

APPENDIX 1: Report detailing rationale for Single Tender Action required for Kent County Council Legal and Procurement in order to progress activity. July 2014

Subject: Single Source Action to award an interim contract for the delivery of Supported Lodgings for Kent Care Leavers whilst tendering for a future service in line with other procurements.

Classification: Unrestricted

Summary:

It is proposed to award a short-term interim contract to deliver Supported Lodging provision to Kent's Children in Care and Care Leavers from 1st October 2014 to 30th June 2015.

This document sets out the recent history which has informed the proposal and rationale for entering into arrangements with the current provider, Catch22. The purpose of entering into an interim arrangement is to enable the Local Authority to undertake a competitive tendering process for these services aligned with future accommodation procurement activity.

Recommendations:

The Cabinet Member for Specialist Children's Services authorises that:

- A contract for the delivery of Supported Lodging Services is awarded to Catch 22 starting on 1 October 2014 for 9 months.
- The Head of Strategic Commissioning (Children), will on behalf of the Corporate Director of Social Care, Health and Wellbeing, take all such steps as are necessary to implement the decision.
- The Head of Strategic Commissioning (Children) will tender for a Supported Lodging Service as soon as possible to incorporate revised care leaver entitlements and KCC's defined service needs.

1. Background

1.1. Catch22 – The Current Provider

KCC currently commissions Catch22 to deliver a Leaving and After Care service to meet its obligations to Kent's Children in Care (CiC) and Care Leaving (CL) population aged 16-21 (or 24 if in higher education). The service provides a package of support, including an allocated worker, support and advice, assistance with education, training and employment, and access to accommodation. This contract does not require the provider to work with disabled Children in Care or Unaccompanied Asylum Seeking Children (UASC).

Currently young people aged 16 and 17 entering and remaining in care for more than 13 weeks, are entitled to Leaving Care services and will be transferred to Catch22 at this point. This includes homeless young people aged 16 to 17 who are offered accommodation under Section 20, as a result of the Southwark Judgement. All other looked after young people transfer to the Leaving Care Service on, or near, their 16th birthday.

On 30 June 2014 the Catch22 was supporting 250 young people aged 16 and 17 and 569 young people over the age of 18 (totalling 819 individuals).

1.2. Catch22 - Provision of Supported Lodging Placements

Children in Care placements (excluding Children with a Disability and UASC) transferring to Catch22 are predominantly KCC Foster Care placements and Independent Foster Care placements at point of transfer.

For 2013/14, Catch 22 reported:

1. They managed 189 Supported Lodging placements with 120 hosts across Kent of which:
 - 53 are funded through Supporting People
 - 49 are former foster carers who have become supported lodging providers (Staying Put arrangements)
2. 417 young people accessed supported lodging provision for over 7,300 weeks over the year
3. A cost of £1,500,000 for accommodation (not including young people payments or administration costs)

The standard package of support of a Supported Lodging placement is £190 per week, which includes up to 14 hours of support for the young person. Some hosts are paid an enhanced rate to take young people with high/complex needs. Young people aged over 18 in supported lodgings currently claim Housing Benefit which is offset against the cost of the placement.

The Supported Lodging Service for Kent Care Leavers includes:

- Four accommodation officers, who recruit, train and support Supported Lodging providers.

- Recruitment, assessment and progression to panel for authorisation of prospective Supported Lodging hosts
- Support, Training and Development of authorised hosts
- Managing hosts to support young people as detailed in their Pathway Plan
- Work with the KCC Qualified Social Worker or Personal Adviser to support the young person's Pathway Plan outcomes and attend reviews if the young person agrees to this
- Quality Assurance of providers, (annual) safety checks and placement monitoring
- Matching young people to placements
- Payment of hosts bi-weekly
- Payment of a number of allowances to young people agreed by their Qualified Social Worker or Personal Adviser

2. Recent History

As part of the transformation agenda, Kent County Council is changing the way services for young people aged 16 plus are designed and delivered, to give Kent's vulnerable children and young people greater opportunities to move to independence successfully. In addition, through redesign, Kent County Council is working to improve practice and deliver more efficient and coordinated services.

Approval has been granted to undertake a series of activities which have been developed under the Children's Social Care Transformation programme which is to deliver the following:

- A Children in Care Service which is integrated (i.e. provides a service for both Kent and UASC aged 0 to 18 years)
- An 18+ Leaving Care Service which integrates services for Kent CiC and UASC
- Sufficient and suitable accommodation and support under 'Other Arrangements' that includes supported lodging, semi-independent and private provision.

