

CABINET

16 June 2020

Title: Semi-Independent Accommodation for Care Leavers via West London Alliance	
Report of the Cabinet Member for Social Care and Health Integration	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Director: April Bald; Operational Director Children’s Care and Support	
Accountable Strategic Leadership Director: Elaine Allegretti – Director of People and Resilience	
Summary	
<p>By Minute 79 (22 January 2019), the Cabinet approved entering into an Access Agreement and joining an existing commissioning partnership - the West London Alliance (WLA) in order to source placements for:</p> <ul style="list-style-type: none">• Independent Fostering Agencies, and• Children's Residential Homes <p>The WLA have now extended the Dynamic Purchasing Vehicle (DPV) programme to include the provision of Semi-independent Accommodation. This went live for applications from Providers in April 2020 and was opened to LA’s for call-off’s from 1st June 2020. Surrounding Local Authorities are signing up to this new programme, including Redbridge, Barnet, Brent, Ealing, Hammersmith & Fulham, Harrow, Hounslow and Hillingdon.</p> <p>One of the key pillars of collaboration in the WLA is the Children’s Programme which is supported by a Strategic Commissioning, Procurement and Contract Management Service that delivers against scale and sub-regional objectives to deliver a more efficient and effective approach to Children’s service delivery and market engagement.</p> <p>Joining the Partnership for the new Semi-Independent Accommodation service for Care Leavers will enable LBBD to explore opportunities to engage in shared services and joint working to increase efficiencies, cash savings and service delivery. Savings will also be made by a reduction in administrative effort and cost for the contracting authority. In addition, the initial tendering process allows contracting authorities to identify competitive suppliers, who should offer more competitive prices based on an expected volume of business.</p>	

<p>The resulting contract/s will also give more choice and flexibility when sourcing placements.</p>
<p>Recommendation(s)</p> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"> (i) Agree to extend the Council’s participation in the WLA to include the provision of semi-independent accommodation for Care Leavers by entering into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle, in accordance with the Council’s Contract Rules and on the terms detailed in the report; and (ii) Delegate authority to the Director of People and Resilience, in consultation with the Cabinet Member for Social Care and Health Integration, the Chief Operating Officer and the Director of Law and Governance, to award and enter into the Access Agreement and all other ancillary call-off agreements upon conclusion of the procurement process.
<p>Reason(s)</p> <ul style="list-style-type: none"> • To support the Council’s vision to “protect the most vulnerable, keeping adults and children healthy and safe”. • To provide an appropriate, best-value service that delivers excellent outcomes for children and young people. • To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person in supported accommodation.

1. Introduction and Background

- 1.1 Section 22G of the Children Act 1989 (‘the 1989 Act’) requires local authorities to take steps that secure, as far as reasonably practicable, sufficient accommodation within the authority’s area, to meet the needs of children who the local authority is looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation.
- 1.2 The Council has a statutory duty under the Children’s (Leaving Care) Act 2000 to act as Corporate Parents for young people leaving care. This duty requires the local Authority to provide accommodation and support tailored to the needs of each vulnerable young person.
- 1.3 Recent incidents and media interest have highlighted the variable quality of semi-independent living provisions across the country. Concerns have been expressed around some unregulated provision, in particular increasing issues about the vulnerability of young people in unregulated accommodation to organised crime, including county lines, exploitation and missing episodes.
- 1.4 This type of accommodation is not inspected or regulated by Ofsted or any other inspectorate. Whilst some Local Authorities can choose to put in place robust

quality Frameworks through their Commissioning arrangements, research has found that there is variable practice across England with some young people advising they experience good provision and others describing poor accommodation with little to no support.

