKGROUND

Local Authorities have a responsibility under S22G Children's Act 1989 to take children at risk of harm into care and they have a 'sufficiency duty' regarding the provision of placements. Children become "looked after" because of a variety of factors leading to them being unable to reside with their immediate or extended families. In their respective reports the Association of Directors of Children's Services [ADCS], [2013] and the DfE [2014] state that adolescents often enter care as an emergency response to a crisis and, finding a safe place, the system's initial response, drifts from safe containment into a long-term costly placement.

The care system is costly and generally children in it fare worse than those who remain in their family. The DfE, [2013] identifies poorer outcomes experienced by Looked After Children [LAC] in relation to issues such as criminality, prison, school exclusions and emotional and behavioural health issue. The NAO [2013] state that 34% of all care leavers were not in employment, education or training, at age 19, compared to 15.5% of 18-year-olds in the general population. The Prison Reform Trust [2014] state that 33% of males and 61% of females in juvenile custody in England had been in care.

This risk increases the older a child is on first entering residential care. The ADCS particularly highlights the poor track record of interventions for young people entering the Care system aged 11 plus and the DfE [2014] state: *"adolescent entrants' to the system tend to experience a larger number of placements, a more disrupted experience of care, poorer outcomes in education and are at increased risk of struggling when they leave care"*. In England almost 2/5ths of children entering the system are aged 11 plus. The DfE, ADCS and NAO are all critical of the current system with the DfE [2014] stating: *"When we consider the impact on young people's lives it is difficult to say that our current care system serves them well"*.

The care system is costly, not just for placement costs but also because of the additional costs for the infrastructure built around it e.g. LAC and Fostering Support Social Workers; independent reviewing officers and education support and leaving care costs and right to support up to the age of 25. Despite all of this cost the NAO [2014] report that nationally 35% of children leaving care in 2012-13 returned to their family.

Enfield has a far lower rate of care compared to most other authorities but still spends a high proportion of its Children's Services budget on the looked after system. Much of this is spent on placements for adolescents whose families have reached a crisis point and broken down. These young people must legally be accommodated but statistically they will fare worse than children who remain in the family.

Between late summer 2015 and March 2017 Enfield was funded under the Government's Innovation programme to provide a Family Breakdown Prevention Team known locally as the Family and Adolescent Support Hub supporting families intensively to prevent family breakdown and to re-unify children who had been in care with their families. This programme was independently evaluated and shown to save £3 for every £1 spent.

Currently Enfield does not have a service to support families intensively to prevent breakdown/entry to the care system, when crisis is reached and a young person cannot live with their family they enter the care system. Without extra pump-priming investment this issue cannot be resolved; money is needed to reduce the numbers coming into the care system in order that it can be re-invested in family support creating a virtuous circle.

The best available option is in the short term to commission an off the shelf service with an element of payment by results. Such a service would be less costly; would be operational very quickly, would ensure success or bear the cost itself and would be quick, easy and free to decommission. This option would ensure minimum risk and financial exposure to Enfield.

Funding from the LAC budget released by fewer children entering the system would then be utilised to create and house Family Breakdown Prevention Team giving the council the benefit of this service for the long-term.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

The alternative option would be to set up an in-house Family Breakdown Prevention team, however, in the short term setting up an in-house Team is not viable due to the process being costly, time consuming, having no guarantee of success and it being costly to decommission if funding was not available to sustain it.

#### **5. REASONS FOR RECOMMENDATIONS**

A capital investment of £780,000 over 2 years will result in savings for Enfield and the creation of an in-house Family Breakdown Prevention Team that will continue to provide savings and improved life outcomes for Enfield children. If less than 90% of the target is achieved the cost will reduce by approximately 20%.

There is an incentive for the external provider to achieve the outcomes required at the same time as reducing risk to the Council.

## **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

### **6.1 Financial Implications**

£14m has been allocated in the approved Capital Programme for the IT programme over the two years 2018/19 and 2019/20. This includes a programme of transformation expenditure from which this project has been allocated £780k. Each cohort will cost approximately £390,000 of which £80,000, approximately 20%, will only be paid if 90% [36 of the 40 children] in the cohort do not enter/re-enter care in the 6 months after the programme ends.

