

# Brighton & Hove City Council

!

## Cabinet

## Agenda Item 66

**Subject:** Supported Accommodation for Young People Placements

**Date of meeting:** 26 September 2024

**Report of:** Cabinet Member for Children, Families, Youth Services and for Ending Violence against Women and Girls

**Contact Officer:** Jacqui Parfitt: Head of Families, Children and Learning Services Commissioning

**Tel:** 07759 135856

**Email:** [jacqui.parfitt@brighton-hove.gov.uk](mailto:jacqui.parfitt@brighton-hove.gov.uk)

**Ward(s) affected:** All

**Key Decision:** Yes

**Reason Key:** Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

### For general release

#### 1. Purpose of the report and policy context

1.1 This report seeks approval for the procurement of good quality accommodation and support for young people (aged 16-24), to prepare them for independence, via an Accredited Provider List (APL).

1.2 The report supports the Council Plan outcome 3 'A healthy city where people thrive' by providing a better future for children and young people.

#### 2. Recommendations

2.1 Cabinet agrees to the:

(i) procurement of an APL and the award of an Agreement to successful applicants to be admitted onto the Approved Provider List for the provision of supported accommodation for young people placements in the independent sector for an initial term of four (4) years commencing on 1 July 2025 with an option to extend for a period or periods of up to two (2) years; and

(ii) call off contracts and individual placement agreements under the APL Agreement outlined at 2.1(i) above,

for an estimated value of up to £25.36m.

- 2.2 Cabinet agrees to delegate authority to the Corporate Director of Families, Children & Learning to take all necessary steps to procure, award, implement and extend arrangements set out in recommendation 2.1.
- 2.3 Cabinet agrees to delegate authority to the Corporate Director of Families, Children & Learning to integrate the outcomes of the Equalities Impact Assessment into the arrangements set out in recommendation 2.1.

### 3. Context and background information

#### Summary of the current service provision

- 3.1 To develop an Accredited Provider List interested providers respond to a set of questions which will demonstrate their suitability to provide a service to a quality that Council would expect for children and young people. These responses are evaluated internally through a strong criteria in order to generate an accredited provider list which will be the preferred route to placement for our young people.
- 3.2 The Council is under a statutory obligation to secure sufficient accommodation for Children in Care (CiC) and care leavers, that meets their needs and is within the local area wherever this is reasonably practicable. The Council acts as the corporate parent for CiC and has strong controls for safeguarding to manage the welfare of vulnerable children.
- 3.3 Supported accommodation is for young people who are assessed as needing support rather than care and are able to develop their independence skills with the aim of transitioning to full independent living. For young people aged 16 or 17, this is an alternative to receiving care in a foster care or residential child care placement.
- 3.4 The current number of the Council's supported accommodation for young people placements in the independent sector is shown below:

Figures at June 2024:

<b>Independent Sector Placements commissioned by Families, Children &amp; Learning</b>	
Staffed homes for 16-17 year olds	27
Floating support homes for 18-24 year olds	45

<b>Independent Sector Placements commissioned by Housing</b>	
Staffed homes for 16-17 year olds	2
Staffed or Floating support homes for 18-24 year olds	34

Staffed homes are where there is at least one member of staff on site. Floating support homes are unstaffed, however staff will visit for a set number of hours per week to offer support to the young people placed there.

The Council does not currently run any in-house supported accommodation for young people services.

- 3.5 There is a need to make supported accommodation for young people's placements in the independent sector and a compliant means of procuring these services is required.
- 3.6 The Council's budget for 2024-25 for supported accommodation for young people placements totals £4.728m, of which £3.49m is estimated to be the value of services being commissioned under this proposal. The balance of the budget is the cost of services commissioned by the Housing directorate under their homeless prevention duty and other arrangements such as university accommodation.
- 3.7 The estimated value of the APL during its life includes estimated spend by East Sussex County Council of £1m.
- 3.8 The Housing directorate recommissioned their requirement for supported accommodation for young people services in 2023, which is for their homeless prevention duty. These services are for larger accommodation units which can accommodate between 8 and 50 young people in each unit and are for lower levels of need that Families, Children and Learning commissioners require. The Families, Children & Learning commissioners typically place more complex young people requiring higher levels of support in smaller accommodation units as this reduces the risks associated with these placements.

