

THE CABINET

12 JULY 2011

REPORT OF THE CABINET MEMBER FOR CHILDREN AND EDUCATION

Title: Semi-Independent Housing for Young People Framework Agreement	For Decision
<p>Summary:</p> <p>The Council's Children's Services has a legal obligation under the Children (Leaving Care) Act 2000 to support care-leavers and where necessary it meets its obligations through the provision of accommodation. This is achieved through procuring a range of semi-independent accommodation for young people leaving care from a number of local providers on a spot-purchase basis outside of any tendered arrangement.</p> <p>This report seeks approval for the Council to be named as a participating authority in a tendering exercise led by the London Borough of Haringey and involving a number of other participating authorities (Barnet, Waltham Forest, Havering and Redbridge) for the procurement of a Framework Agreement for the provision of semi-independent accommodation services.</p> <p>The proposed arrangement is anticipated to secure more competitively priced services, particularly through a reverse e-auction process to establish fees, as well as significantly better quality assurance through the improved monitoring of providers and information-sharing between participating authorities. Comparison amongst the participating boroughs shows that many are using providers not known to this Council and it is hoped that the tender will encourage other providers to develop accommodation either within or accessible to Children's Services in Barking & Dagenham.</p> <p>Wards Affected: All</p>	
<p>Recommendation(s)</p> <p>The Cabinet is recommended to agree:</p> <ul style="list-style-type: none">(i) the Council to be named as a participating authority in a tendering exercise led by the London Borough of Haringey and involving a number of other participating authorities, for the procurement of a four-year Framework Agreement for the provision of semi-independent accommodation services, as described within this report.(ii) The procurement of semi-independent accommodation for care-leavers as and when required by the Council, via the said Framework Agreement.(iii) to indicate whether it wishes to be further informed or consulted on the progress of the procurement and/or the use of the Framework Agreement, or whether is content for the Corporate Director of Children's Services to monitor the progress of the Framework Agreement procurement and, upon conclusion of the procurement, to award contracts for the provision of semi-independent accommodation for care-leavers as and when required by the Council, via the Framework Agreement.	

Reason(s)

To support the Council key theme of “Better Health & Well-being”.

Comments of the Chief Financial Officer

The accommodation framework itself focuses on two main aspects - driving down the current costs as well as standardising the quality of the provision. Detailed financial implications are covered in section 3 of the report

The direct financial costs associated with being part the Semi Independent accommodation framework are limited. The Borough makes a small contribution towards the expenses of young people who have participated in the actual tender process.

Legal Comments

This report is seeking Cabinet’s approval for the Council to be named as a participating authority in a tendering exercise led by the London Borough of Haringey and involving a number of other participating ELS (East London Solutions) authorities, for the procurement of a Framework Agreement for the provision of semi-independent accommodation for young people leaving care, and young asylum seekers.

The Government has for some time now been actively encouraging collaborative working between local authorities. As far back as 2006, the Local Government White Paper – “Strong and Prosperous Communities” – encouraged joint commissioning of services by local authorities and highlighted its potential benefits, including achieving economies of scale.

The Public Contracts Regulations allows local authorities to enter into Framework Agreements with service providers, following a competitive tendering process, and to select service providers to provide particular services, as and when required, from the Framework Agreements thus established.

The particular services to be procured under the proposed Framework Agreement are classified as Part B services under the Public Contract Regulations 2006 (“the Regulations”); therefore there is no strict requirement under the Regulations to tender the contract in the EU.

However, as the value of the proposed procurement is potentially above the EU threshold for services (currently £156,442), the provisions of the Council’s Contract Rules, and the EU Treaty principles of non-discrimination and equal treatment of bidders and transparency of the tendering process will still need to be adhered to. Furthermore, although the EU tendering rules do not strictly apply to the proposed procurement, recent case law has established that where services are likely to attract cross-border interest, for example where the estimated value of the contract is high (as in this case), the contract should be tendered in the EU.

The report states that the proposed Framework Agreement will be tendered in the EU using the restricted procedure. This complies with the requirements of the Council’s contract Rules and the EU Treaty principles

The provisions of the Public Contract Regulations allow selection of service providers from

a duly established Framework Agreement either by way of “call-off” (i.e. without further competition), or by holding a further mini-competition with the services providers on the Framework Agreement.

It is anticipated in this case that the “call off” method of selection will be used.

In deciding whether or not to approve the recommendations of this report, Cabinet must satisfy itself that the proposed procurement of semi-independent accommodation for care-leavers services via the Framework Agreement will represent value for money for the Council.

In accordance with Contract Rule 3.6.4, the report is additionally requesting that Cabinet confirm whether it wishes to be further informed or consulted on the progress of the procurement and/or the use of the Framework Agreement, or whether is content for the Corporate Director for Children’s Services to monitor the progress of the Framework Agreement procurement and, upon conclusion of the procurement, to award of semi-independent accommodation for care-leavers and young asylum-seekers services and when required by the Council, via the Framework Agreement.