With effect from 2016/17 the Government provided a general capitalisation directive to all councils enabling them to utilise new capital receipts in 2016/17, 2017/18 and 2018/19, to finance projects that are designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners. In the Local Government Financial Settlement 2017, the Government extended this flexibility for the three subsequent financial years, from 2019/20 to 2021/22. This flexibility can therefore be used to fund the expenditure associated with this project over the two years' of the contract with Skylake.

As set out in the business case, the payment by result mechanism ensures that the expenditure on this project will be offset by an estimated matching reduction in costs should these children have been placed into care over the two years. Similarly, the ongoing costs of an in-house team after this period are to be met from within existing Children's Services budgets, through savings in the LAC budget.

### **6.2 Legal Implications**

6.2.1 Pursuant to section 22G Children Act 1989 (the "Act"), local authorities have a duty to take steps to provide accommodation in that authority's area to the categories of children defined in section 22G (3) (including looked after children and children whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation).

6.2.2 Furthermore, local authorities have a duty to safeguard the welfare of children who are in need (as defined in the Act) and, so far as is consistent with that duty, to promote the upbringing of such children by their families by providing a range and level of services appropriate to those children's needs. Local authorities have the power to facilitate the provision of service by others and to make such arrangements as they see fit for any person to act on their behalf.

6.2.3 Section 111 of the Local Government Act 1972 permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

6.2.4 The recommendations in this report will enable the Council to fulfil its duties under the Act.

6.2.5 It is proposed to appoint Skylakes through the Matrix Mstar Framework Agreement. In doing so, the Council must comply with all requirements of its Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015 ("Regulations").

6.2.6 The Regulations permit direct awards under multi-supplier framework arrangements which set out all the terms under which contract may be called off. The Council must ensure it complies with the rules of the Framework.

6.2.7 The CPRs permit the Council to call-off from an existing framework as long as the framework terms permit such. The Council's Procurement & Commissioning Hub has conducted due diligence on the use of the Framework, and is satisfied that the Council may procure such services, in accordance with the Framework.

6.2.8 As the anticipated contract value exceeds £250,000, this is a Key Decision and the Council must comply with the Key Decision procedure. It has been confirmed that approval from the Procurement and Commissioning Board has been obtained.

6.2.9 Throughout the engagement of Skylakes, the Council must comply with its obligations of obtaining best value under the Local Government Act 1999. The Council must keep a clear audit trail of its decision to award these service to Skylakes to demonstrate that best value has been, and will continue to be, obtained for the Council.

6.2.10 All legal agreements arising from the matters described in the report must be approved in advance of contract commencement by the Director of Law and Governance. Given the value of the contract, it is a requirement that it is executed under seal.

### **6.3 Property Implications**

There are no property implications; the external team delivering the service will be home-based.

### **6.4 HR Implications**

There are no immediate HR Implications for Enfield Council as the (pilot) service will be delivered by an external organisation. If at any stage there were to be any implications affecting our employees, then a further report, consultation may be needed at that stage.

## **6.5 Procurement Implications**

Procurement advice has been sought and acted upon as part of the process i.e. the service will be drawn off the existing Mstar Framework agreement. In appointing Skylakes, the terms of the framework will be followed and as such the award will be procurement compliant.

## **6.6 IT Implications**

Skylakes staff who are involved in this activity will require access to LiquidLogic in order to be able to access and update the records of the 80 Children that they have been commissioned to work with.

There is no requirement to issue these workers with LBE hardware, they will instead be given 3<sup>rd</sup> party access to the Liquid Logic database, which they will access remotely.

## **7. KEY RISKS**

The service is a pilot project which will demonstrate whether, by delivery of an intensive, targeted programme, it is possible to prevent young people on the edge of care entering the care system. Rather than risk, over the course of the 2-year pilot, there will be benefits to Children's Services in that an additional, centrally funded, external resource to deliver complex case work will reduce pressure on the internal team. Should the project be successful in achieving its outcomes, there will be no risk to Children's Services, which will then benefit from savings released by a reduction in care costs. The departmental savings will be re-invested in additional internal provision to continue reducing the number of young people entering or re-entering the care system.

There is financial incentive for the provider to achieve the outcomes, however, should the pilot not achieve sustained reduction of young people entering care there will be less/no savings for the department to re-invest in the future.