#### Current procurement arrangements

- 3.9 The Council manages an existing APL for supported accommodation for young people placements approval for which was granted by the now decommissioned Housing & New Homes Committee on 16 November 2016. East Sussex County Council is entitled to access and use the existing APL but does not currently do so as they developed their own Approved List in 2023.
- 3.10 The APL re-opened for new applications in 2019, 2020, 2021 and 2023. The APL has been the Council's primary initial source of seeking supported accommodation for young people since 2018. The APL was extended to 30 June 2025 to aid the re-procurement process following the introduction of Ofsted regulation of supported accommodation services to young people aged 16 and 17.
- 3.11 The Council is not a named contracting authority on any other frameworks or Dynamic Purchasing Systems for these services.

#### Tender process for new APL agreement

- 3.12 In order to comply with the Public Contracts Regulations 2015 (PCR) and the Council's internal Contract Standing Orders (CSOs), a formal tendering process must take place to procure the new APL agreements.
- 3.13 On 16<sup>th</sup> September 2024, the Cabinet Office announced that the Procurement Act 2023 will now go-live on 24 February 2025 - a delay of four months from the original date of 28 October 2024, this is to allow time for a new National Procurement Policy Statement (NPPS) to be produced to ensure that public procurement supports delivery of its missions. The NPPS which sets out the Government's strategic policy priorities for public procurement is an essential element of the Procurement Act, and it is crucial that the new regime commences with a statutory NPPS aligned to the new Government's priorities.
- 3.14 Like the existing APL agreement, the new APL agreement will use elements of a framework and elements of a Dynamic Purchasing System ("DPS"). The new APL agreement will however now remain permanently open for new entrants for the duration of their term. The evaluation of applications will be undertaken at least twice per financial year, at the discretion of the Council and more frequently in the first 12 months of the APL being open. It will also now allow direct award and limited competition mini tenders, as well as previously open competition mini tenders. A Mini tender is the process of running a tender with a group of pre-qualified providers.
- 3.15 In order to meet the deadline for contract commencement on the cessation of the existing APL, a procurement timetable has been drawn up and comprehensive service specification is being drafted to accompany the invitation to tender. The service specification will be based on the existing service specification (as updated) and the National Contract specification.
- 3.16 The National Contract specification is a set of standard terms developed by commissioners across the country via a Local Government Association commissioning network and which is used by some local authorities and providers. It is varied according to local need, including using the New Economics Foundation Outcomes Framework ("Outcomes Framework") and adding requirements on sustainability, social value and anti-racist practice.
- 3.17 The Corporate Director of Families, Children & Learning will be asked to extend the APL for the optional period of up to 2 years if the APL continues to meet the needs of the young people being placed in supported accommodation and if it offers value for money.
- 3.18 East Sussex County Council has asked to be able to continue to access and use the new APL. Officers are supportive of this request as it is consistent with our commissioning strategy.

### Risk

- 3.19 Inflation has been high and whilst this has been managed under the existing APL, a new APL is likely to lead to higher pricing. Having maximum pricing, with the ability to determine actual pricing at the Mini Tender stage, and

including value for money in the criteria for Direct Award and Limited Competition helps mitigate some of this risk.

#### **4. Analysis and consideration of alternative options**

##### Consortium Commissioning

- 4.1 An alternative to a local APL would be for the Council to procure these services as part of a larger partnership. Tendering as part of a larger group outside of Sussex would not likely lead to material benefits as the local market for these services is considered to be good, with competition between a number of providers which helps improve quality and value for money.

##### Dynamic Purchasing System

- 4.2 A DPS is an umbrella agreement between a buyer (i.e. the Council) and one or more providers that allows the buyer to purchase services. It is an electronic system that is permanently open for providers to apply to join. A DPS is not favoured for these services as it does not give the same level of control over pricing or use of commissioning and procurement resource in comparison to an APL. The commissioning team also runs the brokerage service which seeks placements for children and young people, and this part of the role takes precedence and therefore impacts on the resource available to evaluate APL tenders if the evaluation dates are fixed.

##### Standard Framework

- 4.3 A standard framework is an umbrella agreement between a buyer (i.e. the Council) and one or more providers that allows the buyer to purchase services. It's fixed for a 4 year period and does not allow for new applications during this period. This is not favoured as a number of providers would be expected to be interested in applying to join the framework during its life. The current APL for these services had 8 providers when it commenced in 2018, and there are now 25 providers in 2024.

##### APL

- 4.4 An APL is considered to give better control of costs by fixing the providers' maximum pricing for the duration of the initial contract term, whilst allowing a degree of flexibility on admitting new suitably qualified providers to the APL.
- 4.5 There is a thriving local market for these services and the Council has generally been able to place young people locally in the City where it wishes to do so and where this is in the best interests of the young person. Naming East Sussex County Council on the APL is not expected to lead to competition for the same places as they will look to primarily place within their geographical boundary.

