

Supported Accommodation Services for young people in care aged 16+

To: Children and Young People Committee

Meeting Date: 10th October 2023

From: Executive Director for Children, Education and Families

Electoral division(s): All

Key decision: Yes

Forward Plan ref: KD2023/70

Outcome: The Committee is asked to approve the recommissioning of the Supported Accommodation Services pseudo dynamic purchasing system (DPS) Agreement for young people in care aged 16 and 17 years old. This is a five-year contract that will be in line with the new national Ofsted regulation of the service.

Recommendation: The Committee is recommended to:

- a) note the re-tendering process for this contract.
- b) delegate responsibility for awarding and executing a contract for the provision of Supported Accommodation Services pseudo Dynamic Purchasing System (DPS) Agreement for young people in care aged 16 and 17 years old, starting 1st April 2024 and extension periods to the Executive Director for Children, Education and Families Martin Purbrick

Voting arrangements: Co-opted members are eligible to vote on this report.

Officer contact:
Name: Tony Parker
Post: Head of Childrens Commissioning
Email: tony.parker@cambridgeshire.gov.uk

1. Background

- 1.1 Supported accommodation is a key service that plays a pivotal role in the care system for young people. It provides accommodation and support services to young people in care aged sixteen and seventeen years old. The service is required to provide support according to the needs of the young people, which is flexible and mutually agreed, working in partnership with other agencies.
- 1.2 The aim of the service is to enable young people to become more independent whilst living in the service, through developing the knowledge, skills, attitudes and behaviours required to sustain independent living and make a smooth and successful transition to adulthood. The service is required to build resilience and strengthen young people's skills, enabling them to live in the community whilst ensuring they are fully involved in the planning and delivery of their care plans moving forward.
- 1.3 Supported accommodation, also referred to as unregulated accommodation, has been the focus of increased scrutiny from central government and received a lot of media attention. The Children's Commissioner Anne Longfield wrote a report in relation to the sector in the spring of 2020. The number of children and young people in care, placed in these services nationally has increased from 2,900 in 2009 to 6,490 in 2020. It is estimated that there are around 3000 providers operating within this sector nationally. In early 2021 it was confirmed by the Department for Education (DfE) and Ofsted that the sector would become subject to National Minimum Standards and that they would engage in a programme to deliver this. In November 2022 Ofsted held webinars that detailed processes that would be implemented to regulate the sector.
- 1.4 The result is that the Department for Education and Ofsted are currently in the process of regulating this sector. Currently, providers are registering with Ofsted and have until 28th October 2023 to register services that are currently operating. The commissioning team have had consistent engagement with the providers and the market in general. The information we have gained from this process is that all the providers offering homes to the young people of Cambridgeshire will be registering with Ofsted.
- 1.5 After this date, it will become illegal for current providers to offer beds to local authorities for young people to live in. Registration will remain open for new providers entering the market. On April 1st 2024, Ofsted will begin the inspection process of all providers who have registered. This will be an ongoing process.
- 1.6 The current framework arrangement has been in place since October 2018 and there are currently 51 providers. The Council is currently using 25 of these providers for placements.
- 1.7 There have been 288 placements (excluding Separated Migrant Children) during the period January 2019 to December 2022. On average the service works with 72 young people per year with the average amount of time a young person spends living in the service, (not including current placements) being 130 days per placement.

- 1.8 For Separated Migrant Children, during service has, on average supported 46 young people per month. The projected average time a young person has spent living in the Supported Accommodation service is 230 days per placement.