## **8. IMPACT ON COUNCIL PRIORITIES**

The work of Social Care meets all 3 of the council's key aims and the objectives within the Children and Young People's Plan.

## **8. EQUALITY IMPACT IMPLICATIONS**

Children's Social Care forms part of the Councils programme of retrospective equalities impact assessments (EQIA). The retrospective EQIA collates equalities monitoring of service users, and consider how the service impacts on disadvantaged, vulnerable and protected characteristic groups in the community

## **9. PERFORMANCE MANAGEMENT IMPLICATIONS**

The programme will be fully managed by Skylakes Senior Management team inclusive of Safeguarding and Quality Assurance, Head of Children's Services and Managing Director.

Skylakes will do all case recording and keep up to date all aspects of LBE's case management system regarding the young people.

## **10. HEALTH AND SAFETY IMPLICATIONS**

There are no direct health and safety implications arising from this proposal.

## **11. PUBLIC HEALTH IMPLICATIONS**

There are no direct public health implications arising from this proposal.

## **Background Papers**

Business Case for Transformation Capital Funding







## Business Case

**Project Title:** Investing for Outcomes - Cost Effective Provision for Family Breakdown Prevention.

**Department:** Children's Services

**Name of Person Submitting Business Case:** Paul Sutton, Assistant Director for Service Development and Youth Services

**Date:** 29<sup>th</sup> May 2017

**Capital/Revenue Funded Project:** Capital

**Project:** Funding for Family Breakdown Prevention Team to reduce the short and long - term costs of LAC provision in Enfield.

**Funding Required:** £800,000

**Duration of Funding:** 2 financial years  
[2017/18 and 18/19]

## Introduction

Local Authorities have a responsibility under S22G Children's Act 1989 to take children at risk of harm into care and they have a 'sufficiency duty' regarding the provision of placements. Children become "looked after" because of a variety of factors leading to them being unable to reside with their immediate or extended families. In their respective reports the Association of Directors of Children's Services [ADCS], [2013] and the DfE [2014] state that adolescents often enter care as an emergency response to a crisis and, finding a safe place, the system's initial response, drifts from safe containment into a long-term costly placement.

The care system is costly and generally children in it fare worse than those who remain in their family. The DfE, [2013] identifies poorer outcomes experienced by Looked After Children [LAC] in relation to issues such as criminality, prison, school exclusions and emotional and behavioural health issue. The NAO [2013] state that 34% of all care leavers were not in employment, education or training, at age 19, compared to 15.5% of 18-year-olds in the general population. The Prison Reform Trust [2014] state that 33% of males and 61% of females in juvenile custody in England had been in care.

This risk increases the older a child is on first entering residential care. The ADCS particularly highlights the poor track record of interventions for young people entering the Care system aged 11 plus and the DfE [2014] state: *"adolescent entrants' to the system tend to experience a larger number of placements, a more disrupted experience of care, poorer outcomes in education and are at increased risk of struggling when they leave care"*. In England almost 2/5ths of children entering the system are aged 11 plus. The DfE, ADCS and NAO are all critical of the current system with the DfE [2014] stating: *"When we consider the impact on young people's lives it is difficult to say that our current care system serves them well"*.

The care system is costly, not just for placement costs but also because of the additional costs for the infrastructure built around it e.g. LAC and Fostering Support Social Workers; independent reviewing officers and education support and leaving care costs and right to support up to the age of 25. Despite all of this cost the NAO [2014] report that nationally 35% of children leaving care in 2012-13 returned to their family.

Enfield has a far lower rate of care compared to most other authorities but still spends a high proportion of its Children's Services budget on the looked after system. Much of this is spent on placements for adolescents whose families have reached a crisis point and broken down. These young people must legally be accommodated but statistically they will fare worse than children who remain in the family.

Between late summer 2015 and March 2017 Enfield was funded under the Governments Innovation programme to provide a Family Breakdown Prevention Team known locally as the Family and Adolescent Support Hub supporting families intensively to prevent family breakdown and to re-unify children who had been in care with their families. This programme was independently evaluated and shown to save £3 for every £1 spent.

Currently Enfield does not have a service to support families intensively to prevent breakdown/entry to the care system, when crisis is reached and a young person cannot live with their family they enter the care system. Without extra pump-priming investment this issue cannot be resolved; money is needed to reduce the numbers coming into the care system in order that it can be re-invested in family support creating a virtuous circle.

