



Cabinet
15 January 2018

**Report from the Strategic Director
Children and Young People**

Approval for Commissioning a Block Contract for Semi-independent Living for Looked After Children aged 16+ and Care Leavers aged 18+

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt:	Open
No. of Appendices:	None
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 This report makes recommendations for a preferred delivery model for Semi-Independent Living Services for Looked After Children aged 16+ and Care Leavers aged 18+.
- 1.2 This report seeks Cabinet approval to invite tenders for a block contract for three years with the option to extend for two years through a mini competition under the approved West London Alliance Semi-Independent List.

2.0 Recommendations

That Members:

- 2.1 Approve the invitation of tenders for a contract for the delivery of Semi-Independent Living Services for Looked After Children aged 16+ and Care Leavers aged 18+ in line with the Proposed Delivery Model detailed in section 7.0 and on the basis of the proposed tender arrangements set out in section 10.1 of this report.
- 2.2 Approve that officers evaluate tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 10.1 of the report.

2.3 Delegate authority to award the contract for Semi-Independent Living Services for Looked After Children 16+ and Care Leavers 18+ to the Strategic Director, Children and Young People in consultation with the Lead Member for Children and Young People for the reasons detailed in paragraph 10.1.

3.0 **Background**

3.1 In accordance with the Children Acts 1989 and 2004, the Children Leaving Care Act 2000 and the Children and Social Work Act 2017, local authorities have a duty to assess and meet the needs of young people aged 16+ who are Looked After and Care Leavers. Wherever the young person lives, local authorities have a duty to maintain contact with care leavers until they are at least 21 (in some instances this is extended to age 25). It is the local authority's responsibility to ensure all Looked After Children and Care Leavers are properly prepared for transition to adulthood in a planned and effective way to achieve the best possible outcomes for the individual young person.

3.2 The duties that local authorities have towards their care leavers are set out in the statutory guidance "Planning Transition to Adulthood for Care Leavers". This can include the provision of accommodation. The provision of semi-independent living accompanied by life skills training can be an effective method of assisting a smooth transition to adulthood for Looked After Children aged 16+ and Care Leavers.

4.0 **Current Delivery Model**

4.1 Block Contract: In 2014 the Council undertook a tendering process for a block contract of 20 beds. Centrepont won this contract at a cost of £379 per bed per week. A variation to the contract in 2016 converted 5 beds to a higher level of support at a cost of £884 per bed per week. The Council has only paid for properties at the point that they became available for use.

4.2 Centrepont works in conjunction with its Registered Social Provider, Genesis. Between January 2014 and January 2017, 37 young people have been accommodated at Centrepont of which 87.5% started their desired education or training; 88.9% participated in work or a work like activity and 100% participated in their desired leisure, cultural or faith activities during their stay. In a 2016 survey of these young people, 95% said they were satisfied or very satisfied with Centrepont provision.

4.3 Spot Purchasing through WLA: The Council also spot purchases placements in semi-independent provision using The West London Alliance (WLA) Semi-Independent List. In 2014 the WLA Semi-Independent List was developed with the purpose of improving the provision of services in terms of the quality and choice of accommodation for Looked After Children and Care Leavers in an unregulated market. There are 24 providers on the Semi-Independent list.

4.4 Spot Purchasing: The Council also spot purchases in the open market (Non-WLA spot purchase) because providers on the WLA Semi-Independent list are not always able to meet the individual needs of Brent children and young people. Brent currently spot purchases from 24 non-WLA providers. As at

October 2017, of the 128 placements of Brent Looked After Children and Care Leavers in semi-independent provision, 108 were spot purchased, at an average cost of £580 p/wk.

