

## **Cabinet – 13 April 2011**

### **Sub-Regional Supported Accommodation Framework**

**Portfolio:** Councillor R Andrew – Children’s Services

**Service:** Transition & Leaving Care Team

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1 Summary**

- 1.1 The report outlines proposals for Council to enter into a collaborative contract with other West Midlands local authorities for the provision of independent sector support housing for vulnerable homeless 16 and 17 year olds and 16 and 17 year old care leavers. The purpose being to establish a sub-regional framework agreement through which the Council will seek to significantly reduce the expensive practice of ‘spot purchasing’ of Supported Accommodation providing ‘suitable accommodation’ for this group of young people giving greater choice and control.
- 1.2 This proposal is fully in line with Council policy to improve services to young people leaving care and the objectives outlined within the Working Smarter programme thereby delivering more effective, efficient, equitable and sustainable services and outcomes.
- 1.3 This proposal aims to meet the targets within the Corporate Parenting strategy which sets the vision for corporate parenting in Walsall. The strategy sets out how we are working to improve positive outcomes for young people leaving care. The priority is ‘suitable accommodation’ with the main outcome of improving stability in Education, Employment and Training.
- 1.4 The proposal will help us to meet the new statutory duties to vulnerable 16 and 17 year old homeless young people.

#### **2 Recommendations**

- 2.1 That Cabinet approve Walsall adopt a sub-regional approach, where applicable, to the future procurement of supported accommodation for 16 & 17 year old looked after young people in the process of leaving care and vulnerable and homeless 16 and 17 years olds.

- 2.2 That it is noted that the tenders will be received by Staffordshire County Council and that authority to enter into contracts with supported accommodation providers on behalf of the Council is delegated to the Executive Director for Children's Services, in consultation with the relevant Portfolio holder.
- 2.3 That Cabinet approve that any contracts awarded under the framework agreement are initially for 3 years, with an annual review.

### **3. Background information**

- 3.1 There has been a significant increase in the number of young people leaving care leading to increased pressure on budgets. This situation is not unique to the borough of Walsall but has also been the experience of other comparator local authorities.
- 3.2 There are currently 246 young people supported by Walsall Transition and Leaving Care Team which is 0.7% of the young people population (33,439) aged 16-25. There is evidence based on the previous years' figures that young people leaving care populations are projected to continue. The leaving care population comprises of approximately 30 – 40 individuals each year, who require support for at least 5 years (more if in education).
- 3.3 The Council currently spot purchases supported accommodation for young people leaving care via 15 supported accommodation providers on a rolling basis. Of these, 7 providers are out of borough placements. Financial terms and conditions are negotiated on each individual case. The prices across supported accommodation providers vary considerably and purchasing on demand does not provide the best negotiating framework, or necessarily best value. This is similar practice to other authorities.
- 3.4 Cabinet is aware that there is already a sub-regional Independent Foster agency (IFA) framework project being progressed with seven local authorities which includes Walsall. In order to increase competition and develop value for money based services, Walsall expressed an interest to engage in the supported accommodation framework project in November 2010.
- 3.5 In November 2010, Staffordshire, Solihull and Telford & Wrekin local authorities, as part of the sub-regional supported accommodation consortium, scoped the possibility of establishing a collaborative procurement.
- 3.6 Collaborative procurement has long been seen as a means through which greater efficiencies can be delivered. Standardising specifications will allow us to aggregate demand and compare unit costs. Lower prices should result either from economies of scale, or from using pricing information to challenge providers. It is anticipated that this collaboration will result in fewer tendering exercises, leading to lower administrative costs as the burden is shared amongst the three local authorities involved.
- 3.7 The Council anticipate that the three local authorities will procure in a manner that is compliant with the Public Contract Regulations 2006 (as amended) and the Council will have access to a selection of standardised prices for a range and types of supported accommodation. Discount options will also be predetermined

and would automatically become operational in certain situations, for example when a young person remained in placement for 6 months.