### **Current Numbers and Costs Regarding LAC in Enfield Data**

At the end of May 2017 Enfield had 362 LAC. In the financial year 2015/16 230 new Children entered the care system and 140 [61%] of these were over 11. In the financial year 2016/17, at the height of the operation of the FASH, 164 [29% fewer] Children entered the care system of which 105 [64%] were over 11. In total 592 Children spent at least one night as LAC in 2016/17.

Average cost of placements:

- In house foster care placement? - £361 per week\*
- Agency foster care placement? - £780 per week
- Average cost of a residential placement [non-disabled children]? - £3100 per week [some placements cost over £5K]

\*NB: A report from Ernst Young showed that full cost closer to £600 when full cost recovery e.g. cost of foster care support team is added.

On average over the last two years 62% of children who became LAC were over 11, the group mostly likely to fare worse in the system and cost the most [many have placement breakdowns and will also most likely be in more expensive provision such as residential care].

If of the 105 over 11s entering the system in 2016/17 75% went into in house foster care, 15% to agency foster care and 10% to residential the cost is approximately £3million per year for that group. If they stay in care for an average of 2 years in placement costs alone they will cost £6million, the costs of the LAC system [LAC social workers etc] and leaving care costs etc add greatly to this as do the wider societal costs e.g. numbers in the criminal justice system etc.

If, however the number could be reduced by 20%, approximately 21 young people, at the minimum cost, £600,000 per year could be saved in placement costs alone. With additional medium and long-term savings in the LAC and Leaving care systems the investment would show a considerable dividend for the council and the life chances of these young people would be improved.

## **Proposed Solution**

A service to prevent family breakdown: is required; will reduce short and long-term cost saving; will provide better outcomes and allow further funding to be moved from supporting Looked After Children to prevent family breakdown. However, in the short term setting up an in-house Family Breakdown Prevention Team is not viable due to the process being costly, time consuming, having no guarantee of success and it being costly to decommission if funding was not available to sustain it.

The best available option is in the short term to commission an off the shelf service with an element of payment by results. Such a service would be less costly; would be operational very quickly; would ensure success or bear the cost itself and would be quick, easy and free to decommission. This option would ensure minimum risk and financial exposure to Enfield.

Funding from the LAC budget released by fewer children entering the system would then be utilised to create and house Family Breakdown Prevention Team giving the council the benefit of this service for the long-term.

## **The Project**

£780,000 capital funding invested over 2 years in a commissioned Family Breakdown Prevention Team. "*Trickle down*" funding released by the LAC budget then used to create a capital investment, a long-term in-house Family Breakdown Prevention Team for Enfield. This reduces the short and long-term costs of LAC provision to Enfield ensuring year on year efficiency savings.

## **Project Description**

Commission a bespoke service to prevent family breakdown. Service to work very intensively with 2 cohorts of 40 children [aged 11 to 16] each for 12 months at time [6 months intensive and 6 months review and monitoring per cohort]. 80 children over an 18-month period. The service will work with young identified by Children's Services as high risk of entering care or those in care who could be returned home if intensive support provided.

The commissioned team will be multi-disciplinary in nature and have a manager, social workers, therapists, a family group conference coordinator, family support workers, youth workers and project support officers and be fully supported by the commissioned provider's senior management team and systems.

The programme will have a payment by results element. Each cohort will cost approximately £390,000 of which £80,000, approximately 20%, will only be paid if 90% [36 of the 40 children] in the cohort do not enter/re-enter care in the 6 months after the programme ends.

Enfield will identify all children eligible for the programme and allocate them to the commissioned provider. Cohorts 1 and 2 will run consecutively.

The programme will be over 18 months split into four phases.

- **Phase 1 Cohort 1** - Within 4 weeks of contract sign off the commissioned provider would be allocated full case management of 40 children and young people. This phase of the programme would run for 6 months. [NB: This also reduces Enfield's costs because as well as ensuring these children do not become LAC the commissioned provider is delivering all social work and thus reducing pressure on our own social work provision].
- **Phase 2 Cohort 1** - is a "review and monitoring" stage to ensure that the *risk reward* KPI achieves the 90% agreed success rate of keeping children from becoming looked after in the 6 months after the intensive phase 1 ends. If 90% or more achieved £80,000 reward element for the first cohort paid at the end of this period.
- **Phase 3 Cohort 2** - The second cohort of 40 children would run in exactly the same way as the first and be allocated at the end of phase 1 cohort 1 running concurrently with the review and monitoring period of cohort 1.
- **Phase 4 Cohort 2** - is a "review and monitoring" stage to ensure that the *risk reward* KPI achieves the 90% agreed success rate of keeping children from becoming looked after in the 6 months after the intensive phase 3 ends. If 90% or more achieved £80,000 reward element for the first cohort paid at the end of this period.