2. Main Issues

- 2.1 The current Supported Accommodation contract went live in October 2018, for an initial period of three years with an option to extend for three further periods of two years and a period of one year, making ten years in total (3+2+2+2+1).
- 2.2 Whilst this current framework has successfully increased the sufficiency of provision for Cambridgeshire, the framework requires recommissioning to ensure that our contractual arrangements are compliant with the new regulations, and to better enable Cambridgeshire to effectively manage the Supported Accommodation market and continue to appropriately increase capacity where it is required.
- 2.3 The current contract allows providers that are not registered with Ofsted to be on the framework. Under the new Ofsted regulations, Local Authorities will no longer be able to place with providers that have not registered.
- 2.4 The retendering process allows the service specification to be reviewed and developed, to reflect the new Ofsted requirements. It gives additional opportunities to financially forecast the impact of these regulations. Every Local Authority has been allocated a Grant from the DFE to support this process. The commissioning team is in discussions to determine how best to support providers offering homes to our young people using this grant money.
- 2.5 The estimated total value of the new pseudo DPS Agreement is between £15,000,000 and £30,000,000. It is important to note that the framework is in place to allow us to call off placements. The annual revenue requirement is funded from the children's commissioning placement budget which is planned for each year in consultation with finance colleagues. There is no capital spend required. The above figure is a range of likely spend for the lifetime of the new pseudo DPS. This figure is not a guaranteed spend. These figures are in line with the existing financial forecast for the current pseudo DPS.
- 2.6 The contract will be a three-year initial term with an option to extend for a further two years, totalling five years. This would give time for the service to embed the new Ofsted requirement and process whilst giving options to make changes at timely points; years three and five.
- 2.7 The service will be split into four lots. Potential providers could bid for one or more lots.

Lot 1 – Supported accommodation and support for eligible and relevant young people and young people in care, aged 16-18. 1 to 4 bedded properties, with specific needs-led support determined per referral.

Lot 2 – Supported accommodation and support for eligible and relevant young people and young people in care, aged 16-18. 5+ bedded properties with generic needs-led support model per property

Lot 3 – Supported accommodation and support for Separated Migrant Children Unaccompanied Asylum-Seeking Children (previously referred to as Unaccompanied Asylum-Seeking Young). 1 to 4 bedded properties with generic needs-led support model per property

Lot 4 – Supported accommodation and support for Separated Migrant Children Unaccompanied Asylum-Seeking Children (previously referred to as Unaccompanied Asylum-Seeking Young) People. 5+ bedded properties with generic needs-led support model per property

- 2.8 The Commissioning team would be able to work closely with fewer providers in the local area, ensuring that we support them directly with the new Ofsted standards and regulations, engaging with them to increase capacity through partnership working whilst building positive working relationships and better outcomes for our young people.
- 2.9 The Commissioning team will continue to monitor current providers on their service delivery and quality during this transitional stage. This will include supporting them in their preparation for the regulations and process.
- 2.10 The commissioning team has worked in partnership with procurement and colleagues from the legal team A full procurement process and timeline has been developed by the procurement team. The team have ensured that all legal procurement requirements are in place to enable the tender to progress in a timely manner, in line with contractual timeframes.
- 2.11 The contractual times frames are as follows, invitation to tender 16th Oct 2023, deadline for tender return 24th November 2023, evaluation of tenders December 2023, Moderation January 2024, approval and notification of award early February 2024.

3. Alignment with ambitions

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes
 - At this stage we are unsure of the impact as the successful providers are unknown however the procurement process will questions providers on how they will support the council with this ambition.
- 3.2 Travel across the county is safer and more environmentally sustainable

There are no significant implications for this ambition.

3.3 Health inequalities are reduced

The following bullet points set out details of implications identified by officers:

- The service will provide care and support for children and young people with complex needs and vulnerabilities
- The service will bring together existing health, education and social care provision to provide well organised and timely support for children with the complex needs, reducing the demand and duplication of existing services and ensuring children and young people have cohesive care planning and support across the system
- The service will be well connected to local health services, providing a mutual upskilling of workforce across the health and social care system and reducing demand on respective services.

3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs

The following bullet points set out details of implications identified by officers:

- The service will provide care and support for children and young people with complex needs and vulnerabilities.
- The service will bring together existing health, education and social care provision to provide well organised and timely support for children with the complex needs, reducing the demand and duplication of existing services and ensuring children and young people have cohesive care planning and support across the system
- The service will be well connected to local health services, providing a mutual upskilling of workforce across the health and social care system and reducing demand on respective services.

3.5 Helping people out of poverty and income inequality

There are no significant implications for this ambition.