- 1.5 Another risk is out-of-area placements in these types of provisions. Even though Local Authorities may be scrutinising provisions in their areas where they place Looked after Children that they are responsible for, the same level of scrutiny does not necessarily take place for children placed from other Local Authorities in that area.
- 1.6 This can result in children feeling lonely, isolated and contribute to the risk of a child going missing.
- 1.7 Financial pressures on Children Services are limiting Councils efforts to develop and maintain the right provision locally. It can mean that they are forced to place children out of area or in placements that are not best suited to their needs. By joining the WLA we will increase the number of providers that we are able to access.
- 1.8 On 23 May 2017 Officers sought agreement from Cabinet to conduct a procurement exercise for the provision of supported and unsupported accommodation together with outreach support. The framework aims were as follows:
 - To provide an appropriate, best-value service that delivers excellent outcomes for young people.
 - To standardise the quality of accommodation provided to young people to ensure an equitable position for all Care Leavers provided with accommodation and support where relevant.
 - To help relieve budget pressures by ensuring the best value for money options are available to the Nominated Officer when seeking to place a young person.
- 1.9 The approach was taken to formalise agreements with providers and standardise the quality and specification requirements to ensure the Council was achieving value for money and to simplify the commissioning process for all parties concerned.
- 1.10 The framework was intended to form part of a wider solution to accommodating and supporting Care Leavers together with the allocation of social housing. If social stock became available, the Council would be able to scale down the level of private housing and the nature of the framework was that payments were only made for occupancy with no long-term commitment.
- 1.11 In order to improve on the current process and increase the number of available providers (26 on the existing framework); approval is being sought to the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers.
- 1.12 The Direct Purchasing Vehicle (DPV) will replace the current framework. Current contracts have been extended to allow the governance process to take place and existing providers have been encouraged to sign up the WLA to ensure continuity for those young people placed with them.

Background of Partnership

- 1.13 The WLA is a partnership between eight local authorities across West London and their vision is to develop an environment where the needs of young people are met effectively by the market. The strategic commissioning approach seeks to achieve this by local authorities (LAs) collectively procuring, with a single system and consistent terms and conditions –which supports providers as well as LAs. WLA have developed an initial set of Dynamic Purchasing Vehicles (DPV) across fostering, residential care homes and has extended to supported Accomodation.
- 1.14 Dynamic Purchasing Vehicles (“DPV’s”) and Dynamic Purchasing Systems (“DPS”) differ from traditional framework agreements in that they allow suppliers who meet the selection criteria to join at any stage of the life cycle of the DPV which promotes continued competition. Procurement is delivered through digital platforms and electronic processes.
- 1.15 In practice, each DPV operates as a digital marketplace of pre-approved suppliers for specific categories of placements for children. The participating Councils advertise their placement requirements on the e-Brokerage system (CarePlace), which are then bid for by providers on that specific DPV. Once the bids have been assessed against the requirements, the authorised officer accepts the successful bid and issues a digital contract to secure the placement offer. The whole process is fully auditable and compliant with the PCR 2015 and the Councils Contract Rules.
- 1.16 The WLA have delivered significant financial cash and cost avoidance savings from their approach to the market and service delivery. Since joining the WLA in July 2019 for Residential and IFA’s, LBBB has achieved savings in excess of £38,116.
- 1.17 Applying long term discounts in due course will deliver additional savings for long term placements.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured

- 2.1.1 The Service will be available to young people aged between 16 and 25, who have a range of needs. This will include the following type of provisions, but the list is not exhaustive:
 - I. Supported housing with a mix of support offered to young people with varying levels of need that will include provision for young people with challenging and complex needs
 - II. Hostels/foyers
 - III. Supported lodgings
 - IV. Floating support for all levels of needs
 - V. Accommodation & support for young parents
- 2.1.2 This contract performance management approach is intended to give the West London Alliance and Contracting Bodies a framework to assess a Provider’s performance on the Semi-Independent Accommodation and Support DPV.

