

Cabinet Meeting on Wednesday 21 October 2020

West Midlands Regional Supported Accommodation Framework Contract



Cllr Mark Sutton, Cabinet Member for Children and Young People, said,

“The provision of good quality supported accommodation for those leaving the care of a local authority is an important part of a young adult’s transition to independence and a happy, fulfilling adulthood.

This long-term arrangement with other councils across the West Midlands gives us the opportunity and flexibility to provide support and stability, usually for around a hundred young people at any one time, while managing the costs in a responsible manner.”

Report Summary:

This report is to support a regional commissioning approach to the procurement of supported accommodation provision across the West Midlands to support children in care in their transition to independence.

Recommendations

I recommend that Cabinet:

- a. Approves that Staffordshire County Council should partake with other West Midlands local authorities with responsibilities to “Looked after Children” in creating a Flexible Framework Agreement to ensure that the local authorities involved can meet their responsibilities to provide supported accommodation for young people who are in the process of leaving care. Commissions a West Midlands Regional Supported Accommodation Framework Contract (12th July 2021 to 11th July 2025), with an option to extend for a further 2 years (12th July 2025 to 11th July 2027);
- b. Supports the proposal that Staffordshire County Council leads the setting up of the Flexible Framework Agreement on behalf of the following West Midland’s local authorities:

Birmingham City Council / Birmingham Children's Trust, City of Stoke-on-Trent Council, City of Wolverhampton Council, Coventry City Council, Dudley Metropolitan Borough Council, Herefordshire Council, Sandwell Children's Trust, Solihull Metropolitan Borough Council, Telford and Wrekin Council Walsall Council Warwickshire County Council, Worcestershire County Council (through Worcestershire Children First).

- c. Approves the term of the proposed Flexible Framework Agreement begin on 12 July 2021 and end on 11th July 2025), but there be an option to extend the term for a further 2 years (12th July 2025 to 11th July 2027) should there be an operational need.
- d. Delegates to the Deputy Chief Executive and Director for Families and Communities authority to award contracts and thereafter enter into contracts with providers who successfully apply to be included in the proposed Flexible Framework Agreement.

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Children and Young People

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Report of the Deputy Chief Executive and Director for Families and Communities

Reasons for Recommendations:

1. Supported accommodation provides accommodation, typically for 16 to 17-year olds, to prepare them in their transition from being a Looked After Child to adulthood and independence. The Council has a statutory duty to ensure that care leavers are provided with suitable accommodation when they leave the care system. A Flexible Framework Agreement would, it is envisioned, assist in ensuring that the

West Midlands's authorities have access to sufficient suitable placements to meet that statutory responsibility. If adopted the proposal would also assist meeting our legal obligation to help prevent homelessness.

2. Supported accommodation providers are not regulated by Ofsted as their primary purpose is to provide accommodation and not care. Therefore, quality assurance undertaken by commissioners from the parties involved in the project would need to be robust given the vulnerability of the young people accessing the service. The lack of regulation of this type of provision has come under recent scrutiny. The Department for Education (DfE) are currently out to consultation on the subject of lack of oversight of this type of provider. Therefore, any contracts made under the proposed Flexible Framework Agreement may, in the future, need to be varied if the law in respect of regulation of the providers changes. .
3. The current West Midlands Sub-Regional Supported Accommodation Framework Agreement expires on the 11th July 2021. The existing framework, led by Staffordshire County Council, enables Councils and Children's Trusts (CATs) to source supported accommodation placements for young people at framework prices. The current framework has 78 providers, of which approximately 12 are used on a regular basis by Staffordshire County Council. The graph in Appendix 1, provides the number of placements for Staffordshire over the last couple of years.
4. Councils and CATs across the West Midlands report that their priority, is to increase the quality of provision in the market.
5. The DfE is currently consulting on the sector, specifically around an appropriate approach to regulation and on a proposed quality assurance framework. The outcome of this consultation is likely to have a significant impact on the future commissioning of the supported accommodation market.
6. Work to recommission the Supported Accommodation Contract has been disrupted by the Covid-19 pandemic. Most notably, market engagement was postponed in March 2020 and delays to the DfE consultation. However, this has provided an opportunity to develop a regional approach to commissioning.
7. The authorities involved in the proposed project, as listed above, have welcomed a regional approach for the required commissioning and Staffordshire County Council's Director of Children's Services has proposed that Staffordshire County Council lead on the new procurement project.
8. The commissioning of supported accommodation is subject to the "Light Touch Regime" of the Public Procurement Regulations 2015, it provides us the flexibility to model the Flexible Framework Agreement to meet the requirements of the contracting authorities. In order to help manage the market and provide flexibility in the choice of providers an aim of the project is to open the proposed framework agreement every 2 years to allow new entrants.
9. In a review of the options for commissioning the required supported accommodation the West Midlands Strategic Commissioning Network considered the following:

- a. Regional 4 year framework agreement, open every two years with an option to extend for a further 2 years;
- b. Open Contract (Dynamic Purchasing System);
- c. Block contract;
- d. No regional contract.

10. Option A:

- a. The proposed flexible framework agreement would keep the number of providers manageable and also encourage Councils and CATs to work with the providers more closely. It would also allow for new entrants to join if it was decided that a wider choice of provider was needed. One of the draw backs of the current framework was that there was no option for new providers to join. This option would negate this and ensure we could have the opportunity to work with new providers.

11. Option B

- b. Although providers would be able to join on an ongoing basis, the option would not promote competition and exclusiveness of being on the framework. Considerable amount of resource would also be needed to add new entrants. This would not encourage Council's or Trusts to work with current providers in the market. In addition to this it would reduce economies of scale for providers in order to provide best value, as demand would be spread over too many providers.

12. Option C

- c. Each Council or CAT have different requirements and a block contract would not meet the needs of all. There is an inherent risk of blocks in that void placements are possible. However, the proposed project framework would have the ability for Councils and Trust if they wish to do so, to develop a block contract using the pre-qualification process of the framework.

13. Option D

- d. Do nothing, i.e. no regional contract would leave Councils and Trusts very vulnerable with little leverage over the market, with little choice but to spot purchase placements as and when required. Doing so would risk a poorer quality service and also paying higher prices as there will be no mechanism to manage costs.

- 14. Option A, was the preferred option and, as outlined above, it pursues a regional approach and allows new entrants onto the contract every 2 years promoting competition and choice.

Community Impact Assessment

- 15. It is envisaged the proposed commissioning project will provide overall benefits in terms of jobs and opportunities for the local community. When working with more

vulnerable and complex children and young people in society there are potential issues around anti-social behaviour, however, this will be mitigated against by community work by the providers but also engagement by the Councils and CATs in the local community, including police where necessary.

Legal Implications

16. There are no legal implications, as we will be working in accordance with EU procurement law and working within Public Contract Regulations 2015.

Resource and Value for Money Implications

17. The Council currently spends approximately £3.6m per annum on supported accommodation for young people leaving care with approximately 104 placements at any one time. This expenditure is set against the already existing Independent Sector Placement budget. As fees have remained static for the last 4 years, there is likely to be an increase. However, it is hoped a West Midlands region wide approach to commissioning will help to manage these costs with leverage from the region and the economies of scale that will be achieved.
18. Supported Accommodation is used to provide much needed accommodation for children and young people between 16 and 17 years old. However, it is often used as a transition, in order to prepare young people for independent living. With the average cost of a supported accommodation placement being £800 per week and residential care of £3,800 per week, if a young person moves from residential care to supported accommodation this can provide the Council with a saving of £156,000 per annum per child for whom supported accommodation is provided. In 2019/20 there were 20 children that moved from residential care to supported accommodation. It is hoped that the proposed project will provide Staffordshire County Council with the opportunity to increase those savings. .
19. If Cabinet decided against any of the options, it would need to provide all the required supported accommodation placements by way of spot purchases as and when required. That would undoubtedly lead to higher fees than otherwise as, effectively, the Council would have little (if any) choice as to placements at the specific point that the individual placements were required. The proposed framework will have tendered fees and agreed terms and conditions, and therefore will provide certainty around fees and a more managed approach.
20. The aim of the proposed option is to ensure good quality provision. By having a 60% quality and 40% price split will ensure that by ensuring we provide better outcomes, therefore increasing stability and thus overall value for money. There will be some cost implications for leading the contract, in terms of legal costs, however, the Council will be seeking contributions from all Councils and CATs who are party to the contract.

List of Background Documents/Appendices:

Appendix 1 – Timeline

Community Impact Assessment – Summary Document

Contact Details

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