3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

There are no significant implications for this ambition.

3.7 Children and young people have opportunities to thrive

- Providers will support young people to engage with Housing Related Support and move on to accommodation services to activity support the young people to transition successfully to adult services.
- The service will provide care and support for children and young people with complex needs and vulnerabilities.

- The service will bring together existing health, education and social care provision to provide well organised and timely support for children with the complex needs, reducing the demand and duplication of existing services and ensuring children and young people have cohesive care planning and support across the system

4. Significant Implications

4.1 Resource Implications

The following bullet points set out details of significant implications identified by officers:

- Our finance business partners have agreed that the re-tender of the current, supported accommodation service contract, which is a statutory service, has no capital cost for LA attached. The finances for the revenue for this service are allocated to the children's commissioning budget and will continue to do so for duration of the service.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

- The report above sets out the implications for this priority in 2.10

4.3 Statutory, Legal and Risk Implications

The following bullet points set out details of significant implications identified by officers:

- There are no significant legal implications provided that the pseudo DPS Agreement is procured in compliance with all applicable contract procurement regulations
- Any risks associated with the recommissioning services of these service can be mitigated through contract management, quality assurance processes and the leadership and management infrastructure of the successful provider.
- There is a limited risk that provider will not submitted tender applications. The commissioning team has had consistent engagement with the providers and the market in general. These events have mitigated this risk with providers communicating that they want to, continue to offer homes to our young people and grow their services moving forward.
- The information we have gained from this process is that all the providers offering homes to the young people of Cambridgeshire will be registering with Ofsted.
- There is a risk that providers will increase their costs due the new regulations and retender process. The LA have received grant monies from central government to support these fee increases so mitigating this risk.
- The contract risk registered is added as appendix A

4.4 Equality and Diversity Implications

The following bullet points set out details of significant implications identified by officers:

- In preparation for tender, an EqlA screening has been completed for this service (REF no: CCC550344973)
- This work is related to the provision of services for particular groups which are overrepresented, including: age (16-17), care experience and Separated Migrant Children.
- The model provides an equitable offer of services to children and young people across Cambridgeshire, providing care and support across the county that enables children and young people with varying complexity of needs in a variety of diverse families, to access the care and support that they need both when things are not working well
- Reasonable adjustments and considerations will also be made in relation to the building and asset itself to ensure it provides an inclusive employment environment

4.5 Engagement and Communications Implications

The following bullet points set out details of significant implications identified by officers

- Regular provider and market engagement events have taken place over the duration of the previous contract.
- The service specification has been developed with the input of young people who currently live in and who have lived in the service in passed

4.6 Localism and Local Member Involvement

- There are no significant implications within this category.

4.7 Public Health Implications

- There are no significant implications within this category.

4.8 Climate Change and Environment Implications on Priority Areas (See further guidance in Appendix 2):

At this stage we are unsure of the impact for the below implications as the successful providers are unknown however the procurement process will question providers on how they will support the council with this ambition.

4.8.1 Implication 1: Energy efficient, low carbon buildings.

neutral:

Explanation:

4.8.2 Implication 2: Low carbon transport.

neutral:

Explanation:

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

neutral:
Explanation:

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

neutral:
Explanation:

4.8.5 Implication 5: Water use, availability and management:

neutral:
Explanation:

4.8.6 Implication 6: Air Pollution.

neutral:
Explanation:

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status:
Explanation:

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Claire Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes
Name of Legal Officer: Emma Duncan

Have the equality and diversity implications been cleared by your EqIA Super User? Yes
Name of Officer: Fay McCarthy

Have any engagement and communication implications been cleared by Communications? Yes
Name of Officer: Simon Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes
Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Raj Laksman

If a Key decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer? Yes
Name of Officer: Emily Bolton

5. Source documents guidance

5.1 None.

Contractual Risk Assessment Matrix – Guidance

This document can be used as guidance for completing the Risk Matrix contained in the Contract Management Toolkit.

