

# EXECUTIVE DECISION

made by a Cabinet Member



## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER


Executive Decision Reference Number – L04 25/26

Decision	
1	<b>Title of decision:</b> Supporting children in care to progress from residential children's homes to progress to family settings.
2	<b>Decision maker:</b> Councillor Tudor Evans OBE (Leader of the Council)
3	<b>Report author and contact details:</b> Karen Blake, Head of Service karen.blake@plymouth.gov.uk
4	<b>Decision to be taken:</b> <p>1. Award of contract to Reconnect on a payment by results basis for support to step twenty-one children down from residential children's homes to foster care or to be reunified to their family achieving potential savings of £5.8m. Maximum contract value estimated to be £1m over two years subject to payment by results conditions as outlined.</p>
5	<b>Reasons for decision:</b> <p>1. Plymouth has experienced a growth in numbers of children in care and like many local authorities around the country, as a result of a severe national shortage of foster carers Plymouth currently has a high number of children in high-cost residential care creating a significant pressure for the Council. A significant cohort of these children in care are identified to be ready to step onto family settings, either foster care or with their own family. Focused work has been in place over the last year to achieve this for these children with limited success given the shortage of foster carers available nationally to meet the more complex needs of these children.</p> <p>2. Reconnect are offering to work with a limited number of Local authorities offering a model of planning and intervention aim to improve the well-being and stability of children who have experienced trauma and to allow successful care within a supportive family setting. Their model includes identifying potential foster carers from an extensive database they have access to suitable candidates, and assessing the carers and bringing them to our Fostering Panel for approval as Foster for Plymouth carers.</p> <p>3. Reconnect are offering to work with Plymouth on a payment by results basis with their costs being recouped from the savings achieved when they support a child to move from a higher to a lower cost placement to an agreed capped amount.</p> <p>4. Plymouth City Council will issue a statement of work to Team Matrix, our existing agency supplier, to compliantly directly award the contract to Re-connect through ESPO MSTAR (Managed Services for Temporary Agency Resources) 3 Framework. Team Matrix can provide support in managing the contract and ensuring timely payments on behalf of Plymouth City Council, in keeping with defined payment model.</p>
6	<b>Alternative options considered and rejected:</b> <p>1. To continue doing this ourselves and given the shortage of fostering placements nationally we have been having limited success leading to children remaining in high-cost residential settings which is not in accordance with their plan and creates a significant financial pressure for the Council.</p>

	2. To procure an alternative arrangement – there are limited alternatives in the market offering this model and prepared to work on a payment by results basis. Awarding a contract to Reconnect enables a quick start to maximise outcomes for children and financial return.			
<b>7</b>	<p><b>Financial implications and risks:</b></p> <p>Reconnect will work with an agreed cohort of 21 children providing therapeutic support and planning and foster carer recruitment for a fixed fee of £599.8k on a payment by results basis. When children in the agreed cohort step from residential to fostering, PCC will agree the in-year saving realised and Reconnect will invoice us at a maximum of the savings realised in the month to a total of £599.8k (inclusive) in the year (pro-rata for a start mid-way through the year). The payments will be made from the CYPFS revenue budget for placements for children in care.</p> <p>The PCC Lead Accountant for Children's Services will maintain a clear schedule of the 'pro-rata' amount to get to the £599.8k from the start. We don't know when the first savings will be made, but Reconnect anticipate that they will be working without invoicing Plymouth for 6 months+ from when they start the assessment phase.</p> <p>The average annual cost of the 21 children in the cohort currently in residential care is £368k. The average predicted cost annual cost on step down is £74.1k. The overall potential saving is £5.08m FYE.</p> <p>If savings from children in Reconnects cohort stepping down to foster care go over £3m in the year they can invoice us for an additional 10% of the incremental savings achieved in excess of the £3m. This works as a one time exercise at the end of the programme, i.e. the end of the 12 month Phase 3 work. So, if the run rate savings at the end of the programme were £4m, Reconnect would be paid 10% of the difference between the £4m and the £3m threshold, i.e. £1m x 10% = £100k.</p> <p>They charge us £10k for every foster carer household they identify/assess who is approved at our panel to enable a child in the cohort to step down from residential care.</p> <p>A condition will be built into the contract whereby Reconnect reimburse us for an element if children's step-down placements break down within the 12 month period of the Phase 3 work in the programme. Placement savings will only apply to the accumulative total if the child remains in their new placement. If the placement breaks down, only savings from the transition date to the break down date will be applicable towards Reconnect's set fee plus any additional fees if reaching £3m. Reconciliation will occur between Plymouth City Council and Reconnect to ensure that all parties agree to the savings achieved.</p> <p>The maximum contract value is estimated to be £1m over two years.</p>			
<b>8</b>	<p><b>Legal Implications:</b> (For completion by Legal Officers)</p> <p>None arising from this report.</p>			
<b>9</b>	<p><b>Is the decision a Key Decision?</b> (please contact <b>Democratic Support</b> for further advice)</p> <p>Please type an X into the relevant boxes</p>	<b>Yes</b>	<b>No</b>	<p><b>Per the Constitution, a key decision is one which:</b></p>
			<b>x</b>	in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total
		<b>x</b>		in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1million</b> annually.
			<b>x</b>	is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.

