

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director for People 18<sup>th</sup> October 2016</b>
<b>SUBJECT:</b>	<b>REGIONAL FRAMEWORK FOR THE PROVISION OF SUPPORTED ACCOMMODATION FOR 16-17 YEAR OLDS</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 002340/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Cllr Majid Mahmood – Value for Money &amp; Efficiency Cllr Brigid Jones – Children, Families &amp; Schools</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Mohammed Aikhlaq- Corporate Resources &amp; Governance Cllr Susan Barnett – Schools, Children &amp; Families</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 This report seeks approval for the tender strategy set out in section 5 proposing that the Council is a named Council in the Regional Framework for the provision of Supported Accommodation for 16-17 year olds and takes part in the procurement process, being led by Staffordshire County Council.</p> <p>1.2 If awarded, the Council will “call -off” the Framework for individual placements. The Framework commences in January 2017 for a period of 2 years with an option to extend for a further 2 years, subject to satisfactory performance and budget availability. Based on the Council’s spend on Supported Accommodation for 16-17 year olds in the last financial year, the value of the call-off could be up to £5m per annum. The Council will only pay for the cost of any placements that it makes via the Framework.</p>

<b>2. Decision(s) recommended:</b>
That Cabinet:
<p>2.1 Approves the tender strategy set out in section 5 of this report proposing that the Council is a named Council in the Regional Framework for the provision of Supported Accommodation for 16-17 year olds and takes part in the procurement process led by Staffordshire County Council.</p> <p>2.2 Delegates authority to the Cabinet Member, Value for Money and Efficiency and the Cabinet Member for Children, Families and Schools jointly with the Strategic Director for People to agree to the Council “calling-off” with those suppliers on the Regional Framework for Supported Accommodation for 16-17 year olds, for a period of two years commencing January 2017, with an option to extend for a further 2 years subject to satisfactory performance and budget availability.</p> <p>2.3 Authorises the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.</p>

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<b>3. Consultation</b>	
3.1 <u>Internal</u>	<p>Senior Officers from Children's Social Care including those with responsibility for Children in Care, the Leaving Care Service and Unaccompanied Asylum Seeking Children (UASC) have been consulted in the preparation of this report and are supportive of the proposal. Officers from Finance, Legal Services and Procurement have also been involved in the preparation of this report. Briefings and dialogue have taken place with the relevant Cabinet Members, the Cabinet Member for Housing and Homes and the Overview and Scrutiny Chairs all of whom are in agreement with the proposal.</p>
3.2 <u>External</u>	<p>The development of the Regional Framework for Supported Accommodation has been subject to consultation and engagement by Staffordshire County Council involving 13 local authorities and providers across the consortia. A market engagement event was held on 7<sup>th</sup> March 2016. As part of developing the Care Leaver's Pathway stakeholder events have been held with inter-agency partners and providers and the discussions have informed the framework specification.</p>

<b>4. Compliance Issues:</b>	
4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>	<p>The recommendations contained within this report are consistent with:</p>
4.1.1. <u>Council Business Plan and Budget 2016+</u>	<p>The services referred to within this report are key to the delivery of the Council Business Plan and Budget 2016+ and will support delivery of the Council's priorities as set out below:</p> <ul style="list-style-type: none"> <li>• A strong economy</li> <li>• Safety and opportunity for all children</li> <li>• A great future for young people</li> <li>• Thriving local communities</li> <li>• A healthy, happy city</li> <li>• A modern council</li> </ul>
4.1.2 <u>The Care Leavers Strategy and Care Leavers Pathway.</u>	<p>The recommendations made in this report support delivery of the Council's Care Leavers Strategy and the Care Leavers Pathway by providing a wider range of placement options for 16-17 year olds.</p>
4..2 <u>Future Council</u>	<p>The recommendations made in this report support delivery of the Council's Future</p>

Council programme by helping to maximise safe and affordable accommodation options for 16-17 year olds. The proposals contained within this report are in line with the design principles for the Council's Future Operating Model promoting integration, partnership and collaborative working.

#### 4.3 Birmingham Business Charter for Social Responsibility

Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) will form part of the conditions of this contract for providers on the Regional Framework used by the Council. The contract stipulates that these providers will be required to submit an action plan that will be implemented and monitored during the contract period.

As all Providers used by the Council on this Framework will be required to comply with the BBC4SR the Birmingham Living Wage Policy will apply to this Framework Agreement.