- 2.1.3 CarePlace will be the system used by local authorities to procure and manage the Services from the WLA DPV and will be the primary system used to performance manage Providers. In being accepted to provide services on the DPV, Providers also explicitly agree to respond to all service requests and performance management approaches. Failure to do so could result in temporary suspension, termination or permanent barring from the WLA DPV.
- 2.1.4 Providers will complete a Self-Certification process at least annually to certify that they have reviewed policies/procedures or renewed insurances, HMO Licences, certificates etc. Annually, Providers will be sent an online Self-Certification form to complete. Providers will be expected to follow this process and meet the required standards. Failure to do so could result in temporary suspension or permanent barring from the WLA DPV under the Suspension and Barring Policy.
- 2.1.5 As part of the WLA Local Authorities' sub-regional commissioning, procurement and market management arrangements, a central programme team will be in place to manage all aspects of the WLA DPVs and strategic engagement with Providers. The team will be a mixture of Commissioners and Contract Managers and will be managed by a Lead Officer with overall responsibility for the sub-regional service and accountability to the West London Director of Children's Services Board.
- 2.1.6 The WLA Central Programme Team will manage and co-ordinate performance ensuring that both Providers and Contracting Bodies comply with their responsibilities. They will also undertake some tasks on behalf of Contracting Bodies such as contract negotiation and conflict resolution. The central team will also be available to offer support and advice to Providers and Contracting Bodies for the duration of the DPV contract.

Benefits of a joining the WLA

- 2.2 The WLA full commissioning service offer includes access to joined up commissioning across the group, using scale to influence the market at a macro level, access all existing DPVs and preferential rates for any future additions to the catalogue, contract management of providers on each DPV, as well as the full managed service technology solution and implementation. Joining the WLA and using the DPV will enable:
- **Open & easy to access.** Minimum criteria to be approved to supply – Insurance and credit report. Service requirements defined at point of call off.
 - **Any Local Authority.** DPVs are open to any LA nationally, to maximise the benefit of scale and investment
 - **Block & individual placements.** Robust call off procedures setting out arrangements for placing individual children and calling off a block contract
 - **E-Brokerage & E-Contracting.** Electronic brokering and contracting functionality within CarePlace
 - **Automated Key Performance Indicators.** Responsibility on providers to report on KPIs, through an online system that automatically collates responses to be utilised as effective MI.
 - **Safeguarding Alerts.** CarePlace allows for one LAs safeguarding alert to be visible to all LAs on the system.
 - **Informed commissioning.** CarePlace real time data on the DPVs' journey LAs towards more informed commissioning

- **Central team.** Commissioning and contract management capability to maximise the opportunity of the DPVs for each LA and ensure compliance by providers.

2.3 **Estimated Contract Value, including the value of any uplift or extension period**

2.3.1 As LBBD currently has a contract in place for the use of CarePlace; the annual cost to call off for supported accommodation is currently £24,250 per annum. This will reduce to £23,750 per annum as the next LA joining triggers the next discount level. As more LA's join the level of discount will increase. The total contract value over 3 years (In line with the current WLA Access Agreement) would be £72,750.

2.3.2 No commitment to expenditure by the Council will be stipulated within the WLA contract itself. Expenditure will only be incurred when referrals are made. The current expenditure for LB Barking and Dagenham is circa £3,842,172 per annum for Supported Accommodation. The total combined potential value of the contracts would, therefore, be circa £11,526,516.

2.4 **Duration of the contract, including any options for extension**

2.4.1 This report is seeking approval for LBBD to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; enter to an Access Agreement with the West London Alliance (WLA) and Call-Off for Supported Accommodation from the WLA Dynamic Purchasing Vehicle for a period of three (3) years commencing on 1st July 2020 until 31st June 2023.

2.4.2 Either the Council or the Participant can give notification to terminate the Service Agreement any time after the initial 12 months of the contract has elapsed. The termination must be given via a written notice and can end at the next renewal point as long as a minimum of six (6) months is given. The written notice must include the effective termination date.

2.5 **Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

2.5.1 Contracts are subject to the Public Contracts Regulations 2015 however the contracts with each provider are considered a 'light touch regime contract' under current procurement legislation.

2.5.2 The Lead LA's have given due consideration to the PCR2015 and have ensured the principles of transparency and equal treatment of suppliers are embedded in the establishment of the DPV.

