

From: Peter Oakford, Cabinet Member for Specialist Children's Services
Andrew Ireland, Corporate Director of Social Care, Health and Wellbeing

To: Children's Social Care and Health Cabinet Committee – 10 November 2016

Decision Nos: 16/00079

Subject: **SHARED ACCOMMODATION SERVICE FOR CHILDREN IN CARE AND CARE LEAVERS**

Classification: Unrestricted

Past Pathway of Paper: Social Care, Health and Wellbeing Directorate Management Team - 31 August 2016

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. The current contracts expire on 28 February 2017. Kent County Council is currently in the process of preparing for the competitive procurement of a new service and it is anticipated that a new service contract will be awarded in April 2017.

In the interim, it is recommended that the Council maintain current provision by contracting with the existing providers through a single source (SSA) for 6 months. This will support placement stability and gradual transition of service users to new service provider/s should existing providers be unsuccessful in the tendering process.

Recommendations: The Children's Social Care and Health Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Specialist Children's Services on the proposed decision (Attached as Appendix 1) to:

a) **RE-AWARD** short-term interim contracts to deliver a Shared Accommodation Service for Children in Care and Care Leavers Aged 16-21 from 1 March 2017 to 31 August 2017; and

b) **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 Services (SCS) purchase a Shared Accommodation Service for Children in Care (CIC) and Care Leavers. This is delivered through two block contract arrangements for the provision of 150 accommodation placements and a multiple supplier accommodation framework (call off) contract for provision of accommodation placements.
- 1.2 The three year contracts started on the 1 March 2012. Contract extensions were agreed in 2015 and end on 28 February 2017.
- 1.3 Through the 16-25 Accommodation and Support Programme, SCS are currently in the process of preparing for the procurement of a new service.

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 2015-16 was approximately £3 million (approximately 600 bed spaces).
- 2.2 The Home Office make grant funding available to KCC 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 vary between £98 and £144 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. The Report

4.1 Background and History

- 4.1.1 In December 2014 the 0-25 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 for CIC and Care Leavers covered by this report is part of the remit of the programme.
- 4.1.2 In September 2015 the 0-25 Portfolio Board endorsed the 16-25 Accommodation and Support Commissioning Intentions.

4.1.3 The Council has sought views on different ways to deliver Services through the public consultation 'Proposed Changes to Kent's Supported Accommodation and Floating Support Services' between Monday 30 November 2015 and Monday 8 February 2016.

4.1.4 The Service provided through the accommodation contracts is currently in the process of preparing for the competitive procurement of a new service. The Procurement Plan was presented to Strategic Commissioning Board on 22 September 2016.

5. Options considered

5.1 Three main options exist at the current time for the Accommodation Service from 28 February 2017 – 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 three 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. Due to this minimum rental agreement, they have requested that the Council's intention to continue to use their services is formalised.
- 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.
- Enable the Accommodation Service to be aligned as part of the wider 0-25 transformation programme and 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 three current providers have been flexible in their response to increased demand and have formed effective working relationships with the Council.
- Allow for greater knowledge regarding the impact of recent Government announcements and related policy changes including the impact of dispersal, new UASC guidance and the Government's intention for Local Authorities to support Care Leavers until the age of 25.

5.3.1 Legal Services have commented that;

“Although the reasons for the SSA, such as provision of the services with minimal disruption, are undoubtedly important, none of them could present a successful defence to any challenge received. Such challenges may not be able to be dealt with under the Council’s complaints procedure.

Recent market research undertaken should mean that the risk of challenge is reduced. The fact that a compliant procurement process will be undertaken should be communicated to the market as such knowledge may reduce the likelihood of challenges being made.”

5.3.2 Strategic Sourcing and Procurement have commented that;

“Procurement has discussed the single source with Specialist Children’s Services and Care Leavers and acknowledges the risks that would arise by not ensuring continuity of service from February 2017 for 12 months as it is not likely the new service will be in place until April 2017 at earliest. The single source will allow for both interim cover from February 2017 until the new contract is in place, and also for a smoother transition to the new service after this point due to the challenge of moving up to approximately 600 young people to the new service. Procurement have advised of the risks of challenge and of the need to ensure adequate exit and transition arrangements are in place in both the single source and the new service to be implemented next year.

It is important that the Corporate Director notes the term and extension options being approved (if at all). Strategic Sourcing & Procurement does not support single source actions by policy, but does recognise that in some circumstances the business risks and needs outweigh the legal risks of not undertaking due process.”

5.4 Externally tender for a new service

5.4.1 The Council is currently planning the possible procurement of a new Accommodation Service.

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 works 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.

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 2017. 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 Procurement is undertaken for up to 6 months to run from 1 March 2017 to 31 August 2017. During this time a fully competitive procurement process will be undertaken.

9. Next Steps

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

Proposed Timetable	
Children's Social Care and Health Cabinet Committee	10 November
Sign off by Cabinet Member for Specialist Children's Services	16 November 2016
Standstill	16 November– 22 November 2016
Contract Preparation and Sealing	December 2016
Contract Commencement Date	1 March 2017
Contract End Date	31 August 2017

10. Recommendations

10.1 Recommendations: The Children's Social Care and Health Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Specialist Children's Services on the proposed decision (Attached as Appendix 1) to:

a) **RE-AWARD** short-term interim contracts to deliver a Shared Accommodation Service for Children in Care and Care Leavers Aged 16-21 from 1 March 2017 up to 31 August 2017; and

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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. Contact details

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