5.0 **Needs Analysis:**

5.1 The profile of Brent's LAC population points to increasing demand for semi-independent provision:

- As at 31st March 2017 Brent had 77 LAC aged 13-15, 138 LAC aged 16-18 and 318 care leavers. Based on the current cohort, there is likely to be increasing demand for semi-independent provision over the next few years.
- The number of young people in Brent placed in semi-independent provision has risen from 90 in April 2016 to 128 in April 2017. Some of these are care leavers who require support for longer periods or beyond the age of 21, such as young people without recourse to public funds. It is anticipated that demand from this group of young people will increase.
- Whilst overall numbers are constant, recent trends show an increase in the number of young people entering care in their teenage years. In March 2017 67.4% of the care population in Brent was over 13 years old, with 43.3% aged 16-18 compared to 61% and 33% in March 2015. Of 209 new LAC since April 2016, 59 (28%) were aged 13-15 and 61 (29%) were aged 16-18. There are a number of external factors influencing demand for this service outside of Brent's control, e.g. the number of young people entering the UK as unaccompanied asylum seeking children.

6.0 **Other Local Authority Operating Models**

6.1 In considering Brent's future model of provision, officers have reviewed the models of semi-independent provision operated by neighbouring boroughs. The London Borough of Ealing has a block contract for 83 units, of which 63 units are with the YMCA, including units located in Harrow and Greenford that include mother and baby services, and 20 units with Centrepont. Less than a third of placements commissioned by Ealing are spot purchased. Ealing has indicated that this has reduced costs against their placement budget.

6.2 Hammersmith & Fulham identified a reduction in the costs of their semi-independent provision through increasing the number of block contract arrangements (71 in 2015 compared to 55 in 2013/14). Hammersmith & Fulham awarded Centrepont a block contract for 71 units in 2015 on the basis of the quality and cost of provision, and the added value and impact on outcomes of the wide range of schemes and additional services offered such as sport, health, arts and employment, which would enhance the experience of young people and improve outcomes.

7.0 The Proposed Delivery Model

- 7.1 Given the profile of Brent's current Looked After population and the anticipated increase in demand for semi-independent placements (section 5.0), and the cost advantages of block contracts over spot purchasing, it is recommended that Brent increase the number of units block purchased. Officers are of the view that the procurement of 60 units for semi-independent accommodation offers the most appropriate and cost effective means of meeting the needs of Looked After Children aged 16+ and Care Leavers aged 18+. Current numbers of young people in semi-independent provision exceed this number, indicating that there is sufficient demand.
- 7.2 The 60 units would predominantly support young people with low to medium needs, but at least 5 units would be high support. The location of units would be refined during the procurement process, but the intention would be for a mix of local beds ensuring that young people could be housed close to family, and out of borough units for young people for whom this would be a safer option.
- 7.3 The provider who wins the contract would be required to evidence a successful and accredited life skills programme to enable Looked After Children and Care Leavers to develop their independent living skills to improve outcomes in their social and working lives when they move to their own tenancy.
- 7.4 The average cost of a spot purchase placement is £580, whereas the indicative price for a block contract 6 bed unit is £458 per week (21% saving) and the indicative price for a larger 20 bed unit is £407 per week (29.5% saving).
- 7.5 Commissioning on this scale will attract large reputable organisations like Centrepoin/YMCA, who have skills and expertise in this field. One of the benefits of working with a large reputable organisation would be the opportunity to work with them to access other funding opportunities to support outcomes based services, such as the Life Chances Fund that uses Social Impact Bonds to enable organisations to deliver contracts and services conditional on achieving results. These could enhance support for care leavers.

8.0 Outcomes

- 8.1 The block contract model will contribute to the Local Offer for Care Leavers and is expected to achieve the following outcomes:
- Increasing placement stability for young people;
 - Increasing young people's life skills to enable a successful move on to a council tenancy or other long term housing solution;
 - Reducing the proportion of 16-18 year olds, who are not in education, employment or training (NEET);
 - Increasing the percentage of young people participating in learning, activity and sport through the provider;
 - The Strength and Difficulties Questionnaire (SDQ) is a brief emotional and behavioural screening questionnaire for children and young people. This

would be used quarterly with an expectation of responses that are average or higher on the scoring matrix;

- Enabling the Council to build a strong supplier relationship with focus on meeting the needs of individual young people;
- Providing the Council with tighter influence over the quality of the provision to drive consistency of placement quality.