Contract Rule 13.3 provides delegated authority to the commissioning Chief Officer, in consultation with the Section 151 Officer (the Corporate Director of Finance and Resources) to award contracts upon conclusion of a procurement process.

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1. Background

1.1 It is widely understood that the transition from being looked after to living independently is exciting but hugely difficult and the support that a young person receives while negotiating this stage in their lives can make all the difference to their becoming a healthy and independent adult. The local authority aims to support care-leavers in building a range of skills that will help them to achieve their self-defined goals and to successfully manage their homes, families and future jobs. Each young person leaving care has an individual pathway plan that establishes their goals and milestones in becoming independent, with their accommodation and support needs being a key element of this. Each setting will support a young person in their journey towards independence in the following areas:

- Health & well-being
- Welfare

- Education
- Training
- Independent Living Skills

1.2 There has been no previous or related report to Cabinet on this matter.

2. Proposal

2.1 Children's Services has a statutory duty to support young people leaving care through the Children (Leaving Care) Act 2000. One of the key means of meeting these obligations are through the provision of an appropriate range of supported accommodation services purchased from the private, voluntary and independent sectors (PVI). The type of accommodation varies greatly according to the individual needs of each young person, with considerable variation in costs according to the level of support, rent element etc. At any one time Children's Services will use approximately 20 different providers, varying in their level of support. At the time of writing this report, the department provides semi-independent housing for 41 young people, ranging from low support settings such as lodgings through to higher support / high-cost settings with 24-hour staffing for the most vulnerable or most challenging young adults.

2.2 Currently all services are spot-purchased from individual providers, ensuring that services are individual to a young person's needs, but not necessarily securing best value for the local authority.

2.3 The local authority currently has limited capacity to monitor the relative performance of providers, to establish which ones provide better value for money, or promote good practice across the sector. This proposal would establish common monitoring across all the participating authorities, allowing large-scale benchmarking of practice and care outcomes amongst providers to take place.

2.4 The advantages of a contractual framework over spot-purchasing would be many. Quality assurance monitoring can take place across the participating authorities both with regard to statistical returns, as well as regular meetings with providers. Good practice and training opportunities can be shared amongst providers and forums held with local partners. Good quality services should lead to more stable and secure placements and young people who feel better equipped for adult life.

2.5 The particular contractual method recommended to Cabinet, that is a Framework Agreement, would have additional advantages. It would not oblige the local authority to purchase any particular volume from a provider, and the final method of establishing prices by reverse e-auction will drive down costs. As the tender would be issued on behalf of some or all of the participating authorities the quality assurance requirements would be identical, leading to efficiencies on the local authorities' side in their respective commissioning and procurement services. Furthermore, the evidence from the pre-tendering activity led by LB Haringey suggests that as many as 50 or more may apply to be on the Framework Agreement, introducing the possibility of many more providers not known or not previously used by LBBD.

2.6 It is proposed that young people themselves will be heavily involved in the tendering process, particularly in the evaluation stages where their own experiences of

housing will be of significant assistance to officers in evidencing the quality of submissions. It is not known at present how this might involve those who are the responsibility of Barking and Dagenham, but they will be widely consulted with throughout the exercise.

- 2.7 The issue of equalities is key to the tender and will be one of the principal criteria for Evaluation and Invitation to Tender. Organisations failing to meet the criteria will not proceed beyond the Pre-Qualifying stage. This includes the ability to support young people of all sexual orientations appropriately and support young people with a disability (where it does not require highly specialised services). Performance monitoring will address all aspects of equalities on commencement of services in 2012.
- 2.8 This tender principally concerns young people known to Children's Services who are entitled to care-leavers support. Young people who are homeless and known to Adult and Community Services are not affected by this activity, although in practice senior commissioning officers from Children's and Adult Services meet regularly to address issues of housing and support for young people.

3. Financial Issues

- 3.1 Within Barking & Dagenham the actual spend for 2010-11 on semi-independent accommodation for young people addressed within this tender was £628,803.
- 3.2 The framework contract when signed will be for 4 years. It is expected to deliver better value for money, as all providers will be encouraged to tender via a reverse auction process. This should lead to significant savings over the four year period and will move us away from the traditionally spot purchase accommodation agreements on an ad hoc, case by case basis. The idea of the framework is also to standardise the quality of provision, across participating boroughs, thereby ensuring better quality of accommodation.
- 3.3 In terms of monitoring the effectiveness of the framework and whether it is delivering Value for Money, a standard monitoring form has been designed that will be completed by each Borough. The idea of this form will be to capture existing costs, benchmarking with other local authorities, as well as sharing good practice and information.
- 3.4 There are no fees associated with being part of the framework. A contribution is being made towards the young people's expenses who are involved in the tendering exercise. All the work and the tendering process will be managed within the existing staffing resources of the Children's Services commissioning team and are costs in kind. No additional staffing has been taken on board for this project. As the tendering exercise is being led by the London Borough of Haringey, together with Barnet, Waltham Forest, Havering and Redbridge, the exercise will be less demanding of officer time both in the commissioning and monitoring phases, than an exercise solely by Barking & Dagenham.

