

**INVITATION TO TENDER - YOUNG PEOPLE'S HOUSING RELATED SUPPORT FRAMEWORK (REF: CYP0002)**

Responsible Cabinet Member: Councillor Zoe Nolan (Cabinet member for Children and Families)

Report Sponsor: Mick Hancock (Assistant Director, Joint Commissioning)

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**Executive Summary:**

This report is seeking approval to establish a Young People's Housing Related Support Framework Dynamic Purchasing System for the purpose of procuring additional housing related support services for 'Looked After' young people and 'Care Leavers' for a period of five (5) years from 1 November 2017.

The services will provide additional housing related support when the existing provision is at full capacity or is considered unsuitable for a young person with very particular and/or more complex needs.

**1. Recommendation(s)**

- 1.1 That the process to establish a framework Dynamic Purchasing System for the procurement of additional housing related support services for 'Looked After' young people and 'Care Leavers' be approved.
- 1.2 That authority for the award of contracts from the framework Dynamic Purchasing System be delegated to the Service Director (Children and Families) / Assistant Director, Joint Commissioning.
- 1.3 That the framework Dynamic Purchasing System operate for a period of five (5) years from 1 November 2017 to 31 October 2022 during which time providers be given the opportunity to apply at monthly intervals.

**2. Background**

- 2.1 The procurement is needed to secure additional housing related support services when existing provision is at full capacity or is considered unsuitable.
- 2.2 This report requests approval to obtain applications for inclusion on framework (Dynamic Purchasing System) DPS for housing related support services for young people who are looked after or are leaving care. Based on current demand, the budget for this will be in the region of £600,000 per annum. The actual costs are variable and dependent on the number and complexity of placements required each year.

The framework DPS will be developed in line with the Light Touch Regime for Health, Social, Education and Certain Other Service Contracts to promote competition amongst the approved providers and identify the most suitable provision at the most competitive price on each occasion that additional housing related support is required.

### 2.3 Consultation

- (a) The draft specification will be based on recent consultations undertaken for the procurement of existing housing related support services for young people and, where necessary, further developed in partnership with the relevant Cabinet Member and the following key stakeholders:
- Head of Corporate Parenting;
  - Placement Officers; and
  - 'Looked After' Young people and Care Leavers
- (b) A review of the current contracts identified the following:
- (i) Lessons learned:
- The existing contract for Housing Related Support services does not have sufficient capacity to meet anticipated demand and is not always suitable for those young people with very particular and/or more complex needs
  - The cost of procuring additional Housing Related Support services on a Spot Purchase basis is high.
- (ii) Areas of change / improvement needed are highlighted as –
- Increase capacity to meet anticipated demand in 2017/18 and beyond.
  - Reduce the cost of the additional Housing Related Support services currently procured on a Spot Purchase basis.
  - A framework DPS that creates an approved provider list offers a viable and more affordable alternative to Spot Purchased provision, having the potential to reduce costs whilst at the same time ensuring a high quality of provision.

### 2.4 Specification

- (a) The procurement seeks to deliver the following service objectives:
- (i) Increase capacity to meet anticipated demand
- (ii) Provide suitable accommodation and support for Looked After young people and Care Leavers with very particular and/or more complex needs.
- (iii) Reduce costs
- (b) The specification can be summarised as an adaptation of that developed for the procurement of the existing Housing Related Support for Young People (January 2017).

- (c) The new contracts will be structured to deliver savings of approx. £64,000 pa (10% of the current annual cost) compared to the previous contracts.
- (d) Public Services (Social Value) Act 2012 - officers have considered whether this procurement can deliver any element of Social Value and have decided that this procurement is not appropriate for the delivery of social value.

## 2.5 Evaluation Criteria for Approval and Panel

- (a) The evaluation of applications for pre-approval includes the following specific requirements, which are listed below:

Area*	Criteria	Weighting (%)
1	Price	40%
2	Accommodation and Facilities	20%
3	Support Services and Outcomes	20%
4	Safeguarding	10%
5	Quality and Performance Management	10%

- (b) Applications will be evaluated by a panel comprising of:
  - Head of Corporate Parenting
  - Children and Families Placement Officer
  - Children and Families Commissioning Manager
  - Looked After Young People and Care Leavers
- (c) Colleagues within Finance and Legal and Corporate Procurement will be engaged to support the tender process.