On average in the last two years 123 children aged over 11 have entered the care system per year. Based on the 75/15/10 ratio the basic per annum cost of placements for these children is £4.4 million plus if they all remain in care for one year.

## **Request for Funding**

£780,000, [£390,000 to be spent in 2017/18 and £390,000 in 2018/19] of which £160,000 is payment by results.

## **Payment by Results**

£160,000 of the £780,00 is payment by results and will only be paid if 90% or more family breakdowns are prevented for at least a year. We aim to identify 2 cohorts totalling 80 children who we believe would definitely come into, or stay in, care if they are not supported. Below, based on an average cost of £36,000 pa, is a table showing potential savings based on the

degree of accuracy with which we predict young people who might have gone into care actually do enter the care system.

Predicted Accuracy of young people in cohort actually entering care	Number of Young People on programme not entering care who definitely would have if no Intervention made	Success Rate of Programme Based on both the 80 actually on the programme and those who would have gone into care with no intervention	Cost Saving on Placements over 2 years	Cost of Programme
100%	80	100%	£5,760,000	£780,00*
80%	64 [16 would not have entered care]	90% [72] overall or 90% of 64 who would have gone into care = 58	£4,176,000	£780,00*
70%	56 [24 would not have entered care]	90% [72] overall but only 70% of the 56 who would have gone into care = 39	£2,808,000	£780,00*
70%	56 [24 would not have entered care]	70% [64] overall or 70% of 56 who would have gone into care = 39	£2,808,000	£620,000
60%	48 [32 would not have entered care]	90% [72] overall or 85% of the 48 who would have gone into care = 41	£2,952,000	£780,00*
60%	48 [32 would not have entered care]	60% [64] overall or 60% of 48 who would have gone into care = 29	£2,088,000	£620,000

50%	40 [40 would not have entered care]	90% [72] overall or 60% of 40 who would have gone into care = 24	£1,728,000	£780,00*
50%	40 [40 would not have entered care]	70% [56] overall or 40% of 40 who would have gone into care = 16	£1,152,000	£620,000
50%	40. [40 would not have entered care]	70% [56] overall or 40% of 40 who would have gone into care = 16	£1,152,000	£620,000
<b>If a 1 in 2 accuracy of prediction and a success rate of 40% with those who would have gone into care the programme still saves £532,000.</b>				
40%	32 [48 would not have entered care]	90% [72] overall or 75% of 32 who would have gone into care = 24	£1,728,000	£780,00*
35%	28 [52 would not have entered care]	75% [60] overall or 40% of 28 who would have gone into care =11	£792,000	£620,000*
<b>If a 1 in 3 accuracy of identification is achieved with cohorts and if the programme can be successful 40% of the time with those who would have gone into care there will still be a saving due to this programme.</b>				
50%	40 [40 would not have entered care]	50% [40]	£0 presuming the YP who did not enter care are the ones who would not have entered care anyway	£620,000
35%	28 [52 would not have entered care]	70% [56] overall or 19.6% of 28 who would have gone into care = 5	£288,000	£620,000 [Loss of £332,000]
20%	18 [62 would not have entered care]	50% [40]	£792,000 At this point 40 Young People	£620,000 £1,584,000] [+]



	entered care anyway]		enter care but theoretically this is 22 more than should have without the programme. We thus have a minus figure [-£1,584,000] as we have to pay the cost of care for those who would not have entered the programme and the cost of the intervention	[Loss of £2,204,000]
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#### **NB:**

**\*This is only if overall 72 young people do not enter care or programme. 90%, 72 young people not entering care, must be achieved or cost would be reduced by the payment by results element.**

#### **Saving**

Using the figure of 50% accuracy of prediction [identification of those entering cohort] and a success rate of 40% with those who would have gone into care the programme will save **£532,000** [NB: this is just placement costs, other costs such as leaving care etc will also be avoided] over the financial years 2018/19 and 19/20.