2.6 **Recommended procurement procedure and reasons for the recommendation**

2.6.1 It is recommended that permission is given for LBBD to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle for Supported Accommodation.

2.6.2 The Council will also benefit from better contractual arrangements with agencies to ensure quality and the price of these placements; where necessary; are driven down as much as possible.

2.7 **The contract delivery methodology and documentation to be adopted**

2.7.1 Service to be delivered by external providers. The WLA will be responsible for contract procurement, management and monitoring functions.

2.8 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

2.8.1 All Providers must work to any specific outcomes agreed with the Contracting Body at time of call-off and set out in the ISA and/or Block Contract. In addition, Providers must work towards achieving the outcomes listed below.

- a) The young person enjoys good physical, emotional, mental and sexual health; has a healthy lifestyle, and has access to information about health issues that allows them to make informed choices.
- b) The young person is physically safe, stable and emotionally secure. They are protected from ill-treatment, neglect, violence and sexual exploitation; they are free from bullying and discrimination; and are protected from social exclusion through involvement in crime, anti-social behaviour and other risk-taking activities.
- c) The young person attends and fully engages in education, training or employment and receives encouragement and recognition for their achievements.
- d) The young person positively participates in their own development and with the local community; they are actively involved in making decisions about their future; they develop self-confidence and can deal with change and other life challenges; they understand the effects of racism and discrimination and are able to challenge this behaviour; they demonstrate enterprise and a will to contribute to the well-being of others
- e) The young person is equipped with all the skills they require and supported to move into permanent independent living, making smooth and successful transition into adult life. This includes, but is not limited to:
 - Money management (e.g. budgeting, saving, managing debt, accessing bank accounts);
 - Accessing benefit entitlements;
 - Managing a tenancy and the rights of tenants;
 - Managing a household (e.g. paying bills. cleaning and other practical skills);
 - Cooking and eating a healthy diet;
 - Personal hygiene;
 - How to access support/help from the community;
 - Seeking employment and maintaining a job.

- 2.8.2 The Provider must be able to provide robust evidence to demonstrate that they are proactively working towards delivering agreed outcomes.
- 2.8.3 The Provider must monitor the effectiveness of the support being given to young people, and strive to constantly improve their service offer.
- 2.8.4 The actual saving achieved depends on the individual needs of the child. Placement costs are agreed for the life of the placement, so no inflation rises, and the WLA also require pre-agreed costs of additional staff and education to ensure no surprises.
- 2.8.5 Joining the WLA will afford the following benefits:
- Increased Competition
 - Improved Placement Options
 - Reduce the need for Spot Purchasing
 - Better use of online brokerage system
- 2.8.6 A number of our placements are long term and therefore are in some cases cheaper. The WLA have therefore outlined the potential opportunity to transfer LBBD's best price onto the DPV to make use of the ceiling price arrangement to ensure that we get the best of both prices.

2.9 **Criteria against which the tenderers are to be selected and contract is to be awarded**

- 2.9.1 Suppliers will be asked to submit prices as part of their application to be placed on the DPV. They will also be required to provide costs for a menu of Additional Services. Placements can be enhanced with additional services which will be charged at the Contractors tendered rate. Additional Services will be time limited, outcomes focused and reviewed regularly by the Placing Authority and Contractor with all arrangements being set out clearly in the Individual Agreement.
- 2.9.2 Call-Off procedures will be flexible to ensure that LA's are able to match the needs of young people and ensure placement sufficiency and best value.
- 2.9.3 All placement requests and responses from suppliers will be made via CarePlace. LBBD will be able to call off in three ways:
- Individual Placement Call-Off Procedure
 - Block Placement Call-Off Procedure
 - Direct Award Call-Off Procedure
 - Direct Award Call-off will be made on a very occasional basis, when services fall within the scope of Regulation 32 of the Procurement Regulations 2015 as adapted for the DPV, the Negotiated Procedure without Prior Publication of an OJEU Notice. This is only permitted where it is strictly necessary and a direct award by way of negotiation with only one Provider is available only in extremely limited circumstances under the Regulations.