9.0 Procurement Route

9.1 The planned procurement route is to commission a block contract under the WLA Semi-Independent List. The advantages of this approach are that:

- Individual authorities can choose to run a competition between the providers on the WLA Semi-Independent List and set additional criteria.
- Providers on the WLA Semi-Independent List have already been through a selection criteria based on quality and price evaluated by 6 WLA Boroughs.
- Running a mini competition via the WLA Semi-Independent List would mean Brent working with providers who are reputable and who would have been operating in the market for over three years. This sector is not regulated by Ofsted or any other regulatory body, but providers on the WLA list are subject to robust quality and financial checks

9.2 The proposed model would adopt a phased approach of opening the 60 units, rolling out unit blocks through a planned and co-ordinated schedule. The Looked After Children and Permanency Service would work closely with the Commissioning Team to deliver smooth transition for young people into the new provision. Brent would only pay for the costs of provision once it became available.

10.0 Management of Voids

10.1 The strategy to avoid voids, which risk negating cost savings, will include:

- A cohesive monitoring approach which includes reviewing occupancy, the placements of individual young people and planned moves through weekly meetings. All movements of placements are tracked and co-ordinated so there is a 'visible' tracking process.
- Working with the provider to shape the provision to meet the needs of Brent's Looked After Children and Care Leavers, so that this provision becomes the provider of choice with added value services and opportunities identified to help improve outcomes for individual young people.
- Management of placement changes with tight turn-round times from when a referral is made to a young person moving to the new provision.
- A more targeted approach for young people aged 18+ whose placement at the provision is longer than 6 months to enable them to move to their own tenancy, unless they have no recourse to public funds.

- It is intended that the successful provider who wins the contract will have a nominated person to work with the Council on referrals, who will attend 6 weekly meetings between the provider, lead commissioner and Looked After Children and Permanency Service to track the preparation of young people for independence.

11.0 Proposed Tender Arrangements

11.1 The proposed procurement scope and timeline is set out below. This contract is likely to have TUPE considerations and recruitment actions as part of the mobilisation phase and therefore at least two months between contract award and commencement are needed to manage these issues. Delegated authority to award the contract for Semi-Independent Living Services for Looked After Children 16+ and Care Leavers 18+ to the Strategic Director, Children and Young People in consultation with the Lead Member for Children and Young People would allow the winning tenderer and the Authority 2 months for mobilisation and for the new contract to commence on July 1st 2018.

Ref.	Requirement	Response	
(i)	The nature of the service.	Provision of semi-independent accommodation and support services for vulnerable Looked After young people aged between 16 and 18 years old and Care Leavers over the age of 18 years old some of whom are unaccompanied asylum seekers new in the UK.	
(ii)	The estimated value.	Total annual estimated value £4,631,505.86 over 3 years and £7,719,176.43 over 5 years, for a 3 year contract with the option to extend by 2 years.	
(iii)	The contract term.	The contract will be for 3 years with the option to extend for up to 2 additional years.	
(iv)	The tender procedure to be adopted.	A mini-competition under the WLA Semi-Independent List.	
(v)	The procurement timetable.	Indicative dates are:	
		Invitation issued to all relevant providers on the relevant lot of the WLA Semi-Independent List via CarePlace (the marketplace portal)	22 nd Jan 2018.
		Deadline for tender submissions	16 th February 2018
		Tender evaluation	19 th February to 5 th March 2018

		Report recommending Contract award circulated internally for comment.	19 th March to 26 th March 2018
		Director approval of Award of Contract	9 th to 19 th April 2018
		Contract Mobilisation	20 th April 2018
		Contract start date	1 st July 2018