2.1 'Other Arrangements' Accommodation and Support

Preparation work on a procurement process started in 2013 with the aim of moving accommodation provision to an external brokerage service. However, during the development phase of this work KCC was also undertaking work on service transformation. It became clear that there were potential opportunities to align and co-ordinate Supported Lodging provision, Semi-Independent accommodation and floating support within the context of a Leaving Care Service Review (under Facing the Challenge Phase 2), Supporting People Young Person's Commissioned Service Review and the implementation of Staying Put.

In April 2014, SCS Divisional Management Team and Social Care Health and Wellbeing Directorate Management Team reviewed options and agreed to suspend the planned procurement activity based on a range of strategic changes including:

- Facing the Challenge, Phase 2 includes proposals for Market Engagement and Service Review for Leaving Care in 2014-15
- The Staying Put provisions in the Children & Families Act

- Supporting People – planned service commissioning in 2015 is an opportunity for joint commissioning and prioritising Kent Care Leavers within this work
- KCC Children in Care and Care Leavers Policy review (in progress) will clarify Care Leaving service support and entitlements
- KCC Care Leavers Charter responds to the voice of young people and will be taken into account in entitlement setting
- KCC Sufficiency Strategy – the Action Plan with proposals for future children in care and care leaver accommodation needs
- The Home Office and KCC negotiations regarding accommodation and support costs for UASC, which impacts on what KCC can potentially afford.

The decision to suspend procurement of a brokerage service afforded KCC opportunities to align with planned Supporting People Vulnerable Young People's Service commissioning (2015) and with separately held accommodation contracts held within the UASC service.

The suspension of procurement activity affects 120 supported lodging providers and 189 young people who are currently in placements managed by Catch22 until 30th September 2014.

This programme for change has been reviewed by the council in partnership with Newton Europe as part of their assessment of children's services. This work has supported the decision to suspend procurement given the market response and other changes. The assessment supports the approach to investigate an interim contract with Catch22 as an opportunity to appropriately consider longer-term arrangements once wider service transformation has progressed.

Therefore, the preferred option is to seek an interim contract with Catch22 to deliver supported lodgings placements for 9 months. This will maintain service stability for vulnerable young people during a period of broader service reshaping and will allow for a full competitive tendering process. This option is only viable however, if Catch22 can deliver the requirements at an acceptable cost to Kent County Council.

3. Contract Requirements:

There is a need for a 9 month interim contract for a Supported Lodging Service for Kent Care Leavers that will:

- Recruit, assess and progress to KCC panel for authorisation of prospective Supported Lodging hosts
- Support, train and develop authorised hosts
- Managing hosts to secure support for young people clearly delivers outcomes identified in their Pathway Plan
- Work with the KCC Qualified Social Worker or Personal Adviser to support the young person's Pathway Plan outcomes and attend reviews if the young person agrees to this
- Ensure appropriate and robust quality assurance framework and process are in place which include safety checks and placement monitoring (commensurate with national frameworks)

- Increase current provision (number of hosts and geographical spread) and diversify provision to accommodate an increased range of placement needs
- Match young people to placements and offer access to provision to all Kent CIC and Care Leavers including UASC and CWD
- Payment of hosts fortnightly
- Payment of a number of allowances to young people agreed by their Qualified Social Worker or Personal Adviser

4. Market Research Undertaken

Extensive research was undertaken to assess the market for accommodation and support services for older Children in Care and Care Leavers, and the experience and approaches used by a range of local authority areas (summarised in Appendix 1). This indicated a wide range of approaches to securing accommodation with support and market flexibility in responding to these needs.

a. Kent Market Research

- **UASC Placements:** Currently the majority of placements for young male UASC are made to shared accommodation (flats/houses). There is no individual support service provided by the accommodation provider, this is delivered by KCC staff. Female UASC are predominantly placed in Foster Care. Male UASC placements are made through the accommodation team in the UASC service to 2 framework contract providers. The framework contract started in 2012 and is due to expire on 31st March 2015.

Market constraints include:

- High market rental costs for flats/houses in several parts of the county (particularly West Kent) significantly limit the availability of provision at a cost that KCC can afford
 - District Council eligibility criteria for social housing vary significantly across the county with respect to support for Kent Care Leavers
 - Placements for UASC need to be particularly sensitive to local community factors, ethnicity needs and levels of CIC/Care Leavers in some areas (e.g. Thanet) limit the opportunity of placements
 - Accommodation placements for UASC need to take into account educational needs, particularly FE College provision of English for Speakers of Other Languages (ESOL) courses
 - Many private landlords do not take young people as tenants.
- **Supporting People Programme:** These services provide housing related support for vulnerable young people. The services are generally offered for no more than two years, and aim to help young people with the life skills and confidence to gain control of their lives enabling them to sustain independent accommodation and to enter education, employment and/or training.

The programme has supported care leavers to a very limited extent. Historically eligibility criteria have excluded care leavers from accessing Supporting People programme support.

