

**From:** Roger Gough, Cabinet Member for Children, Young People and Education

Andrew Ireland, Corporate Director, Social Care, Health and Wellbeing

**To:** Children's, Young People and Education Cabinet  
Committee 7 September 2017

**Decision No:** 17/00077

**Subject:** **SHARED ACCOMMODATION SERVICE FOR CHILDREN IN CARE AND CARE LEAVERS AGED 16-21**

**Classification:** Unrestricted

**Past Pathway of Paper:** Social Care, Health and Wellbeing Directorate  
Management Team - 15 August 2017

**Future Pathway of Paper:** Cabinet Member Decision

**Electoral Division:** All

**Summary:** Specialist Children's Services purchase a Shared Accommodation Service for Children in Care and Care Leavers aged 16-21. The service is predominately used by Unaccompanied Asylum Seeking Children (UASC). The current contracts expire on 28 February 2018. During the course of 2017 the Strategic Commissioning Division has been exploring a best value approach to delivery of these contracts. This has included working with colleagues in the Council's Property Services to fully investigate alternative options. This extensive exercise has delayed the original commissioning plan but has provided valuable support to help to address weaknesses identified in the current provision and ensure future improvements.

It is recommended that in the short term the Council maintains current provision with the core providers by extending current arrangements with the existing providers through a Single Source Action (SSA) for a six month period. During this time an expedient procurement exercise for a new Shared Accommodation Service will be conducted, with an initial commencement date of October 2017 being fully mobilised by 1 September 2018. This SSA will also support placement stability, and new opportunities to work with our property colleagues. It will also allow time to explore a potential partnership and once a new service is in place support gradual transition of service users to new service.

**Recommendations:** The Children's, Young People and Education Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Children, Young People and Education Services on the proposed decision (Attached as Appendix A) to:

a) **AWARD** short-term interim contracts to the existing service providers to deliver a

Shared Accommodation Service for Children in Care and Care Leavers aged 16-21 from 1 March 2018 to 31 August 2018,  
b) **AWARD** a new contract for a Shared Accommodation Service for Children in Care and Care Leavers aged 16-21 from 24 October 2017 to 31 October 2022, and  
c) **DELEGATE** authority to the Corporate Director of Social Care, Health and Wellbeing, or other nominated officer, to implement the decision.

## 1. Introduction

- 1.1 Specialist Children's Service (SCS) purchase a Shared Accommodation Service for Children in Care (CIC) and Care Leavers. The service is predominately used by UASC. The service is primarily delivered through two block contract arrangements, accounting for 99.5% of bed spaces. A multiple supplier accommodation framework (call off) contract for provision of accommodation placements currently provides four bed spaces via a third company. Currently approximately 570 young people are accommodated in this provision.
- 1.2 The contracts started on the 1 March 2012. Contract extensions were agreed in 2017 and will end on 28 February 2018.
- 1.3 During the course of 2017 the Strategic Commissioning Division has been working with colleagues in the Property Division to fully investigate alternative options that would provide best value and to ensure that future commissioning intentions are informed by professional property input. An option for GEN2 to deliver this service was developed and explored but was not considered the most viable option at this time.
- 1.4 This extensive exercise has delayed the original commissioning plan but has provided valuable support and learning to help to address weaknesses identified in the current provision. During this period of review negotiations have started with core current providers to establish market rates and a collaborative approach to the management of damages.
- 1.5 Follow provider negotiations it became clear that costs could be curtailed if damages were rolled into the weekly rate and not paid separately. This has the advantage of passing the management of risk onto the provider, reducing the operational resource time required to visit properties for a monthly inspection, reducing the finance and administration costs associated with monitoring the contract and enabling greater cost certainty for the Council.
- 1.6 Using the information supplied by Providers the Council intends to commence an expedient Light Touch Procurement exercise to secure a new contract with revised weekly rates, inclusive of all damages, but excluding a final property close down fee. The opportunity will be advertised on the Kent Portal against the timescales provided in section 6 of this paper. The maximum weekly price the Council is prepared to pay will be based on the rates provided during the negotiations.

- 1.7 The contract will run for a five year period from 24 October 2017 until 31 October 2022 to provide for longer term stability of placements and costs. The new contract will enable new placements to be made from the commencement date, at the new inclusive rate, whilst supporting the mobilisation of existing clients over a longer period to ensure their safety and wellbeing is maintained. The contract will also provide for a six month no fault no cost break clause to terminate early should the Council wish to work with internal Property Services or to formally link with other Contracting Authorities.

## **2. Financial Implications**

- 2.1 The original contract value of these contracts was in the region of £1.8 million (approximately 300 bed spaces) per annum. Due to a large increase in the number of Unaccompanied Asylum Seeking Children (UASC) in Kent annual spend for 2016-17 was approximately £4.4 million (approximately 600 bed spaces).
- 2.2 The Home Office make grant funding available to the Council for the costs of supporting UASC and Care Leavers (Former UASC).
- 2.3 The service provided through these contracts is the most affordable when compared to the Council's other external Accommodation Services. Unit costs average <sup>1</sup>£120 per service user per week. This Service is largely funded from the Home Office grant.