(vi)	The evaluation criteria and process.	<p>A mini-competition under the WLA Semi-Independent List will operate as follows:</p> <ol style="list-style-type: none"> 1. A shortlist will be drawn up by issuing a letter requesting the relevant Lot providers to identify if they meet the Council's requirements, technical capacity and technical expertise. 2. The identified providers will be invited to a mini-competition. At tender evaluation stage, a panel of evaluators will score the tenders to identify the Most Economically Advantageous Tender. 3. The M.E.A.T (most economically advantageous tender) calculation will be based on: 35% of the points being awarded for Quality/Technical assessment, 55% of the points being awarded for Commercial assessment and 10% of the points being awarded for Social Value. The panel will evaluate the tenders against the following quality criteria: <ul style="list-style-type: none"> • Approach to delivery of outcomes for young people. • Approach to the delivery of services which builds the capacity of local semi-independent block provision. • How the provider is going to support the young people for a short period of time once they have moved to their own tenancy • Areas where units are located
(vii)	Any business risks associated with entering the contract.	<p>The Council will be committing to an initial three (3) year contract. This may disadvantage the Council as follows:</p> <ul style="list-style-type: none"> • The awarded provider(s) performance may not meet expectations and the Council will be in contract for the three (3) year duration. • The Council requirement may change. <p>These risks will be mitigated by having a robust contract management procedure in place.</p>

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11.2 Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

(viii)	The Council's Best Value duties.	The adoption of a competitive tendering process will enable the council to achieve best value.
(ix)	Consideration of Public Services (Social Value) Act 2012	See Section 17 below.
(x)	Any staffing implications, including TUPE and pensions.	See Section 16 below.
(xi)	The relevant financial, legal and other considerations.	See Sections 12 and 13 below.

12.0 Financial Implications

- 12.1 The block contract for places proposed above has the potential to deliver savings or mitigate existing cost pressures on budgets of up to £240k. This is realised if the weekly price secured is lower than the current unit cost for spot purchases.
- 12.2 The budget for accommodation for semi-independent care is £3.659m based on an estimate of 121 young people requiring accommodation at an estimated weekly cost of £580. The forecast spend in this area is £3.797m in 2017/18 – an over spend of £138k.
- 12.3 The current annual cost of the Centrepoin contract is £526k based on 5 beds at £885 per week and 15 beds at £379 per week. Excluding those young people currently accommodated by Centrepoin, the average cost of accommodating a looked after child is £643 per week and for a care leaver is £564 per week.
- 12.4 The current weekly cost of the 15 beds at £379 is lower than the indicative new costs of £407 (20 places) or £458 (6 places) per week. This means that the block would need to include more than the existing 20 beds to start mitigating additional costs. The break-even point would be around 31 beds fully occupied before overall costs reduce compared to present.
- 12.5 Assuming all 60 places are fully occupied (including 5 places at existing prices of £885 per week), there could potentially be cost mitigation in excess of £240k (based on the indicative prices of £458 per week).

Number of places fully occupied	Indicative Cost per week (£)	Mitigation / (Increased Cost) (£k)
20	458	(61)
31	458	0
60	458	240

- 12.6 In order to achieve the reward of reduced weekly costs, the Council would need to take on higher levels of risk related to occupancy. The risk associated with occupancy is transferred to the Council with a block contract. If there are unoccupied places, the Council is still responsible for the accommodation costs.
- 12.7 There have been unoccupied places or voids during the current Centrepont contract. There have been an average of 2.5 unfilled places or 13% of places from Aug-16 to Sep-17.
- 12.8 If the current voids rate of 13% is not improved, then there would be no mitigation of costs even with 60 places available.

Number of places purchased	Indicative Cost per week (£)	Void rate	Mitigation / (Increased Cost) (£k)
60	458	13%	(11)
60	458	7%	100
60	458	2%	200
60	458	0%	240

13.0 Legal Implications

- 13.1 The estimated value of the contract over its lifetime is higher than the EU threshold for Services and the award of the contracts therefore is governed by the Public Contracts Regulations 2015 (the "EU Regulations").
- 13.2 The services to be procured fall under Schedule 3 of the EU Regulations. The intention is to procure a contract by way of a mini-competition using the West London Alliance Semi-Independent List ("List") by inviting all providers on the relevant Lot of the List to bid. This List was established for procurements falling under Schedule 3 of the EU Regulations and has been in operation since 2016.
- 13.3 The procurement of the contract is subject to the Council's own Standing Orders in respect of High Value Contracts and Financial Regulations. Member approval is required to procure and award High Value Contracts. It will be noted that for the reasons detailed in paragraph 10.1 delegated authority to the Strategic Director of Children and Young People in consultation with the Lead Member for Children and Young People is sought to award the contract.
- 13.4 Following any decision to award, officers intend to observe a minimum 10 calendar day standstill period before the contract is formally awarded. All tenderers will be notified in writing of the Council's decision to award and additional debrief information will be provided to unsuccessful tenderers on receipt of a written request. The standstill period provides unsuccessful

tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

- 13.5 An element of the service to be procured is currently provided by an external contractor and the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) ("TUPE") is likely to apply where there is a service provision change in the service contractor. Further details are contained in Section 15.

14.0 Equality Implications

- 14.1 Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its public functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act, advance equality of opportunity, and foster good relations between those who share a "protected characteristic" and those who do not. This duty is known as the public sector equality duty (PSED). The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. All providers that are commissioned to deliver public services on behalf of or in partnership with Brent Council are required to comply with the PSED and the Council's Equality and Diversity policies.
- 14.2 Young people within Brent and staff working within the Council's Children and Young People Service have a range of protected characteristics that are relevant to the proposals in this report.
- 14.3 A detailed Equality Analysis (EA) of the service redesign proposals has been completed. The EA outlines the potential/likely implications as well as opportunities arising from the proposed changes for services users with protected characteristics and the wider community of young people. It also explains the steps that will be taken to mitigate any potential negative impacts of the changes proposed. It is anticipated that:
- the proposed targeted and needs based delivery model will optimise equality outcomes for children and young people living in Brent and will enhance service provision for young people accessing semi-independent provision in providing support to enable those young people to develop the skills and confidence to live independently.
 - the provision will provide young people with services appropriate to their diverse needs, taking into account cultural difference, ethnicity, faith, disability and sexuality. This is particularly beneficial for unaccompanied asylum seekers who may require additional support.

- vulnerable young people will be enabled to access the same education, training, health and life chances as others so equipping them with the relevant tools and aids to allow them to realise their potential.
- No adverse impacts have been identified for any groups on the grounds of race / gender / disability / faith / sexual orientation / health/ pregnancy and maternity / age / gender reassignment and sex.

14.4 The service specification will be co-produced in partnership with service users, partner organisations and other relevant stakeholders to ensure that it is structured to meet identified needs. The impact of changes on young people with protected characteristics will be monitored by the Council on a regular basis and where any unintended negative consequences are identified, the Council and the commissioned provider/s will implement remedial actions.

15.0 Consultation with Ward Members and Stakeholders

15.1 **Young People:** The Young Person's Your Voice Survey asked Looked After Children and Care Leavers for their views on their accommodation and the provider. It was delivered to 128 young people by email, and shared in face to face visits by Personal Advisors and Social Workers. 100% of Personal Advisors and Social Workers rated the current block contract of semi-independent provision as delivering a very good service. Similarly young people rated the current provider, Centrepoin, as the top ranking provider.

15.2 **Ward Members:** As this report affects all wards, consultation with specific ward members has not been conducted.

16.0 Human Resources/Property Implications (if appropriate)

16.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

16.2 An element of the service to be procured is currently provided by an external contractor. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) ("TUPE") is likely to apply where there is a service provision change in the service contractor. Should TUPE be applicable the Council will act as a conduit of information between the outgoing and incoming providers so as to help ensure a smooth and seamless transition of the services.

17.0 Public Services (Social Value) Act 2012

17.1 The Council has a duty pursuant to the Public Services (Social Value) Act 2012 to consider how the service being procured might improve the economic, social and environmental well-being of its area and how, in conducting the procurement process, the Council might act with a view to securing that improvement, and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract.

17.2 The services under the proposed contract have as their primary aim the improvement of the social wellbeing of one of the most vulnerable groups in Brent. In procuring the services and in accordance with the council's Social Value Policy, 10% of the award criteria will be reserved for social value considerations.

Report sign off:

GAIL TOLLEY

Strategic Director of Children and Young People