- 2.9.4 Suppliers will be able to drop their prices at the point of responding to a referral to offer a placement to be more competitive to respond to specific needs of young people.
- 2.9.5 Using CarePlace will make Call offs simpler as all referrals made will be sent through CarePlace, Users will be able to utilise the enhanced Search Functionality so only relevant providers are contacted. CarePlace allows users to collate all options quickly and easily and Providers can be ranked in price order (i.e. cheapest first) or Identify best match. If two options fully meet needs of child, LBBB can choose the cheapest. Careplace will also confirm the placement with the provider and issue the IPA.

2.10 **How the procurement will address and implement the Council's Social Value policies**

2.10.1 The Council continues to be committed to promoting the welfare of and protecting the most vulnerable children and young people in Barking and Dagenham. It will meet the Council's Social Value policies and the Social Value Act 2012 by:

- **Promoting employment and economic sustainability:** tackle unemployment and facilitate the development of skills amongst providers
- **Building the capacity and sustainability of the private and voluntary sector:** enabling companies to provide the service and encourage volunteering and employment of local residents where applicable
- **Creating opportunities for SME's and social enterprises:** Enabling the development of local businesses in the provision of this service.

2.11 **Contract Management methodology to be adopted**

2.11.1 For participating LA's the West London Alliance will:

- Hold regular Provider Review Meetings
- Have oversight of provider activity, compliance and performance and be a source for strategic market intelligence
- Act as mediator to support both Las and Providers
- Be available for contract advice and queries
- Undertake KPIs & monitoring and placing of Safeguarding Alerts on CarePlace
- Will ensure that all issues of concern are escalated, and decisions made about suspension/barring
- Ensure non-compliant organisations are suspended/barred - Suspended providers will be unable to receive referrals via the DPV
- Undertake Quality Assurance and spot checks
- Mediate complaints/disputes
- Provide Feedback & qualitative information

3. **Options Appraisal**

3.1 **Option 1: Do nothing and Continue the Current Framework** - The current contract is a four (4) year framework agreement (2 years + 2 years) that has no minimum value, nor has any commitment to expenditure by the Council stipulated within the contract itself. Expenditure is only be incurred when referrals are made.

With only 26 Providers on the Framework and the increasing demand for complex placements; if we continue with the current framework this will increase off-framework spend due to insufficient placements available with Framework Providers.

In addition; current agreements with providers have varying quality standards and pricing resulting in a process that does not necessarily deliver proven value for money. If we do nothing this will continue to add pressure to service budgets and provide an inconsistent service to our young people.

- 3.2 **Option 2: Procure as a single borough service** - Going out to market on our own would not offer the same opportunities for economies of scale (thereby maximising value for money) that joining the WLA will offer.
- 3.3 **Option 3: (Preferred Option) Join the West London Alliance** - For the reasons set out in this report; for LBBD to extend the Council's participation in the WLA to include the provision of semi-independent accommodation for Care Leavers; enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicles for Supported Accommodation.

4. Consultation

- 4.1 The proposals in this report were endorsed by the Council's Procurement Board on 18 May 2020.

5. Corporate Procurement

Implications completed by: Euan Beales, Head of Procurement

- 5.1 The process outlined in the report is to access the market through a DPS, which is flexible in a volatile market, in addition the DPS allows for new providers to be added, which ensures volumes should be maintained to provide the requirements to the Council.
- 5.2 The evaluation ratios are acceptable for this type of service and should deliver against the Council's priorities for ensuring a quality service for a representative cost.
- 5.3 The process for competition will be conducted by the West London Alliance (WLA) and as such their terms and conditions will be used, and the direct supplier contract management will also be performed by the WLA.

6. Financial Implications

Implications completed by: Murad Khan, Group Accountant

- 6.1 This report seeks approval for LBBD to join an existing commissioning partnership-the West London Alliance (WLA) and call-off from an already established and now extended Dynamic Purchasing Vehicle (DPV) to procure Semi-independent Accommodation. It is expected that this arrangement whilst increasing efficiencies and delivering cash savings, will give LBBD access to more choice and flexibility when sourcing placements.