#### **Accountability and Measurability**

- This project will deliver the following outcomes and efficiencies.
- Reduce number of children, particularly over 11s, becoming LAC
- Reduce placement and LAC system costs.
- Ensure more children are supported to leave care and go home to a sustainable family life.
- Reduce numbers supported by the leaving care team.
- Reduce proportion of budget spent on LAC.

- Improve attendance in Education, Training and Employment for the Children supported by the scheme.
- Reduce numbers of young people in criminal justice system and numbers entering custody.
- Reduce cost of social work support in children's services
- Increase individual, family and community resilience in Enfield

<b>Risks</b>	<b>Mitigation</b>
That our accuracy in predicting young people who would have gone into care is inadequate	We have a low number in care compared to other authorities and we thus have a high threshold of entry. We have very good systems of identifying those who show the most likelihood of entering care. Additionally, many of these children will be in care and the work will be to get them home and ensure the family is supported to stay together.
That programme is not as effective as it could be.	The providers will have a £160,000 incentive to be effective. One provider has been spoken to and they can provide such a programme working to these costs and believe they can achieve over 90% success.
That more than 10% [5 plus] of young people worked with in each cohort become LAC.	If this were the case cost would reduce by £80,000 per cohort to compensate.
More young asylum seekers enter care and negate savings made above.	Asylum numbers are a concern and work is ongoing with government regarding this. There are some protections regarding the total number and some government funding to offset the cost of some asylum seekers. However, these asylum seekers, if they enter, would have entered any way and would be on top of the numbers prevented from entering LAC system.

## Conclusion

A capital investment of £780,000 over 2 years will result in savings for Enfield and the creation of an in-house Family Breakdown Prevention Team that will continue to provide savings and improved life outcomes for Enfield children. If less than 90% of the target is achieved the cost will reduce by approximately 20%.

At 50% accuracy of prediction [identification of those entering cohort] and a success rate of 40% with those who would have gone into care the programme will save a minimum £532,000 over the financial years 2018/19 and 19/20.

Even if only a 1 in 3 level accuracy of identification is achieved with cohorts and if the programme is only successful 40% of the time with those who would have gone into care there will still be a saving from this programme of £172,000

**Specifically:**

- There is like to be a contribution to MTFS of at least £500,000
- Due to the negative outcomes experienced by those entering care there is likely to be an improved customer experience if these young people can be kept out of care.
- As well as a reduction in the cost of care placements there will be a reduction in the need for LAC and leaving care social workers, IROs and costs for care leavers etc.
- By reducing the number in care, we will be achieving the three Council priorities of fairness for all, growth and sustainability and stronger communities.
- Using resources in this way will reduced pressure on the department are be more efficient, effective and economic.
- Keeping children out of care will not only comply with the letter of the legislation but also the spirit [1989 children act sees the best place for the child to usually be the family]
- Politically the less young people in the care system the better.

I request that this funding be made available for this scheme.

Paul Sutton

Assistant Director, Service Development and Youth Services.



## MUNICIPAL YEAR 2017/2018 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### OPERATIONAL DECISION OF:

Executive Director - Regeneration  
Environment and Executive Director –  
Finance Resource and Customer  
Services

### REPORT OF:

Assistant Director Commercialism

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Agenda – Part: 1

KD Num: 4664

**Subject: Procurement of Small Cell  
Concession Contract and  
Commercialisation of Fibre and Ducting  
network**

**Wards: All**

## 1. EXECUTIVE SUMMARY

- 1.1 This report sets out the current position regarding Small Cell provision and the Fibre and Ducting network utilised by the CCTV service.
- 1.2 The report considers options for the Council to generate income from these assets through a competitive tender process

## 2. RECOMMENDATIONS

It is recommended that:

- 2.1 A concession contract for small cell wireless provision is put out to open tender as outlined in this report, in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations.
- 2.2 The Council engages with the market to identify and secure a partner to manage the Council's Fibre and Ducting network.