4. Legal Issues

Please see Legal comments (above).

5. Other Implications

5.1 Risk Management

- 5.1.1 There are no specific heightened risk management issues in relation to the tender.
- 5.1.2 As a Framework Agreement there is no specific guarantee to any provider of a level of service. A Framework on behalf of all participating boroughs is likely to attract a higher level of interest from potential providers than one Borough alone, so encouraging more competitive pricing and minimising the risk from default by any individual provider.
- 5.1.3 The risk to service users will be minimised considerably through providers being held to key quality standards within the terms of the Framework Agreement.
- 5.1.4 The supported accommodation market is not an especially stable one, with providers starting-up or ceasing to operate, or provision changing hands. The Framework would tie providers into contractual obligations that would better ensure continuity of provision, as well as service quality for young people.

5.2 Contractual Issues

- 5.2.1 The procurement method will be through a restricted tender. Indications from marketing exercises have indicated a very high level of interest and a strong field of applicants from local, regional and national providers is anticipated. Final short listing will be by means of reverse e-auction to obtain the most advantageous prices. Providers will be expected to have an office base within at least one of the six authorities participating in the exercise.
- 5.2.2 The timetable for the exercise envisages evaluation of tenders to take place in July 2011, short listing of candidates in September and contracts awarded and new services in place for January 2012. No young person who is presently accommodated by a provider who is not successful in the Tender will be expected to change their accommodation. However any such providers who are not successful will not be used further by the local authorities
- 5.2.3 It is intended that a call-off arrangement within a Framework Agreement will have several advantages for the local authority, as well as the proposal that a tender is sought for the participating boroughs.
- 5.2.4 Actual prices will not be fixed, but rather that there will be a mechanism that will be applied to pricing particular requirements during the period of the framework, recognising that payments will vary depending on the time of day, weekend and bank holiday delivery, or whether one or two workers are required at a time. It will also be possible to establish the scope and types of supported accommodation that will need to be called-off. There will not be any objection to upgrading the service required so long as it remains within the scope of the specification.
- 5.2.5 Barking and Dagenham currently uses about twenty providers, but it is noted that fifty attended a provider information day hosted by Haringey. It is likely therefore that there will be sufficient candidates satisfying the selection criteria and that will submit compliant bids meeting the award criteria.

5.2.5 The call-offs could (within the duration of the Framework) be for any length of time. The requirement for the service could be continuous, or for a specific period, for example to provide additional support in a school holiday.

5.2.6 The individual call-offs within the Framework will be a matter for each local authority, although service monitoring and quality assurance measures will be shared as far as possible in order to make efficiencies and compare performance.

5.3 **Staffing Issues**

5.3.1 There are no staffing implications associated with this proposal

5.4 **Customer Impact**

5.4.1 The proposal will lead to more placement choice for young people, with a significantly higher level of quality assurance.

5.4.2 There will be standardised monitoring of providers with the likelihood of better outcomes and improved life chances for care-leavers.

5.4.3 A greater knowledge of the market for this kind of accommodation and closer relationships with the provider sector will lead to enhanced long-term planning and market-shaping, alongside the other participating boroughs.

5.4.4 Young people from the participating local authorities will play a role in the evaluation process of the tender.

5.4.5 The greater number of providers should also allow for more options in reflecting equality and diversity considerations.

5.5 **Safeguarding Children**

5.5.1 All providers will follow and be monitored on adherence to established London-wide procedures. Quality assurance will address matters such as staff training, complaints, etc, as a matter of course.

5.6 **Health Issues**

5.6.1 Health issues are addressed through young people's individual planning and providers will be expected to play an appropriate role in meeting these. One of the five strands of provision is for 24-hour staffed units where higher staffing levels will enable appropriate support to be given to young people with higher-level needs.

5.6.2 Matters concerning health & safety will be addressed in the accommodation's application process and subsequent registration.

5.7 **Crime and Disorder Issues**

5.7.1 Each provider will be expected to have behaviour management policies, but thorough placement matching is the key to ensuring that young people are provided with housing that meets their needs.

5.7.2 It is a factor in working with young adults that there are areas, or postcodes where they do not feel safe, and the greater number of providers should ensure that there are more placement options open to them.

5.7.3 Regular provider meetings with commissioners will ensure that safety issues are regularly addressed.

5.8 Property / Asset Issues

5.8.1 There is no specific property or asset issue associated with this proposal.

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

List of appendices: None.