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**From:** Jenny Whittle, Cabinet Member for Specialist Children's Services  
Andrew Ireland, Corporate Director, Families and Social Care

**To:** Cabinet – 5 December 2011

**Subject:** **THE PROCUREMENT OF ACCOMMODATION SERVICE FOR LOOKED AFTER CHILDREN AND CARE LEAVERS**

**Classification:** Unrestricted

(Appendix 1 is EXEMPT – not for publication – Paragraph 3 of Part 1 to schedule 12A of the Local Government Act, 1972 refers.)

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**Summary:** The purpose of this paper is to obtain Cabinet agreement to award two block contracts and a Multiple Supplier Framework Agreement for Accommodation Services for Looked After Children and Care Leavers

**Recommendations:** Cabinet is asked to:

- (i) note the tender process which has been undertaken in respect of this matter and in the light of the information set out in the Appendix in Part II of the agenda, consider and approve the recommended list of contractors; and
- (ii) subject to him being satisfied as to the detailed terms and conditions, the Corporate Director for Families and Social Care, in consultation with the Cabinet Member for Specialist Children's Services be delegated authority to enter into on behalf of the County Council all necessary contracts in order to deliver these services.

## Introduction

1. (1) In April 2010, the Home Office agreed a new grant settlement for Local Authorities for the funding of services to support Unaccompanied Asylum Seeking Children (UASC), who qualify as Looked After Children and Care Leavers. It was agreed that KCC would receive grant funding of £150 per week for each UASC Care Leaver aged over 18. Based on the expenditure per UASC Care Leaver at that time, a reduction of 35% was required to bring expenditure in line with the new grant. The provision of accommodation was and is, by far the largest single component of the unit cost. A strategy was therefore agreed by Cabinet Members, which focused on reducing accommodation expenditure. A key strand of that strategy was to enter into a competitive procurement process for Accommodation Services for all UASC living in the community.

(2) The vast majority of the 496 UASC Care leavers 18+ (total as at 7.10.11) are accommodated independently in the community. Accommodation is arranged by Housing Officers within KCC Services for Unaccompanied Asylum Seeking Children (SUASC), working with a number of Housing Providers approved following a tendering process in May 2006. In addition to achieving the required savings, a thorough review of the statement of requirements on service providers and terms & conditions of the housing contract was necessary and overdue.

(3) The objective of the competitive procurement process was to identify a small number of service providers who could deliver a high quality, efficient service at an agreed volume and within the agreed price limitations.

## **Procurement Process**

2. (1) The Accommodation Services to be commissioned through this procurement process are:

- (a) The provision of units of accommodation in the required locations<sup>1</sup>.
- (b) Transportation and Move-in Services for all service users accommodated.
- (c) Accommodation Maintenance Services (planned, emergency and reactive).

(2) In line with Spending the Council's Money, a fair and transparent non EU competitive procurement process was carried out. A detailed and robust Service Specification and Terms & Conditions of Contract were drafted in consultation with KCC Legal Services and the FSC Commissioning Unit. It was agreed that the tender would be advertised as Accommodation Services for LAC and Care Leavers including UK Citizen and UASC. Whilst the majority of Service Users will be UASC, there will be the potential for any spare capacity within the Accommodation to be used by KCC for UK Citizen LAC and Care Leavers.

(3) Organisations were invited to tender under two categories, block contract or a multiple supplier framework agreement. KCC were looking to award firstly, two block contracts for 150 bedspaces each and secondly, a multiple supplier framework agreement to a further five providers who would be called upon to provide accommodation services in specific districts of the county, as required. All 52 organisations who expressed an interest through the South East Business Portal were issued with invitations to tender. Tender responses were received from fifteen organisations, four of which were tendering for the block contracts and twelve for the multiple supplier framework agreement.

(4) The first step in the evaluation process consisted of a series of Pass/Fail questions relating to the essential requirements of the specification. Three organisations failed to meet the essential criteria and twelve organisations progressed to the Stage One Evaluation.