- 6.2 The council currently secures supported accommodation placements through spot purchasing and individually brokered packages with providers. The current arrangement has proven to be costly, with the current annual cost estimated at £3,842,172. Entering into this partnership arrangement will not only help standardise the quality of accommodation and support provided to young people, but help increase efficiencies and deliver cash savings.
- 6.3 The DPV will replace majority of current spot purchasing arrangements. The cost of the 3-year contract which is expected to commence in June 2020 through to June 2023 is £72,750. Expenditure will only be incurred when referrals are made. The Council may choose to terminate the arrangement after the first year via a written notice.
- 6.4 This proposal will allow LBBB the benefit of tapping into the cash savings and cost avoidance the WLA will deliver due to economies of scale. The current arrangement with the WLA for Independent fostering agencies and Children's residential homes has delivered around £38,000 in the first year. Overall it is anticipated that the extended arrangement would generate savings which would go towards reducing projected overspends against the existing budget envelope.

7. Legal Implications

Implications completed by: Graham Marlow, Contracts and Procurement Solicitor.

- 7.1 This report seeks permission for LBBB to enter into an Access Agreement with the West London Alliance (WLA) and Call-Off from the WLA Dynamic Purchasing Vehicle for Supported Accommodation.
- 7.2 A procurement of this nature and value is subject to the requirement of a full OJEU-compliant competitive tender in accordance with the Public Contracts Regulations 2015 ("the Regulations") and LBBB's contract rules, as set out in its constitution.
- 7.3 Although the services described in this report are subject to the light touch regime, the value indicated is such that the requirement for a full competitive tender still applies.
- 7.4 Regulation 34 of the Regulations permits the use of a dynamic purchasing system as set out in this report and this meets the requirement for a competitive tender process as required by the Regulations.
- 7.5 The proposed procurement route set out in this report also complies with LBBB's contract rules as the agreement proposed is a framework agreement and so its use is permitted under contract rule 33.
- 7.6 Therefore, the proposed procurement route is legally compliant and in accordance with LBBB's constitution.

8. Other Implications

- 8.1 **Risk Management** - The West London Alliance Contract Management Team will periodically review the Call-Off process to ensure that all partners (Contracting

Bodies and Providers) are adhering to the agreed processes. Corporate Procurement have been consulted and responses and comments in relation to risk management have been added to this report.

The DPV will be overseen by a Commissioning Board, and it will have oversight of any key risks/issues that are identified. The West London Alliance will work closely with key stakeholders (i.e. suppliers, sector representative bodies and care leavers) to ensure any potential issues are swiftly identified and can be resolved.

8.2 **Staffing Issues** - Joining the WLA and the use of Careplace will assist the placements Officers (1FTE and 1 PTE) to meet the needs of the organisation more effectively. There are also efficiencies in using e-Brokerage to send packages to multiple suppliers simultaneously instead of officers having to individually call/email.

8.3 **Corporate Policy and Equality Impact** - The service will impact on LAC. The service will contribute towards reduced levels of placement disruption for those children in care.

Wellbeing of children in the borough: and ensuring that potentially vulnerable children and young people are safely housed and supported based on their needs, is a fundamental responsibility for the Council, staff and Members. Indeed, this is a responsibility for all Members as corporate parents.

The services will enable children and young people to be safeguarded while being housed and allows them to experience services within the community in a safe way, thereby, contributing to positive life chances, educational and social development.

8.4 **Safeguarding Adults and Children** - Referrals will be made by the Placements Team via CarePlace. The Team manager will work closely with the WLA throughout the contract life to ensure close communications and sharing of relevant information.

8.5 **Health Issues** - The wellbeing of children in the borough is a fundamental responsibility of the council and this service which will contribute to positive health outcomes for the children and young people.

Public Background Papers Used in the Preparation of the Report: None

List of appendices: None