

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 11 July 2017	<b>Meeting Name:</b> Cabinet Member for Children and Schools
<b>Report title:</b>		Department for Education (DfE) Innovation Grant: Award of Grant to Catch 22 Limited – initial advanced payment to commence the project	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Director of Children’s Services	

### **RECOMMENDATION**

1. It is recommended that a payment of £0.5m is made from grant received by the council from Department for Education (DfE) to Catch 22 Limited (Catch 22) in accordance with bid document and grant agreement. This is to commence the work of the Care Leavers Partnership Project.

### **BACKGROUND INFORMATION**

2. The Council submitted a bid jointly with Catch 22, a social business, for innovation grant from the DfE. This related to Care Leaver Reforms and is associated with improving interventions and outcomes for young people in this cohort and developing a model which demonstrates value for money. This bid included a financial proposal showing indicative budgets for both the council and Catch 22.
3. The bid as submitted to DfE was successful and the parties were awarded £1.638m on 12 March 2017. The council is one of a number of local authorities across the country to secure the DfE’s children social innovation programme. The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them. The grant is intended to support the projects that the local authorities have requested to undertake relating to innovation and reform in children’s social care. They may, however, choose how to spend the money in order to best meet local needs. For the purposes of the grant, the council is the accountable body. The timeframe of the project is over 15 months.

### **KEY ISSUES FOR CONSIDERATION**

4. In order to commence the project in accordance with the agreed bid, the terms and conditions of grant and the underlying agreement with Catch 22, an advance payment need to be made to Catch 22 for £0.5m. The initial sum is made in anticipation that a substantial amount of the monies received were intended to be used by the recipient for the purpose of the Project, and that a detailed budget will be agreed by the senior management governance board assigning the use of such monies. Further payments of the balance will be made in accordance with the agreement and an agreed staged payment schedule, subject to demonstrable outcomes and progress being made on the project. Further payment approvals may be sought to release further payment in

accordance with governance arrangements.

5. An initial outlay is required to get the project underway on a timely basis. There was some delay in the process due to factors outside the control of the service which has necessitated this route.
6. The project seeks to achieve the outcomes at para 8 below within a 2 year timescale, with any activities and the model being mainstreamed into service provision after that point.

### **Policy implications**

7. The objectives of the Care Leaver project are consistent with the 'Best Start in Life' objectives with the Council Plan.
8. For the care leaver project the following outcomes are sought:
  - Better life chances for children receiving help from the social care system;
  - Stronger incentives and mechanisms for innovation, experimentation and replication of successful new approaches; and
  - Better value for money across children's social care.

### **Community impact statement**

9. The project is targeted at a cohort of looked after children and young people who are either care leavers or are on the cusp of being care leavers. It seeks to improve outcomes for this group.

### **Resource implications**

10. Resources have been fully costed as part of the detailed financial proposals and are grant funded. There is a risk that there are some cost implications beyond the life of the project and these will need to be considered and funding identified where appropriate from any realisable cashable savings and are dependent upon any future delivery model for the service. However, steps will be taken to mitigate these risks where possible by back-filling posts with fixed term appointments for the life of the projects.
11. Steps should therefore be taken during the project to put activity on a sustainable footing which does not require further input from the council, and draw up an appropriate exit plan. If the costs are unavoidable or form part of future service provision then funding will need to be identified as part of the 2018/19 general fund budget setting.
12. The council's costs for the project are being funded from within the £1.638m grant and the financial proposal as updated by the financial agreement. As the project evolves it is designed to deliver better value for money and may result in a reduction in current costs, dependent upon any future delivery model for the service.
13. The grant covers 15 months, and at present is anticipated to have additional costs to the council of £1.483m, however this would be funded by the grant so would have no net impact upon the costs of the service. Action must be taken to contain costs within the grant. At present projections are showing that the new delivery

model should have overall savings of £0.3m pa on existing costs covering placements and staffing, even after allowing for the fall out of government grant and after funding any change in the profile of the budget.

14. The council will need to ensure that it establishes a robust methodology for assessing the cost to the council of providing any assistance and ensure that that cost is recovered at an appropriate rate (i.e. assistance should not be given to Catch 22 on preferential rates).

### **Legal implications**

15. Please refer to the legal concurrent in paragraph 19 - 25 of this report.

### **Financial implications**

16. The project is being funded from within the £1.638m grant and the financial proposal as updated by the financial agreement. As noted as the project evolves any impacts upon budgets following the depletion of the grant and evolution of the future delivery vehicle and any cost transfer will need to be funded for budget savings within the leaving care service to ensure that they are at the very least budget neutral.

### **Consultation**

17. There is consultation with the care leavers group as part of the care leaver service process and across Children's Service. There is also individual consultation with care leavers and their personal advisor/ social worker.
18. There will be appropriate consultation with staff and trade unions as the project develops should there be any change to the service delivery vehicle and or to staffing arrangements.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Democracy**

19. This report seeks the approval of the cabinet member for children and schools for the award of grant funding to Catch 22 as outlined in the report.
20. The cabinet member will be aware of the Public Sector Equality Duty (PSED) under the Equality Act 2010, and when making decisions to have regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to the elimination of discrimination. The cabinet member is referred to the community impact statement at paragraph 10 of the report which states that the project is targeted at looked after children and young people who are either care leavers or are on the cusp of being care leavers and that the project seeks to improve outcomes for this group
21. The cabinet member is also referred to paragraphs 17-18 of this report which

set out the consultation that has taken place as well as those that will take will take place in due course. The council has a statutory and common law duty to consult on certain areas of service delivery and the formulation of proposals or decision. To meet legal requirements, consultation must be undertaken when proposals are still at a formative stage, it must be meaningful and include sufficient reasons for the proposal and allow adequate time for interested parties to consider and respond, and the outcome of the consultation must be conscientiously taken into account when the ultimate decision is taken.

22. The funding from the Department of Education is made under section 31 of the Local Government Act 2003.
23. The grant funding to Catch 22, will be enforceable through a contract between the council and Catch 22 to ensure that the grant conditions imposed upon the council (as the accountable body) by the Department of Education are complied with by Catch 22.
24. The parties should ensure that their roles and duties are performed with a view to achieving a common objective for the young people otherwise it may be viewed as a commercial arrangement caught by the procurement rules.
25. It is considered that state aid risk to the council is unlikely to apply as the funding is from the Department of Education's social care and innovation programme via a competitive process and not from Southwark council's own funds.

#### **Strategic Director of Finance and Governance**

26. The financial implications of the grant and project have been considered as part of the financial proposal. Both the Gateway 1 and 2 grants have been completed in accordance with requirements. The specific issues with regard to financial implications will need to be considered as the project evolves and the grant diminishes. There will be senior financial representation (the Departmental Finance Manager) on the governance board of the project to ensure that all financial impacts are considered and are fully funded to ensure that the impact on the budget is cost neutral and that any relevant budget savings are delivered.
27. This will also ensure that requirements with regard to the accountable body and grant returns are completed in accordance with the terms and conditions of the grant.

#### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
None		

#### **APPENDICES**

<b>No.</b>	<b>Title</b>
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Alasdair Smith, Director of Children's Services	
<b>Report Author</b>	Russell Dyer, Departmental Finance Manager	
<b>Version</b>	Final	
<b>Dated</b>	11 July 2017	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
List other officers here		
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team / Community Council / Scrutiny Team</b>	11 July 2017	