The provision of apprenticeships and employment opportunities for young people will be a key requirement within the new contract. Tenderers will be required to detail how they intend to engage young people and care leavers aged 16-17 years and support their access to employment, education and training opportunities.

#### 4.4 Financial Implications

4.4.1 The contract will be a "Call-Off" contract for 2 years with possible extension for a further 2 years. The Council will only pay for the placements it uses. Based on current spend on Supported Accommodation for 16-17 year olds the value of the call off could be up to £5m per annum. This expenditure is funded from the Early Help and Children's Social Care revenue budget.

4.4.2 At the current time, the Council does not have a comparable benchmark of the costs it pays with those of the rest of the region. By being part of this procurement exercise, the Council will gain a greater understanding of how its costs compare with those paid within the region. A lower variance of rates will be to the Council's benefit, however if the costs are higher than what the Council currently pays, then the Council is not under any obligation to call-off the contract.

4.4.3 Paragraph 5.12 of this report sets out the transitional arrangements for existing providers who are unsuccessful on getting onto the framework and proposes that the Council uses the Framework for new placements, while taking an incremental approach to de-commissioning any unsuccessful providers and arranging placement transfers. All accommodation moves will be done in a planned way, in consultation with young people and their social workers, and only where it is in the child's best interests.

4.4.4 There are no costs incurred by the Council by being part of the procurement process except for officer time which is funded from within existing resources.

#### 4.5 Legal Implications

The Council has a number of statutory duties in relation to the provision of services to Children in Care and Care Leavers including those covered by the following legislation

- Childcare Act 1989 in particular Care Planning guidance (volume 3) Planning for Transition to Adulthood for Care Leavers

- Children Leaving Care Act 2000
- Children Act 2004
- Housing Act 1996 (part 7)
- Housing Act 2004
- Management of Housing in Multiple Occupation (England) Regulations 2006

In July 2016, the Government issued the National Transfer Protocol for the equitable distribution of Unaccompanied Asylum Seeking Children (UASC) across all local authorities. In accordance with this, the number of UASCs local authorities should be able to absorb is suggested as 0.07% of the City's overall children's population. The Council currently has around 73 UASC and this is expected to increase to around 198 to meet the indicative 0.07% figure. The Regional Framework for Supported Accommodation for 16-17 year olds recognises this pressure and the need for extra capacity to meet the increased demand.

#### 4.6 Public Sector Equality Duty

The Public Sector Equality Duty was introduced in April 2011 and covers age, disability, gender reassignment, pregnancy and maternity, race, religion, gender and sexual orientation. The Duty also covers marriage and civil partnerships. The Council must have regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between different groups
- Foster good relations between different groups

The Children in Care Placement and Sufficiency duty requires local authorities to ensure that adequate accommodation of the right type is available in their area for children in care. The delivery of Supported Accommodation for 16-17 year olds helps to meet that duty and the Regional Framework will enable continuity of provision. An initial Equality Impact screening carried out on 30<sup>th</sup> August 2016 highlighted that this activity would have no adverse impact on young people and that a full equality impact assessment was not required.

### **5. Relevant background / chronology of key events:**

- 5.1 Supported Accommodation currently costs the Council approximately £5m per annum. On average 300 placements are made each year. There are currently 135 care leavers within this cohort.
- 5.2 The Council has operated a closed framework for Supported Accommodation for these young people since 2010. The contract was awarded prior to the Public Contracts Regulations 2015 coming into force. Extending the 2010 Contract is therefore not a viable option.
- 5.3 The 2010 framework was developed in response to the Southwark Judgement which required Local Authorities to make provision for young people, under 18 years, at risk of homelessness who are deemed Children in Need. However over time, the nature and type of referrals into Supported Accommodation have changed dramatically. The

majority of young people who are placed in this type of provision are Children in Care, Care Leavers or Under-Age Asylum Seeking Children (UASC).

