

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TAKEN BY:

Sue Chandler, Cabinet Member for Integrated Children’s Services

DECISION NO:

22/00079

For publication**Key decision: YES**

Key decision criteria. The decision will:

- a) result in expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000).

Title of Decision

Supported Accommodation

Decision:

As Cabinet Member for Integrated Children’s Services, I agree:

To directly award a new contract, under the same terms and conditions to Clearsprings Ready Homes from 1 April 2023 to 31 March 2024 for Shared Accommodation services.

To directly award a new contract under the same terms and conditions to Look Ahead Care and Support, Sanctuary and YMCA Thames Gateway from 1 April 2023 to 31 March 2024 for the Young Person’s Supported Accommodation and Floating Support (YPSAFS) services, on a reducing scale.

To procure new Supported Accommodation Services effective 1 October 2023 for a minimum of four years with potential further extensions of up to four years.

Reason(s) for decision:

The Young Person’s Supported Accommodation and Floating Support (YPSAFS) and Shared Accommodation contracts were due to expire on 30 September 2022 and 31 October 2022, respectively. Following an agreement of a Direct Award, the contracts now end on 31 March 2023. These contracts still require recommissioning to accommodate KCC children and young people from the age of 16 to meet KCC’s Sufficiency Strategy 2022-2027 requirements.

In December 2021, Ofsted announced that all accommodation for 16/17-year-old children would need to be regulated in a previously unregulated market which has significantly impacted the proposed direction of travel. The announcement derailed a years-worth of commissioning activity. As of July 2022, Ofsted have yet to publish the final details on the new regulation. It is anticipated that the requirements will not be published by Ofsted until late December 2022.

It remains unclear when new entrants must be in regulated services, assumed 1 October 2023. However, it was initially indicated that from 1 April 2022, providers delivering unregulated services must take steps to become regulated providers by Ofsted. There has since been further communication where Ofsted will begin registering providers from April 2023 ahead of the new national standards becoming mandatory for all providers from Autumn 2023, at which point all providers will need to be registered with the first full inspections expected to begin from April 2024.

Despite the uncertainty of the new regulations, Strategic Commissioning have developed a revised structured Pathway to Independence progressing through services until the young person is ready to move on. This includes a new Community Outreach Support Service, that we anticipate will ensure compliance with the new regulations. The contracts will provide accommodation and support to all statutory cohorts and children who are at risk of becoming homeless (16/17-year-olds).

Changes in regulation provides additional complexity in recommissioning services that have previously been unregulated. In the absence of clear guidance from Ofsted, developing the specification within the timescales and the potential of mobilising a new provider could be challenging and has many associated risks.

KCC has a statutory responsibility to safeguard and promote the welfare of Kent Children in Care and ensure best value for money it spends on behalf of the Kent population. It also has a statutory responsibility to ensure there is sufficient safe accommodation for Children in Care.

Financial Implications

The annual value of these contracts is approximately £6.7million combined. The Shared Accommodation service element is largely funded from the Home Office grant and is the largest area of spend at £4.2m. Some shared accommodation costs along with the YPSAFS contract is funded from the General Fund. The YPSAFS contract is £2.4-£2.8m per year dependent on the number of children in care placed in the service.

Assuming providers will accept a new contract for six months at the same level of cost, this is already included in the revenue budget under the following budget lines: "Looked After Children – Care and Support", "Children in Need – Care and Support", "Care Leavers Service" and "Asylum".

Regardless of the Ofsted regulations being introduced, KCC would expect a significant increase in the weekly blended rates. This is due to accommodation costs drastically increasing since the original contracts were let in 2017/18 impacted by higher inflation, rising costs of living and housing stock availability. In addition, there has been no annual inflationary uplift in the term of the contracts.

Once the new Ofsted Regulations are known, financial forecasting and requirement of needs will be significantly more accurate, which supports the proposal for a six-month direct award.

The approximate cost of running a procurement exercise is £114k therefore running multiple procurements would be a costly and time-consuming exercise.

The Government has indicated that there will be funding to support the new regulations, although so far has only been to Providers and Ofsted.

Legal Implications

The Council has a statutory duty to provide suitable and safe accommodation that has the right level of support for Children in Care (including UASC) in accordance with the Children's Act 1989. The Council must provide Care Leavers (including former UASC) with support and financial support to assist in promoting their welfare, especially in relation to maintaining suitable accommodation and helping them to access education, training, and employment.

Spending the Council's Money requires procurement to be competitive. Directly awarding the contract could be considered a suitable route under Regulation 72 of the Public Contract Regulations 2015.

Equalities Implications

An Equality Impact Assessment (EqIA) was completed as part of the planned redesign and recommissioning of the Shared Accommodation and YPSAFS service.

Directly awarding contracts would pose no immediate change to the service for those young people and therefore the risk of any adverse impact is limited. A full EqIA will be completed as part of the new full commissioning activity.

Data Protection Implications

A Data Protection Impact Assessment (DPIA) for any recommissioned service will be implemented following contract award in 2023 if a direct award is agreed.

Cabinet Committee recommendations and other consultation:

It has been necessary to take this decision outside of the committee cycle as the Children's, Young People and Education (CYPE) Cabinet Committee on 13 September 2022 had to be postponed following the sad passing of Queen Elizabeth II. The reason this decision cannot wait until the next CYPE Cabinet Committee is that the contract providers have requested a 10% increase for the 5 and 6 month contracts that end in March, and any delay means

- a) we cannot communicate and negotiate for as long,
- b) contractors realise KCC will have no other option and are likely to increase costs from April, and
- c) Commissioning want to focus on the contract from October 2023, which if delayed it will reduce the time they have to carry out this task.
- d) Members of the Committee feel pressurised into agreeing a contract when the contracts are nearing the end date and this has led to previous decisions being taken to Scrutiny over timings.

Any alternatives considered and rejected:

The following options were considered and rejected due to the Ofsted 'unknowns':

- **KCC commissions an accommodation service from 1 April 2023** – Unclear specification requiring unknown risk to be costed in. Challenging timescales to achieve a successful procurement and mobilisation period. Uncertainty could mean aborting the procurement, resetting, and restarting
- **KCC commissions a supported accommodation service from 1 April 2023 for 16/17-year-olds only advertising a regulated requirement** - Providers not able to become regulated in that time. Potentially more expensive provision with 200 16- and 17-year-olds potentially having to move.
- **Not renewing the YPSAFS service placing all 16/17-year-olds including CIN into alternative accommodation which could include semi-independent spot purchased accommodation** - Increased placement costs to the Council. No contract management to ensure outcomes are achieved. More 16/17-year-olds coming into care as YPSAF currently accommodates Children in Need.

Any interest declared when the decision was taken, and any dispensation granted by the Proper Officer: None.



Sue Cusker

22 September 2022

.....
signed

.....
date