

For general release

Committee: Children, Families and Schools Sub-Committee
Date: Monday 15 March 2004

Report of: Director, Children, Families and Schools

Subject: The renewal of the Palmeira service contract

Wards affected: All

1. Purpose of the Report

- 1.1 To advise members that the existing contract for the Palmeira service between the City Council and NCH is being renegotiated. The current contract is to be extended for an additional four months until July 2004 at which point it is expected that a new contract will be signed for an additional period of 3 years.

2 Recommendation

- 2.1 That members note the contents of this report and agree the extension of the existing contract until July 2004 to allow sufficient time for the City Council and NCH to agree a new contract for the Palmeira service.

3. Background

- 3.1 Palmeira House is a residential service run on a contractual basis by NCH, a national charity. The service began in 1998 and presently provides shared care packages for four young men and one young woman. These are: JC who will be 19 in September 2004, PS who will be 19 in February 2005, BL who will be 17 in November 2004, JG who will be 15 in May 2004 and LS who will be 15 in July 2004. All of these young people have severe learning difficulties, an Autistic Spectrum disorder plus associated challenging behaviour.
- 3.2 In July 2000 a successful application for a Judicial Review was made by the parents of the five young people who were then using the service. This followed contractual difficulties between the Council and NCH which centred mainly on the cost of the service and the shortfall in the budget sum available within the Council for the contract.
- 3.3 In January 2001 Brighton and Hove gave an undertaking in the High Court that the existing service would be financed for the five young people who

were then being supported by Palmeira House. This undertaking covered the period until those specific young people completed their education at the end of the academic year in which they turned 19.

- 3.4 In July 2001 following detailed negotiation a contract for the service was signed by the Council and NCH with an agreed budget figure of £579,040. This sum exceeded the original budget prediction by £200,000. Each subsequent year the costs of the service have risen in line with inflation and in the financial year 2003/4 stood at £641,000. The amount set aside for this contract within Council budgets for 2004/5 is £657,000.
- 3.5 For three of that original group of five, the legal undertaking is still in force. The remaining two have now moved on into adult provision and two more will leave in 2004/5. An additional two young people who are not subject to the undertaking given have taken over the vacant places.
- 3.6 The negotiations on revisions to the contract have progressed but further discussion is required in relation to the criteria for admission and the overall targets for occupancy which are both critical factors that contribute to the securing of value for money.

4 Conclusion

- 4.1 An undertaking was given in the High Court to sustain the contract for the Palmeira service until J.G the youngest young person who was subject of the Judicial Review process leaves school at the end of the academic year in which he is 19. This will not be until July 2008 and so pragmatically the Council is committed to extending the contract with NCH until that time. In order to attempt to reduce unit costs for the Palmeira service and to ensure a reasonable quality of life for J.G two additional young people nearer his age have been introduced to the service.
- 4.2 Negotiations are ongoing between council officers and NCH to try to ensure a high quality and value for money service.
- 4.3 On completion of the negotiations the revised contract would then be presented to the committee for agreement in June 2004 (draft schedule)

5. Financial Implications

- 5.1 The present contract price for Palmeira for 2004-5 is £657,000 and is fully budgeted for within Children, Families and Schools, although it is difficult to forecast accurately the total annual cost of the service. This is because the needs of the young people and their carers will change over time and there can often be unforeseen requests for additional care in response to challenging family circumstances. However as young

people leave the service it should become possible to limit future expenditure as admissions to Palmeira can be rigorously controlled.

6. Legal Implications

6.1 The terms of the order made in the High Court in January 2001 are as follows:

“That the claimant children will remain at Palmeira until they reach 18 or leave school, unless a very good reason occurs that indicates the need for a different form of provision”.

7. Environmental Implications

7.1 There are no environmental implications.

8. Implications for the Prevention of Crime and Disorder.

8.1 There are no implications for the prevention of crime and disorder.

9.1 Equalities

9.1 Palmeira House provides a service which allows very disabled and challenging young people to remain within their families and communities.

10. Consultation

10.1 Ongoing negotiation with NCH will attempt to maintain a balance between a high quality service at a realistic cost.

11. Background Papers.

11.1 Relevant papers include the report to P&R committee in May 2000 and November 2000.

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