Part 1 – Risk Assessment

Contractual Risk	Criticality			
	Low (1)	2	3	High or Critical (4)
<p>(1) Business Continuity Risk</p> <p>What is the risk that if the supplier fails to meet its contractual obligations it will result in the Council's inability to provide a statutory or critical service? (use the Business Continuity matrix in Part 4 to obtain score)</p>	<p>This results in a score of 1 on the Management Business Continuity matrix</p>	<p>This results in a score of 2 on the Management Business Continuity matrix</p>	<p>This results in a score of 3 on the Management Business Continuity matrix</p>	<p>This results in a score of 4 on the Management Business Continuity matrix</p>
<p>(2) Finance/Market Risk</p> <p>What is the risk that the supplier will not be able to deliver against its contractual obligations throughout the contract life (due to financial challenges for instance) and what is the likelihood that an alternative provider could step into its place?</p>	<p>Large supply market with low cost of entry. Simple switching e.g. stationery or furniture etc.</p> <p>Strong financial position with healthy balance sheet</p> <p>Excellent track record of delivery of these types of services</p>	<p>Medium sized market with a number of alternative suppliers</p> <p>Strong financial position with healthy balance sheet</p> <p>Several examples of where this contractor has delivered similar services</p>	<p>Medium sized market with fewer alternative suppliers.</p> <p>Acceptable financial position</p> <p>Limited examples of where this contractor has delivered similar services</p>	<p>The only supplier, or one of only a handful, that can provide this service</p> <p>Heavy CCC dependence e.g. supplies covered by protected rights.</p> <p>Concerning financial position</p> <p>Very Limited track record</p>

				of similar contracts and/or service is innovative and therefore higher risk
<p>(3) Performance Risk (supplier apathy)</p> <p>What is the risk that the supplier may not wish to commit to a high quality of service due to the lack of profit, high risk or unique challenges with providing this type of service?</p>	<p>Needs CCC custom to promote business and keen to retain business.</p> <p>Market is in its infancy and supplier keen to do business and grow share or mature but very profitable. Business is competitive and attractive.</p>	<p>Market is mature but margins are tight and profits being squeezed.</p> <p>Market is mature with good profits and limited competition.</p>	<p>Market is declining with low profits and business is less attractive.</p> <p>Market is declining with reasonable profits but availability of substitutes increasing and the market is becoming less attractive.</p>	<p>Views CCC business as an opportunity to take profit.</p> <p>Market is in decline. Profits are declining there is less incentive to remain in the market.</p>
<p>(4) Contracting Structure Risk</p> <p>What is the risk that the contracting arrangements could lead to increased costs, poor or non-delivery of the service</p>	<p>Contract is between CCC and Supplier(s) only</p>	<p>Shared Framework/DPS with access agreements (CCC Lead Authority)</p>	<p>Joint procurement but separate contracting arrangements</p> <p>Shared Framework/DPS with access agreements (CCC not Lead Authority)</p>	<p>Joint contracting arrangements with multiple partners fundamental to contract</p> <p>Non-CCC Lead Authority</p>
<p>(5) Performance Risk</p> <p>What is the likelihood of the supplier failing to deliver against its obligation due to its history of poor performance?</p>	<p>Contract performance has been acceptable or exceeded expectation.</p> <p>End user is satisfied with service (up to 10% of resident using the service)</p>	<p>Contract performance has been acceptable</p> <p>End user is satisfied but there are a few issues (between 11-30% of residents using the service)</p>	<p>Contract performance has been poor.</p> <p>End user is not really satisfied and requires positive remedial action (between 31-49% of residents using the service)</p>	<p>Performance has regularly been below what is expected with disputes.</p> <p>End user has consistently complained about performance and is actively looking for alternatives (more than 50% of</p>