### **3. BACKGROUND**

- 3.1 Recently local authorities have increasingly embarked upon developing strategies which have sought ways in which assets and infrastructure owned by them could leverage wider social, economic and community benefit including their role in enabling a 'Smart Council' Strategy.
- 3.2 The Council has access to a portfolio of assets and infrastructure which will be of potential interest to the small cell provider market and have the scale and potential to generate revenue for the Council of approximately £750,000 over a fifteen year period.
- 3.3 The concession will improve the satisfaction of residents and businesses within the London Borough of Enfield as a place to live, work and study because it will improve the capacity of telecommunications signals and deliver outdoor WiFi connectivity throughout the Borough. The concession will support the Council's objective of delivering growth and development across the Borough by providing additional means and mechanisms for businesses and residents to interact with each other, as well as providing a new income stream to the Council and the ability to reduce costs. Furthermore, the Council through its assets and infrastructure can and should be an enabler by:
- driving a wider and more holistic approach to developing a Smart Borough Strategy
  - improving mobile coverage through Small Cell deployments on council owned assets
  - supporting a wider digital transformational strategy for the Council and changing the way that public services are delivered and the way that we engage with our communities.
  - promoting the wider digital and social agenda of the Council

#### **The proposal**

- 3.4 To progress a wireless concession procurement strategy based on Council owned street furniture assets to deliver public space free Wi-Fi and enhanced mobile coverage across the Borough. Specifically the concession would utilise street lighting and CCTV columns.
- 3.5 To initiate a process to formally engage with the market by preparing and embarking upon a procurement process with a view to securing a commercial partner to commercialise the ducting infrastructure through a wholesale open access model.

#### **Soft Market Testing**

- 3.6 A soft market testing exercise has been carried out on behalf of the Council by a specialist consultancy, who has reported that:

- There exists a genuine and real interest in the market to engage with the London Borough of Enfield in utilising Infrastructure owned by the Council to support and enable the delivery of commercial wireless services including the potential provision of free public space Wi-Fi.
- There is real interest expressed in working with the London Borough of Enfield to deliver a strategy which would attract greater interest and investment from the mobile operators through the deployment of Small Cell.
- Companies are willing to enter into partnerships to exploit the scale and breadth of the assets and infrastructures owned by the Council rather than looking at each asset base as an isolated opportunity – aligning street assets, ducting and fibre deployment to support Small Cell Deployment.
- Interest from a number of companies in having specific access to council owned street furniture to support their Wi-Fi and Small Cell Strategies and Commercial Models.
- Interest in a concession approach to deliver Wi-Fi and Small Cell within the London Borough of Enfield.

#### **Street Lighting PFI Contractor**

- 3.7 The Council currently has a PFI contract in place for the provision and maintenance of street lighting columns within the Borough. Under this contract the street lighting columns and associated assets are owned and operated by the contractor and under the terms of this contract any utilisation of them for small cell wireless use would require consent from the contractor.
- 3.8 The contract does contain appropriate provision for this use and there is precedent for such an approach as the contractor has agreed to a similar concession under a PFI contract with another authority. Initial discussions have taken place and the contractor has indicated they would likely be willing to progress this within Enfield.
- 3.9 It is envisaged that the PFI contractor will derive income from the installation and maintenance of the equipment for the concession winner and so should not be seeking a direct share of the concession income. If this does not prove to be the case this will be clarified within a further report ahead of contract award.

#### **Procurement**

- 3.10 For the provision of small scale wireless services it is proposed to undertake a full tender process using Contract Procedure Rules (CPR's) by way of a concessions contract, utilising Council infrastructure. The value of the concession has been estimated and is expected to be below those requiring OJEU compliant processes.

The tender will be open and advertised on the London Tenders Portal.

- 3.11 For the Fibre and Ducting opportunity it is proposed to undertake a negotiated procurement process to formally engage with the market with a view to securing a commercial partner to commercialise the ducting infrastructure through a wholesale open access model.
- 3.12 The project will be managed through the Councils Verto projects management software to ensure clear auditability of the process and accountability of the project team.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 There exists a National Procurement Framework for a Small Cell Wireless Concession instigated and now co-ordinated by the London Borough of Harrow.
- 4.2 This option has been considered however whilst such a framework would be advantageous in most parts of the UK, where authorities were seeking to derive public Wi-Fi, because of the commercial position being taken by the Council, the Framework would not ensure that we would derive best commercial value.
- 4.3 This is because it would limit the interest to just the five companies listed on the Framework. By limiting the interest in just the five companies would exclude potential interest from other viable companies known to be looking at Small Cell opportunities in London.