## 2.6 Contract Terms and Conditions

- (a) Applications for approval will be sought for a period starting on 1 November 2017 and ending on 30 October 2022.
- (b) The Council's standard Terms and Conditions for contract for Services will apply.
- (c) The Council's Constitution further requires that all contracts in excess of £100,000 are sealed as deeds with the Legal Department agreeing contract terms with the client department and making the arrangements for sending out final Terms and Conditions to Contractors and sealing and storage of the final contract in the deeds room.

## 2.7 Project Management

- (a) The Council's Project Manager for the procurement is the Commissioning Manager, Children and Families.
- (b) The Council's Senior Client Officer for the procurement is the Assistant Director, Joint Commissioning and for the management of the contract is the Commissioning Manager, Children and Families.

## 3. Alternative Options

### 3.1 The following options appraisal has been conducted:

- (a) Do nothing
  - Does nothing to alleviate budget pressures.
  - The council continues to have little control over the costs arising from the increase in demand.
  - Continuing to Spot Purchase provision is only sustainable at the expense of other local authority services.
- (b) Commission an additional block contract
  - Unlikely to deliver the range of provision or the flexibility required to accommodate those young people with more complex needs
  - Costs incurred irrespective of whether or not the provision is operating at full capacity – the council pays for void places that unavoidably arise from time to time in the period between one young person moving on to other accommodation and another filling the newly available place.
- (c) Develop provision utilising premises within the council's existing property portfolio
  - No suitable accommodation currently available.
  - Puts additional pressure on Children Social Care staff resources or requires the procurement of support services from an external provider.

## 4. Implications

### 4.1 Policy

The procurement will progress the following priority within the Corporate Plan (2016/20):

*Children - protecting our vulnerable children from harm and neglect and provide support so every child has the opportunity to succeed*

## 4.2 Resources and Risk

The costs of this contract are met from the Children's Social Care Service Budget (Revenue). The costs identified within this exercise can be contained within the agreed budget.

The Risk Assessment for this contract is available if requested or directly via Members access to GRACE. In summary:

- (a) The key opportunity secured by this contract is a reduction in cost. It is assessed that the delivery of this contract provides a high likelihood that will secure the opportunity defined providing Milton Keynes Council with a high positive Impact.
- (b) The key threats for this contract have been assessed as:

<b>Risk</b>	<b>Likelihood /Impact</b>	<b>Mitigation</b>	<b>Impact after mitigation</b>
Few providers apply for pre-approval	M	<ul style="list-style-type: none"> <li>• Invite existing providers to apply</li> <li>• Advertise using Intend</li> </ul>	L
Placement Officers cannot access new provision	M	<ul style="list-style-type: none"> <li>• Providers are given the opportunity to apply for pre-approval at pre-determined intervals</li> </ul>	L

The governance measures set out in 2.7 above provide a basis to conclude that these threats, properly managed represent a HIGH likelihood with a HIGH Impact.

It is estimated that the change in procurement process of moving from a spot purchasing approach to a pre-approved provider list for these types of placement would save at least 10% on the current costs. This would save £64,000 annually based on the current active placements and also an average of £3,500 per placement on any new cases. Further costing and benchmarking of other LA's who have moved to this type of approach will be undertaken to more accurately quantify potential savings.

N	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

## 4.3 Carbon and Energy Management

It is not anticipated that the procurement will make a meaningful contribution to carbon reduction or improve energy management

#### 4.4 Legal

- (a) Section 22 of The Children Act 1989 and The Children Act 1989 Guidance and Regulations Volume 3: Planning Transition to Adulthood for Care Leavers (2010 rev 2015) place statutory duties on local authorities to provide housing related support for 'Looked After' young people and Care Leavers
- (b) The proposals contained in this report for the tender comply with the Council's contract procedure rules and the Public Contracts Regulations 2015.

#### 4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder
N	Carbon and Energy Policy				

Background Papers:           None