				residents using the service)
<p>(6) Contract delivery Risk</p> <p>What is the risk that if the supplier fails to deliver against its obligation, it will not be able to be held to account under the terms of the contract?</p>	<p>Yes and all obligations and remedies are documented including KPI's.</p>	<p>Yes and all obligations and remedies are documented but lacking formal monitoring arrangements.</p>	<p>Yes but no clear details on obligations and remedies, not means of monitoring performance.</p>	<p>No written contract is in place.</p>
<p>(7) Health & Safety, Safeguarding Risk</p> <p>What is the risk that this supplier could result in a significant Health and Safety or safeguarding issue?</p>	<p>No direct H&S impact on staff/clients/member of public e.g. Supply of goods. Provision of administrative services.</p> <p>No direct contact with on children & young people or their families and their data</p>	<p>Has contact with and/or impact on staff, clients, member of public etc. but not directly e.g. building maintenance.</p> <p>Safeguarding risks. Have direct contact with children & young people or their families and their data. No safeguarding concerns identified</p>	<p>Delivering a service that directly impacts on staff, clients or member of public e.g. highway maintenance.</p> <p>Safeguarding risks identified and plan being actively managed by service provider</p>	<p>Delivering a service to vulnerable groups e.g. children, vulnerable adults for whom we have a duty of care, e.g. care services.</p> <p>Safeguarding risks identified but not under active management</p>
<p>(8) Reputational Risk</p> <p>What is the risk that the failure of this contract will significantly damage the reputation of the Council?</p>	<p>Contract failure would have no political significance e.g. failure of paper supplier.</p>	<p>Contract failure would have minor level of political significance</p>	<p>Contract failure would have significant level of political importance</p>	<p>Contract failure would be of great political importance to the council e.g. Care Homes or Highways.</p>
<p>(9) Legislative / Regulatory Risk</p>	<p>Regulatory requirement is not applicable</p>	<p>Regulatory requirement – Meets requirements at good or above</p>	<p>Regulatory requirement is at “requires improvement” or equivalent level</p>	<p>Failure to meet regulatory requirements at a “requires</p>

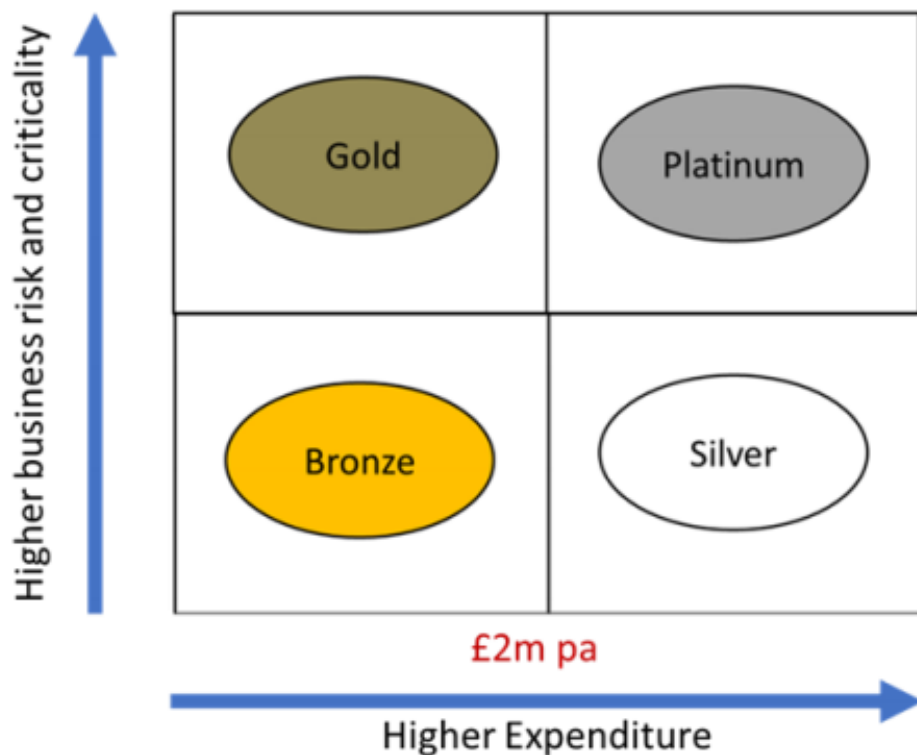
<p>What is the risk that failure or the poor performance of this contract will result negatively on an Ofsted or similar rating?</p>	<p>There are no statutory compliance issues with this contract</p>		<p>but improvements identified/required and/ or rating has dropped</p>	<p>improvement” or equivalent level. Concerns regarding ability to meet improvement plan within timescale</p> <p>This contract has statutory compliance requirements for CCC</p>
<p>(10) Data Risk</p> <p>What is the risk that if the supplier fails to keep data safe, it would result in a significant data breach?</p>	<p>The contractor (or any associated sub-contractors) are not required to create or manage personal data on behalf of the Council</p>	<p>The contractor (or any associated sub-contractors) are required to create or manage a small amounts of personal of data on behalf of the Council and have adequate systems in place</p>	<p>The contractor (or any associated sub-contractors) are required to create or manage significant amounts of personal data on behalf of the Council and have adequate systems in place</p>	<p>The contractor (or any associated sub-contractors) are required to create or manage significant amounts of personal data on behalf of the Council and have outdated or inadequate systems in place</p>