##### In-house Services

- 4.6 The Council periodically reviews the estimated cost of running supported accommodation for young people's services directly. This process will continue but on each previous occasion the estimated cost of setting up and running these services in-house has been judged to be more expensive than external provision.

#### Value for Money

- 4.7 Managing demand for placements has the greatest impact on value for money but this needs to be managed safely through care planning. Early Help interventions and planned step-down arrangements contribute to these plans by avoiding the need for placements or making placements that are cheaper than alternative services.

### **5. Community engagement and consultation**

- 5.1 West Sussex County Council received project funding from the DfE Innovation Programme in 2015-16. The project, which the Council participated in, included developing a new Outcomes Framework for social care placements.
- 5.2 The Outcomes Framework was developed by the New Economic Foundation and drafted through co-production with local authorities, providers, parent/carer representatives and CiC Council representatives. This Outcomes Framework sets out outcomes for children/young people in care and is now used by a number of local authorities across the country, including the Council. This Outcomes Framework will be used in the new APL.
- 5.3 Consultation has taken place with young people who have experience of using supported accommodation commissioned by the Council, with the Council's children's social work professionals and with providers. Changes to the service specification as a result of the consultation include the following areas: keywork format, keywork support, keywork reports, professionals meetings, room cleaning standards, staff introductions, staff qualifications and service charges.

### **6. Financial implications**

- 6.1 The APL has no financial value in and of itself but enables effective procurement of placements for young people. The estimated value of these placements in 2024/25 is £3.49m, in an overall budget for supported accommodation of £4.728m. With increasing costs of services for young people it is important that there is an efficient and effective procurement process in place to manage costs.

Name of finance officer consulted: David Ellis Date consulted: 18/6/24

### **7. Legal implications**

- 7.1 The Council has a statutory duty under Section 22G of the Children Act 1989 to ensure there are sufficient placements in the local area to meet the

needs of children and young people in care. The recommendations in this report are in keeping with this power.

- 7.2 The Council is required to comply with the Public Contract Regulations 2015 in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. A formal tendering process must take place to procure the new APL. The concept of an APL is not included in the PCR but these services are covered by the “light touch regime” and the Council has therefore considerable flexibility as to how it procures these services provided it complies with the principles of transparency and equal treatment. Economic operators will be able to apply to join the APL throughout its term. The Council’s CSOs will also apply.

Name of lawyer consulted: Manjinder Nagra Date consulted: 14/08/24

## **8. Equalities implications**

- 8.1 A new Equalities Impact Assessment has not yet been undertaken as there has been no change to Council policy or budget, however it will be completed prior to tender. Young people receiving these services have a higher proportion who are male, of black and minority ethnic origin and of Muslim religion than the statistical demographic for the corresponding young people who live in the City or the corresponding total number of young people who are Children in Care or Care Leavers under the Council’s responsibility. The service specification will have specific provision to accommodate these young people’s needs.

## **9. Sustainability implications**

- 9.1 Subject to placement availability, placements for CiC and care leavers will be made as closely as possible to networks of family and friends and the young person’s current college or workplace, where this is safe to do so and in the young person’s best interests.
- 9.2 The service specification will require providers to support environmental sustainability in accordance with the areas recommended by use of the Council’s Sustainable Procurement Tool.

## **10. Health and Wellbeing Implications:**

- 10.1 Improving health and wellbeing are two of the key objectives within the Outcomes Framework.

### **Other Implications**

## **11. Procurement implications**

- 11.1 The proposed procurement approach was presented to the Procurement Lead Member who supported the preferred option detailed in this paper. The proposed reporting requirements for Key Performance Indicators and the draft service specification have been shared with the Procurement Lead Member.

11.2 Social Value will form part of the quality evaluation of the tender and score 10% of the total score. Providers will select from a range of Social Value outputs/activities submitting a Social Value Delivery Plan and written method statement, with the quality of the responses being evaluated by the evaluation panel on a scoring range of 0 to 5.

**12. Crime & disorder implications:**

12.1 The Outcomes Framework has a number of measures under basic needs (safety and health), functioning (control, relationships and achievement), personal resources (resilience, self-esteem and emotional intelligence) and preparation for adulthood (participation, independence, inclusion and wellbeing) that contribute to the prevention of crime and disorder.

**13. Conclusion**

13.1 It is necessary to re-tender these services as the existing APL agreement for supported accommodation for young people placements will expire on 30 June 2025. In order to build in sufficient time to carry out a fair and transparent procurement process, the process must commence as soon as possible.

**Supporting Documentation**

None