The Kent programme is being re-commissioned in 2015 and should deliver services that Kent Care Leavers can access as a priority.

- **Meet the Market Event – 29 January 2014:** A meet the market event was advertised on the Kent Business Portal and was attended by over 30 potential provider organisations. The event was held to seek market feedback on the “Provision of Support Services with Accommodation for young people in care and leaving care”.

The event covered:

- Young care leavers needs/perspectives
- County context – Children in and Leaving Care
- Support services and accommodation (brokerage service)
- Outline tendering processes

A question and answer session considered the feasibility and practicability of the initial options. Feedback and questions from the participants focussed particularly on the delivery of specific service elements rather than the totality of a brokerage or comprehensive placement service. Reviewing this information subsequently, the view was taken that there was limited confidence in the market deliverability of the proposed service.

Overall this research indicated that the market for provision of accommodation for care leavers is complex and there are a number of factors that create challenges and potential barriers for young people progressing to independent accommodation. The market for Supported Lodging provision in Kent has developed over several years and represents an important service for many young people in the period of leaving care.

5. Options

a. Do nothing

The current Leaving Care contract ends on 31st September 2014 and KCC is seeking to reshape services for the future. Supported Lodgings are a part of the current contract. To do nothing would pose a high risk of placement breakdown for the 189 Care Leavers currently living in these placements. KCC would have significant difficulty to fulfil statutory duties with regard to safely accommodating young people and would lead to significant concern in the Local Authorities’ ability to respond to Ofsted.

b. Enter into an interim contract through single source and go out to tender

- The current Care Leaving Service contract is much broader than just Supported Lodging provision and extending the current contract is not possible. However, the option of an interim contract solely for Supported Lodging provision is possible with the current provider. They currently deliver all aspects of the Supported Lodging Service in Kent.
- Going out to tender immediately: Work is being undertaken as part of service transformation and sufficiency (of accommodation) to determine both future needs and clarify entitlements of Care Leavers. A significant amount of detailed preparatory work has been undertaken that will assist timely progression to tendering.

The option of an interim contract minimises the risk of disrupting service support for care leavers whilst going out to tender for Supported Lodging provision as part of service transformation.

c. Use a current framework

There is no alternative KCC framework of Supported Lodgings provision available.

d. Deliver Service In-house

This option was considered as part of the planned service changes (described earlier). Detailed analysis of the service and costs indicated that bringing the service in-house and then subsequently externalising could add significant transactional costs (such as public sector pension costs) and may reduce the opportunity to secure best value when tendered. The option of in-house delivery would also impact on the capacity of a number of KCC functions (e.g. Payments) and may pose an operational risk.

6. Risk Management

a. Service Continuity for Care Leavers

KCC must primarily fulfil its statutory obligations to its care leavers and placement stability is crucial to implementing those obligations. To achieve service continuity in these circumstances of service reshaping, KCC needs to separate out the Supported Lodging provision from the broader leaving care service contract (that ends on 30th September 2014).

The existing service provider can provide a Supported Lodging Service through the mechanism of an interim contract solely for Supported Lodging and KCC can undertake tendering informed by revised needs assessments and clarified Care Leaver entitlements.

7. Legal Impact

As indicated above, competition is not compulsory where:

- The purchasing of adult and children's services are required by law under the National Assistance Act 1948 and the Children Act 1989. Alternative processes are set out in Directorate Operational Procedures <http://www.kent.gov.uk/business/grow-your-business/supply-goods-and-services/how-we-buy-goods-and-services>; or
- The Chief Executive or Managing Director has decided that special circumstances exist.

For this service change the following apply: Supported Lodgings provide accommodation and support for young care leavers in their progression from care to independent living. These are statutory services determined by the Children Act 1989 (as amended) and the Children (Leaving Care) Act 2000. Legal advice indicates that this option can be utilised to support this proposal.

In addition “special circumstances” exist in that the full intention of KCC is to tender for the Supported Lodging service, however this needs to be separated out from the existing integrated contract and be informed as part of service transformation by both revised service needs and care leaver entitlements to future-proof service specifications and achieve best value through a tendered service.

Legal advice is that progressing to tendering for Supported Lodgings as soon as possible would reduce the potential risk for challenge.

8. Recommendations

That the Cabinet Member for Specialist Children’s Services authorises that:

- A contract for the delivery of Supported Lodging Services is awarded to Catch 22 starting on 1 October 2014 for 9 months.
- The Head of Strategic Commissioning (Children), will on behalf of the Corporate Director of Social Care, Health and Wellbeing, take all such steps as are necessary to implement the decision.
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Background Documents:

Kent County Council: Children’s Social Care and Health Cabinet Committee. 9th July 2014