Part 2 - Summary

Contractual Risk	Criticality			
	Low (1)	2	3	High/Critical (4)
Business Continuity				
(1) Business Continuity Risk			3	
(2) Finance/Market Risk		2		
(3) Contract Performance Risk (supplier apathy)		2		
(4) Contracting Structure Risk		2		
(5) Performance Risk		2		
(6) Contract Delivery	1			
(7) Health & Safety & Safeguarding Risk				4
(8) Reputational Risk				4
(9) Legislative / Regulatory Risk				4
(10) Data Risk				4
Total Contract Criticality Score				28 (Max. 40)

Part 3 – Risk Matrix

On completion of the Part 1 and 2 it is now possible to identify the level of risk that a contract holds. All contracts will fit within one of the four classifications as shown in the table below. On completion, please refer back to the Contract Management Toolkit for further guidance and tools to support management of contracts.



Contract Classification	Characteristics/Approach
Bronze (less than 20points and less than £2m pa. contract value)	Low risk, low value. Usually transactional in nature, with loss of service easily restored or replaced, with minimal impact. A light touch approach to contract management is required in most cases.
Silver (less than 20points but more than £2m pa. contract value)	Can be high value but low risk. Buoyant, competitive market. Regular contract monitoring, especially in relation to performance, lowering cost and driving value will be required.
Gold (20points or more but less than £2m pa. contract value)	A challenging marketplace with few suppliers. High levels of supplier engagement required. Regularly ensure business continuity plans are up to date in the event of contract failure.
Platinum (20points and more than £2m pa. contract value)	Typically, this is a major contract. Highly skilled contract manager needed with clear governance in place, good monitoring and strong policies and processes.

Part 4 – Business Continuity Risk Matrix

Contract Risk Score

The table below categorises a contract under the following criteria:

Reliance on providing service; how much does the contract manager rely on this contract to deliver its service?

Impact of failure; does the contract support a service that is critical (i.e. statutory) and/or has a high impact (i.e. safeguarding risk) should that service fail to continuously be delivered?

	Low risk impact of failure	Medium risk impact of failure	High risk impact of failure
No reliance on providing a critical service	1	2	2
Partial reliance on providing critical service	2	3	3
Fundamental reliance on providing a critical service	2	3	4

What is a contract that provides critical service?

The list below gives an indication of the sorts of service that a contract would be delivering for it be considered critical:

- Where it is supporting a statutory service
- Where it is providing important services to vulnerable adults and children
- Where it is supporting important business systems across the organisation
- Where it is providing essential services affecting health and safety

Examples:

- A grounds maintenance contract would score a 1 where:
 - o The contract has no reliance on providing a critical service as grounds maintenance is not a statutory service; and
 - o The impact of failure is 'low' as the impact of failing to undertake grounds maintenance is low compared with other council services.
- An IT contract that supports business systems would score a 3-4 where:
 - o The contract is likely to have a partial or fundamental reliance of providing the service as not having the IT service in place would prevent all or some of parts of the service being able to be delivered; and

Depending on the service the IT system is supporting, the impact of the service failing could be 'medium' (because, for example, it means data cannot be collected in the same way) or 'high' (because, for example, it prevents a system working that allows for safeguarding)