- 5.4 There are 29 providers currently on the 2010 framework and there are variances in the type, quality and cost of the support delivered making it difficult to assess the impact and outcomes for young people. Unlike Children's Homes, Supported Accommodation for 16-17 year olds is not regulated by Ofsted or other regulatory bodies, and is only subject to minimum scrutiny from Housing and Environmental Health. There are some excellent providers but equally, the Council is increasingly required to respond to significant quality issues, safeguarding concerns and inconsistent standards of other providers, which in turn creates variable impact and outcomes for young people.
- 5.5 Staff in the Commissioning Centre of Excellence have been working to improve provider quality by undertaking Quality Assurance visits, holding regular provider forums and improving working relationships between providers and practitioners in children's services. However, there are difficulties with some providers and joining the regional framework will enable due diligence and Quality Assurance of all providers that the Council will be working with.
- 5.6 Re-commissioning services under a Regional Framework Contract will assist in raising standards and improving quality as all Providers will be subject to due diligence as part of the tender process. At the same time it will increase the number of providers available to the Council ensuring there is sufficient, safe accommodation for vulnerable 16-17 year olds to live in and develop skills for independence. Young people will be supported to access education, employment and training opportunities, enabling them to play a full and active part in the local economy.
- 5.7 The specification for the Regional Framework for Supported Accommodation for 16-17 year olds is far more up-to-date and detailed than the framework currently in use by the Council. It is outcomes based and sets out clear expectations about the needs of young people, what support services need to be in place e.g. access to support workers, developing independence skills, budget management, access to education, employment, training and building social networks and transitioning out of supported accommodation into independent living.
- 5.8 Additionally, a core cost specification will enable commissioners to get a better understanding of pricing models and exercise controls on placement fees. The cost specification is constructed based upon the experiences of all of the regional authorities over the last few years. It details where accommodation is provided including those where at least 2 hours one to one support is provided each week.
- 5.9 Providers will be invited to tender for up to 5 separate categories. These categories will be:
- Single Accommodation;
  - Shared Accommodation;
  - Outreach Support without Accommodation;
  - Shared Accommodation with Sleep in Staff and

- Shared accommodation with Staffing provided 24/7.

- 5.10 Providers will be assessed for each of these categories on a Most Economically Advantageous (MEAT) basis. The criteria used will be based on a weighting of 60% Price, 30% Quality and 10% Social Value. This is in addition to the un-weighted quality threshold at the pre-qualifying stage. Bidders who do not reach the threshold quality score of 25% at that stage, will be prohibited from proceeding any further in the tender process and will not be considered for selection on the Regional Framework Contract. The evaluation process and scoring methodology is consistent with the Regional Fostering Framework that the Council led on earlier this year.
- 5.11 Once evaluated, Providers will be placed into 3 Tiers for each of the separate categories that they submitted. Providers will be ranked in descending order based on the total score achieved for each age band. The ranked list will then be divided into 3 preliminary tiers. Therefore, Tier 1 will be limited to 15% of the total number of providers in the category. Tier 2 will be 25% of the total number of providers in the category, with the remaining providers, 60% making up Tier 3.
- 5.12 A transition plan will be developed for existing providers under the Council's 2010 contract who are unsuccessful on getting onto any of the 3 tiers of the new framework. It is proposed that the Council uses the Framework for new placements while adopting an incremental approach to de-commissioning any unsuccessful providers and transferring their placements. Any accommodation moves will be done in a planned way, in consultation with young people and only where it is in the child's best interests.
- 5.13 The Council is working with the Department for Communities and Local Government (DCLG), St Basil's and Barnardo's to develop a Care Leaver's Pathway for implementation by the Council. This is expected to provide a whole-system approach to improve outcomes for vulnerable young people aged 16 – 17 years. Joining the Regional Framework will allow the Council to develop the market and ensure it is geared to meet the requirements of this Care Leaver's Pathway.
- 5.14 It is proposed that the Council joins the Regional Framework for Supported Accommodation for 16-17 year olds to deliver higher quality support for vulnerable young people. Staffordshire County Council is leading on the regional framework having operated a sub-regional framework for the last 4 years. This regional Framework is being developed on behalf of 13 Local Authorities in the West Midlands. The procurement process commenced on 26th September 2016 and will run until 22nd December 2016 with a contract start in early January 2017.
- 5.15 Joining the regional framework will enable the Council to
- establish a legal and contractual relationship with all the providers it uses
  - ensure it only uses providers that have been subject to evaluation and due diligence
  - increase our access to the market and improve the capacity of provision, particularly given the increased numbers expected in UASC as a result of the national transfer protocol.
  - Improve the quality of the market through improved and shared quality monitoring.

- improve parity of prices across the region through operating a tiered model of provision underpinned by a common core cost specification.

## Procurement process

5.16 The tender opportunity has been advertised by Staffordshire County Council on their portal <https://supplierlive.proactisp2p.com/Account/Login>, in the Official Journal of the European Union and Contracts Finder. The Council has also advertised it on Finditinbirmingham and the other involved authorities have committed to advertising it as well. This procurement method has been selected to promote maximum innovation within the commissioning approach whilst still ensuring effective governance and transparency.