## **3. Policy Framework**

- 3.1 At the heart of Facing the Challenge is the need to change the way the Council works, not only to improve services, but also to reflect the changing shape of wider public services.
- 3.2 The Council's Sufficiency Strategy sets out our approach to providing secure, safe and appropriate accommodation to CIC and Care Leavers.

## **4. Background and History**

- 4.1 The 025 Portfolio Board agreed to the creation of a programme to redesign and align the accommodation and support pathway for CIC, Care Leavers and vulnerable young people. The Shared Accommodation Service covered by this report is part of the remit of the programme.
  - 4.2 In September 2016 the Procurement Plan was presented to Strategic Commissioning Board. Officers across Commissioning and Property were tasked with exploring alternative avenues to a traditional procurement route to deliver improved value for money for the Authority.
  - 4.3 To allow time to fully explore all options the Cabinet Member for Specialist Children's Services agreed to award short-term interim contracts to deliver a
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shared Accommodation Service for Children in Care and Care Leavers Aged 16-21 from 1 March 2017 to 28 February 2018 (**DECISION NO:** 16/00078)

## 5. Options considered

5.1 Three main options exist at the current time for the Shared Accommodation Service from 28 February 2018 – do nothing, maintain the status quo by contracting with existing framework providers through a single source, or externally tender for a new service provider.

5.2 Do nothing: It is not considered feasible to do nothing at this stage for a number of reasons:

- The current providers have been clear that they cannot continue to lease houses for use by the Council without a contract as they must commit to a six month minimum lease on all properties.
- If a new contract is not in place a large number of service users currently accessing the services may lose their accommodation and become homeless.
- The Council will be required to provide the majority of existing service users with alternative accommodation which is likely to be more expensive and unaffordable through the Home Office grant.

5.3 Maintain current provision by contracting with existing framework providers through a single source (SSA): It is recommended that continuing provision of the service with the current providers will:

- Deliver the Council's statutory duty and provide stability for service users.
- Support a gradual transition of approximately 600 service users to a new service. Previous contract transition experience has taught us that it could take up to one year to transition service users to a new service/providers.
- Secure accommodation in a challenging market for any new provider.
- Reduce risk as the current providers have been flexible in their response to increased demand and have formed effective working relationships with the Council.
- Allow for further testing of the market for this 'unique' service.

5.4 Externally tender for a new service

The Council will also be procuring a new Shared Accommodation Service. It is proposed that an expedient procurement process will provide best value for money for the Council. The implementation of a six month break clause within any new contract will continue to give the Council flexibility and scope to investigate any other delivery options in the future.

**6. Legal Implications**

- 6.1 The Council has a statutory duty to provide suitable and safe accommodation that has the right level of support for CIC (including UASC) in accordance with the Children’s Act 1989.
- 6.2 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 promoting education and training.
- 6.3 The Treaty of Rome, EU directive and UK legislation require that competition will be part of the overall procurement approach to securing work goods and services. However, a number of special circumstances exist where this may not be applicable or possible, e.g. the purchasing of adult and children’s services is required by law under the National Assistance Act 1948 and the Children Act 1989. A non-compliant procurement route has been recommended for this requirement for the reasons outlined in this document.
- 6.4 There is a risk of delaying compliance with the OJE procurement process; however this will be minimised through communication with the market with the revised timescales for the planned procurement.

**7. Equalities Implications**

- 7.1 An EQIA assessment has been undertaken and a low weighting has been determined. The EQIA supports the intention to diversify provision according to individual needs of service users.

**8. Conclusions**

- 8.1 The current contracts end on 28 February 2018. Action needs to be taken regarding service provision from this date until any new service is fully operational.
- 8.2 It is suggested that a Single Source Justification is undertaken for up to six months to run from 1 March 2018 to 31 August 2018. During this time a fully competitive procurement process will be undertaken. This will also allow for a mobilisation period, in which current service users can be smoothly transferred to any new service provider as required.

**9. Next Steps**

- 9.1 A timetable of the key activities to award short-term interim contracts (SSA) is detailed below:

Proposed Timetable	
Children, Young People and Education Cabinet Committee	7 September 2017
Strategic Commissioning Board	7 September 2017

Sign off by Cabinet Member for Specialist Children's Services	October 17
Standstill	5 days from date of Executive decision
Contract Commencement (new clients)	24 October 2017-
Transition period for existing service users	March – August 2018
Contract Commencement Date	1 March 2018
Contract End Date	31 August 2018

## 10. Recommendations

10.1 Recommendations: The Children, Young People and Education Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Children, Young People and Education Services on the proposed decision (Attached as Appendix A) to:

a) **AWARD** short-term interim contracts to the existing service providers to deliver a Shared Accommodation Service for Children in Care and Care Leavers aged 16-21 from 1 March 2018 to 31 August 2018,

b) **AWARD** a new contract for a Shared Accommodation Service for Children in Care and Care Leavers aged 16-21 from 24 October 2017 to 31 October 2022, and

c) **DELEGATE** authority to the Corporate Director of Social Care, Health and Wellbeing, or other nominated officer, to implement the decision.

## 11. Background Documents

11.1 Proposed Changes to Kent's Supported Accommodation and Floating Support Services

<http://consultations.kent.gov.uk/consult.ti/SupportedAccommodation/consultationHome>

## 12. Report Author

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