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<sup>1</sup> Decisions on locations of UASC accommodation are dependant on Access to Education and Health Care facilities, Geographical spread of UASC across the county, Family or Fostercare links in the area.

(5) The Stage One Evaluation process focussed on the capability of the organisation to deliver the requirements of the specification in five key areas:

- a) Housing standards
- b) Legal Requirements
- c) Policies and Procedures
- d) Equality Diversity
- e) Financial requirements including price

(6) Capability under the sections listed above was assessed through the scoring of tender responses to all criteria and the evaluation of a full set of detailed policies and procedures submitted by each organisation. The evaluators of this stage were the KCC SUASC County Manager, the Business Development Manager – Asylum and the Finance Manager – Asylum. All scoring was adjudicated by the Commissioning Unit’s Contracts Manager. Five organisations achieved the required 75% score at Stage One to progress to Stage Two. This comprised of two organisations tendering for block contracts and three organisations for the call off category.

(7) The Stage Two Evaluation process consisted of a site visit to one property, proposed by each organisation as meeting the Accommodation Standards and Fit Out requirements specified. A property inspection was undertaken by the SUASC Accommodation Officer, the KCC Business Development Manager – Asylum and the Local District Authority’s Housing Officer. Each property was scored against set criteria under the following categories – Safe, Habitable and Fit for Purpose. The site visit included a full assessment on compliance with all Housing and Fire Safety Legislation.

(8) All five organisations evaluated in Stage Two achieved the required score to successfully pass this stage of the evaluation.

### **Financial Implications**

3. (1) The services commissioned through this procurement process are funded by the Home Office UKBA grant to KCC for supporting UASC.

(2) The organisations proposed to receive Block Contracts are offering a weekly unit price of £100 or under for the duration of the contract. This represents a reduction of approximately £50 on the Unit price prior to the outset of the strategy and will ensure that expenditure is in line with the Home Office funding.

(3) The annual value of the contract is £1.8 million with a three year life value of £5.4 million.

### **Policy Framework**

4. (1) KCC has a statutory duty to support UASC, including the provision of accommodation under Section 20 of the Children Act 1989 and under Section 23 of the Children (Leaving Care) Act 2000, which imposes duties on Local Authorities in respect of children who have been looked after by them. The local authority is

responsible for ensuring that the young care leaver is provided with accommodation which assists him or her to continue their education or training, or enter employment.

(2) The Hillingdon Judgement in 2003 rules that all UASC, who have been in care for at least 13 weeks prior to their 18<sup>th</sup> birthday, are entitled to a leaving care service until at least the age of 21 from Local Authority children's services, rather than being dispersed to other parts of the country under national adult asylum seeker arrangements.

### **Equality Impact Assessments**

5. (1) An initial Equality Impact Assessment screening has been completed on the Reducing Accommodation Expenditure for UASC strategy which indicated a Low to Medium impact. Actions were identified to address potential adverse impact and there is no requirement for a Full Customer Impact Assessment

### **Personnel and Training Implications**

6. (1) All staff within the Services for Unaccompanied Asylum Seeking Children will require briefing and/or training sessions on the new Accommodation Service Specification to ensure that it is implemented and monitored efficiently. There are no TUPE implications.

### **Recommendations:**

7. (1) Cabinet is asked to:

(i) note the tender process which has been undertaken in respect of this matter and in the light of the information set out in the Appendix in Part II of the agenda, consider and approve the recommended list of contractors; and

(ii) subject to him being satisfied as to the detailed terms and conditions, the Corporate Director for Families and Social Care, in consultation with the Cabinet Member for Specialist Children's Services be delegated authority to enter into on behalf of the County Council all necessary contracts in order to deliver these services.

### **Background Documents**

Accommodation Services for Looked After Children and Care Leavers - Invitation to Tender document

### **Contact details**

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