	<b>If yes, date of publication of the notice in the <u>Forward Plan of Key Decisions</u></b>	26 June 2025		
<b>I 0</b>	<b>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</b>	Keeping children safe is a core priority in the Plymouth Plan. This decision is key to the Council's MTFP as the cost of residential care is creating a significant financial pressure for the Council. The programme can potentially reduce the costs of children in care to an upper potential revenue saving of £5.08m over the two years of the programme.		
<b>I 1</b>	<b>Please specify any direct environmental implications of the decision (carbon impact)</b>	None.		
<b>Urgent decisions</b>				
<b>I 2a</b>	<b>Is the decision urgent and to be implemented immediately in the interests of the Council or the public?</b>	<b>Yes</b>		(If yes, please contact Democratic Support ( <a href="mailto:democraticsupport@plymouth.gov.uk">democraticsupport@plymouth.gov.uk</a> ) for advice)
	Please type an X into the relevant box	<b>No</b>	X	<b>(If no, go to section I 3a)</b>
<b>I 2b</b>	<b>Reason for urgency:</b>			
<b>I 2c</b>	<b>Scrutiny Chair Signature:</b>			<b>Date</b>
	<b>Scrutiny Committee name:</b>			
	<b>Print Name:</b>			
<b>Consultation</b>				
<b>I 3 a</b>	<b>Are any other Cabinet members' portfolios affected by the decision?</b>	<b>Yes</b>	X	
	Please type an X into the relevant box	<b>No</b>		<b>(If no go to section I 4)</b>
<b>I 3 b</b>	<b>Which other Cabinet member's portfolio is affected by the decision?</b>	Councillor Jemima Laing (Deputy Leader and Cabinet Member for Children's Social Care, Culture and Communications)		
<b>I 3 c</b>	<b>Date Cabinet member consulted</b>	23 May 2025		
<b>I 4</b>		<b>Yes</b>		

	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b> Please type an X into the relevant box	No	X	If yes, please discuss with the Monitoring Officer				
15	Which Corporate Management Team member has been consulted?	Name		David Haley				
		Job title		Director of Children's Services				
		Date consulted		09 June 2025				
<b>Sign-off</b>								
16	Sign off codes from the relevant departments consulted:	Democratic Support (mandatory)		JS17 25/26				
		Finance (mandatory)		ITG.25.26.024				
		Legal (mandatory)		LS/00001312/1/AC/26/6/25				
		Procurement (if applicable)		JS/SC/787/ED/0625				
		Corporate property (decisions involving Council owned land or facilities) (if applicable)		N/A				
		Human Resources (if applicable)		N/A				
<b>Appendices</b>								
17	Ref.	Title of appendix						
	A	Briefing report for publication						
	B	Equalities Impact Assessment						
	C	Climate Impact Assessment						
<b>Confidential/exempt information</b>								
18a	<b>Do you need to include any confidential/exempt information?</b> Please type an X into the relevant box	Yes		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>18b</b> below.  (Keep as much information as possible in the briefing report that will be in the public domain)				
		No	X					
		<b>Exemption Paragraph Number</b>						
		I	2	3	4	5	6	7

18 b	Confidential/exempt briefing report title:							
Background Papers								
19	<p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p>							
Title of background paper(s)		Exemption Paragraph Number						
		1	2	3	4	5	6	7
Cabinet Member Signature								
20	<p>I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.</p>							
Signature				Date of decision		29 July 2025		
Print Name		Councillor Tudor Evans OBE (Leader of the Council)						