#### **5. REASONS FOR RECOMMENDATIONS**

To ensure compliance with the CPRs and Public Contracts Regulations; to test the market and maximise value for money and income from the Councils assets.

#### **6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS**

##### **6.1 Financial Implications**

- 6.1.1 This report seeks the approval for the Procurement of Small Cell Concession Contract and Commercialisation of Fibre and Ducting network.

A concession contract for small cell wireless provision is put out to open tender as outlined in this report, in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations. And for the Council engages with the market to identify and secure a partner to commercialise and manage the Council's Fibre and Ducting network.

- 6.1.2 According to a soft market testing exercise has been carried out on behalf of the Council by a specialist consultancy, it is reported that there exists a



genuine and real interest in the market to engage with the London Borough of Enfield in utilising Infrastructure owned by the Council (See paragraph 3.6).

- 6.1.3 This report is to test the market and maximise value for money and generate new sources of income from the Councils assets.

## **6.2 Legal Implications**

- 6.2.1 Section 1 of the Localism Act 2011 provides the Council with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the "general power of competence". A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others.
- 6.2.2 Operation of any concession contract will be subject to the contract which the Council already has with its PFI Street Lighting Partner.
- 6.2.3 The Electronic Communications Code (the "Code") is set out at Schedule 3A to the Communications Act 2003 (as amended by the Digital Economy Act 2017). The Code allows operators designated by OfCom under section 106 of the Communications Act 2003 to enter into agreements with landowners to, inter alia, keep electronic communication apparatus "installed on, over or under that land". Under Part 4 of the Code, a code operator may apply to the court for an order requiring the landowner to permit such installation. Therefore any exclusivity obligation in a small-cell concession contract should be expressly "subject to contrary legislation or court order".
- 6.2.4 The proposed procurement route is described in paragraph 3.9 above. It is noted that it is anticipated that the value of the concession has been estimated and is expected to be below those requiring OJEU compliant processes. However the Council must still comply with its Constitution (in particular the Contract Procedure Rules (the "CPRs")), and the EU principles of transparency, equal treatment, proportionality and non-discrimination.
- 6.2.5 Before any decision to award a contract is made, advice must be taken from Director of Law and Governance on the appropriate mechanism for that decision. The Council will be required to follow its Key Decision procedure on respect of such award.

## **6.3 Procurement Implications**

All procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).

The procurement, award and future management of the contract must be managed through the London Tenders Portal.

## **6.4 Property Implications**

- 6.4.1 There are no direct property implications for this report, suffice to say that any ducting on Council owned land will require a wayleave application.
- 6.4.2 There are contractual mechanisms in place as to the split of proceeds and processes with the lighting PFI contractor.

## **7. KEY RISKS**

- 7.1 Insufficient market interest – the market sounding work undertaken has demonstrated that this is unlikely.
- 7.2 Contractual arrangements and commercial agreements with the PFI Service Provider (contractor) will need to be finalised. There is a risk that this may prolong the implementation of the project. Any delays will be managed through existing financial and performance management processes to ensure impact is minimal.

## **8. IMPACT ON COUNCIL PRIORITIES**

### **8.1 Fairness for All**

The objective of the proposals is to ensure continued choice and service for the benefit of all residents

### **8.2 Growth and Sustainability**

The proposed contract is designed to provide a reliable, high quality service available to business and consumers

### **8.3 Strong Communities**

WiFi connectivity improves social cohesion, reduces isolation for minority groups and improves access to services

## **9. EQUALITY IMPACT IMPLICATIONS**

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report. However it should be noted that the any contracts awarded should include a duty on the successful applicant to assist us with meeting our obligations under the Equalities Act 2010.

## **10. PERFORMANCE MANAGEMENT IMPLICATIONS**

The proposals are designed to improve both service performance and value for money in both the short and long term.

## **11. HEALTH AND SAFETY IMPLICATIONS**

The procurement process will include an assessment of bidders' arrangements in respect of Health and Safety for their operations. Risk assessments, method statements and Safe Systems of Work will be submitted for approval by the authority prior to contract award.

## **12. PUBLIC HEALTH IMPLICATIONS**

No major Public Health implications.

### **Background Papers**

None