5.17 The procurement process will include the following stages:

Process	Estimated dates
PIN issued	4th January 2016
Tender advert	26th September 2016
Pre-Qualification Stage and invitation to tender	26th September 2016 – 28th October 2016
Return of tenders and evaluation period	4thth November 2016 – 25th November 2016
Intention to award	5th December 2016
Alcatel “Standstill” period	5th December 2016- 16th December 2016
Contract Award Decision	22nd December 2016
Service Commencement	9th January 2017.

5.18 It is proposed that in the assessment of the tender there will be a split of 60% Price, 10% Social Value and 30% quality.

Mandatory Criteria	Weighting %	Sub-Criteria	Weighting %
Price	60%	N/A	N/A
Quality	30%	Meeting needs of young people	15/90
		Ensuring tenancy ready	15/90
		Safeguarding recruitment	15/90
		Transition planning	15/90
		Technology and social Media	10/90
		Safeguarding- practice	10/90
		CSE	10/90
Social Value	10%	Delivery (young person set question)	5/10
		Local employment and training	5/10
	100%		

5.19 The contract to be tendered will be for a period of 2 years from the 9th January 2017 with an option to extend for a further 2 years, subject to satisfactory performance and budget availability.

5.20 The Framework will be managed by Staffordshire County Council via a contracts steering group. A senior officer from the Commissioning Centre for Excellence within the

People Directorate will be a member of this steering group. Following Tender evaluation, should the Council seek to utilise the Framework Agreement, the Council will enter into an Access Agreement with Staffordshire County Council. Where the Council seeks to place a young person with one of the Framework Providers, the Council will contract with the Provider through an Individual Placement Agreement.

- 5.21 The Council will continue to carry out Quality Assurance monitoring on all of the providers that it uses. As a part of this contract the Council will be informed of any quality issues that other authorities on the framework become aware of. This will improve the Council's ability to impact on safeguarding, the quality of accommodation and ensure consistent standards of supporting young people in this un-regulated area.

## **6. Evaluation of alternative option(s):**

- 6.1 **Do Nothing** – the Council has operated a closed framework for Supported Accommodation for 16-17 year olds since 2010. The contract was awarded prior to the Public Contracts Regulations 2015 coming into force and extending it is not a viable option. The service model cannot continue without a review to ensure any future re-commissioning delivers value for money and consistent outcomes for vulnerable young people whilst also being compliant with Public Contracts Regulations 2015.
- 6.2 **Decommission Services** – this would destabilise the market and place young people at risk without any alternative provision for them to be accommodated. Following a number of judgements including the Southwark Judgement, this would result in the Council not meeting its duty to young people under the age of 18 who are at risk of homelessness. This option is not considered viable.
- 6.3 **The Council tenders alone for a Framework for Supported Accommodation.** This option would allow the Council to develop a contract based upon its needs in isolation of neighbouring authorities. This would result in the Council competing with the other authorities for the same market. By proceeding with this option, providers would continue to be in control of prices, and it is likely that the Council would attract a reduced capacity. Staffordshire have already developed the documents and engaged with the market so this option would involve duplication of effort without realising tangible benefits. This option would also take longer to develop and would place the Council at risk of challenge based on the continuation of the current procurement method as well as reducing the Council's ability to challenge some of the current quality issues. This option is possible, however is seen as less preferable to joining the Regional Framework developed by Staffordshire given the current market and contractual position.

## **7. Reasons for Decisions (s):**

- 7.1 To enable the Council to be named within the Regional Framework for the provision Supported Accommodation for 16-17 year olds and to take part in the procurement process led by Staffordshire County Council involving 13 local authorities in the West Midlands .



<b>Signatures</b>	<b><u>Date</u></b>
Councillor Majid Mahmood (Value for Money and Efficiency)	.....
Councillor Brigid Jones (Children, Families & School)	.....
Peter Hay Strategic Director for People	.....

<b>List of Background Documents used to compile this Report:</b>
Equality Impact Assessment Initial Screening (30/8/16) Children's Early Help and Social Care Improvement Plan 2015-2016
<b>List of Appendices accompanying this Report (if any):</b>
Appendix1: Service Specification for Supported Accommodation for 16-17 year olds

<b>Report Version</b>	<b>13</b>	<b>Dated</b>	<b>6<sup>th</sup> October 2016</b>
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