- 3.8 The Council would be able to select providers based on a number of performance criteria and by taking into consideration the views of the young people leaving care who engage with the service. By undertaking the framework agreement with some of our neighbouring local authorities the Council could also achieve significant reductions with regard to both standardised pricing as well as cost volume discount.
- 3.9 Where tenders have been successful, they will be placed within a tier system based upon scores awarded for quality and price. It is proposed that there are nine tiers. Providers will be placed depending on what type of support hours they provide. When accommodation is required, the purchaser (the local authority) will issue an expression of interest to providers dependent upon what hours of support are required initially.
- 3.10 The intention is to enter into fixed term (3 year) contracts with successful tenderers. The contracts will be subject to review after year 1 and then in year 2. This will allow us to fix the cost of placements during this period however, an option to extend is built into the contract with price rises linked to Local Authority Award or NJC pay award (to be determined).
- 3.11 If a tenderer is a current provider of a supported accommodation placement or placements, and if tendered prices are lower than the current placement provision, then the existing placements are repriced at the same level as the prices tendered.
- 3.12 The standard specification will enable us to clarify the quality of accommodation and support required for this vulnerable group of young people improving our ability to safeguard them.

#### **4. Resource considerations**

##### **4.1 Financial:**

- 4.1.1 There is no financial cost to this Council in becoming a member of the framework. The framework agreement is not a 'block contract' which would include or indeed require long term financial commitments by this Council. A framework agreement sets the overall terms and conditions for the service, i.e. contractual terms and pricing, and an individual contract is created once the placement is made. It is not unusual to have no guaranteed minimum business or financial commitment through a framework.
- 4.1.2 It is not possible to calculate specific cost savings at this time as savings will be achieved through the development of a robust contracting process delivering efficiency savings throughout the period 2011 to 2014. The Framework will achieve a standardised process for securing supported accommodation for young people leaving care aged 16/17. This process will deliver procedures enabling us to better manage stability, cost and best value consistent across the four boroughs of the framework: Staffordshire, Solihull, Walsall and Telford & Wrekin.

4.1.3 The tendering process is based on 40% quality, 60% cost. Providers are advised of their obligations under fair pricing and tenderers may be penalised if not competitive on cost. The Service Specification commits providers to discussing efficiency savings within the life of the contract and carries the expectation that annual reviews will result in continuous development through measured key performance indicators. Specific service monitoring and the option to withdraw providers from the framework, will deliver best value for young people and the council.

#### **4.2 Legal:**

4.2.1 Although this arrangement will be subject to Public Contract Regulations 2006 (as amended) it is a Part B service which limits the application of some of these regulations. However, the Council is obliged to act in an open and fair manner ensuring that the contract is advertised to reach as wide an audience as possible encouraging as much competition in the market as is possible.

4.2.2 The Children (Leaving Care) Act 2000 requires Local Authorities to provide a comprehensive service to all young people leaving care after age 16 and who have been Looked After for 14 weeks or more. As part of the Act, local authorities must ensure Young People leaving care have access to a range of suitable accommodation options, in the case of Young People leaving care aged 16 and 17, and this accommodation should be appropriately supported.

4.2.3 The sufficiency duty requires local authorities to do more than simply ensure that accommodation be 'sufficient' in terms of the number of beds provided. They must have regard to the benefits of securing a range of accommodation through a number of providers. The accommodation must also meet the needs of children. These needs can be wide-ranging, in line with the individual's pathway plan.

4.2.4 The Homelessness Act 2002 places a duty on local authorities to ensure that children's services and housing departments work together to ensure that the accommodation needs of Young People leaving care are met and have priority need status. Children's services will continue to work with Supported Housing to ensure that the Council delivers through this framework.

#### **4.3 Staffing:**

The implementation of this framework requires dedicated input from Transition & Leaving Care (TLC) Officers, Legal, Procurement & Finance services and Housing. Staffing requirements for the future require dedicated TLC or family placements team monitoring, however this will be based on Children's services restructures.

### **5. Citizen impact**

An agreed Supported Accommodation framework will benefit Young People leaving care by setting our work within a context which will deliver optimal efficiency of financial spend, quality and choice over the longer term.

## **6. Community safety**

The delivery of the framework has no implications on community safety. In the long-term, the framework will aim to have a positive impact on the lifestyles of young people leaving care thereby increasing the number of young people supported through the framework and contributing to reducing the number of young offenders (adequate support).

## **7. Environmental impact**

There will be no environmental impact.

## **8. Performance and risk management issues**

### **8.1 Risk:**

There is no financial risk as the framework is not a block contract. It is a set of terms and conditions which is cost reducing and quality improving. If at any stage the framework is not jointly agreed, the data will be used to develop a borough based framework. This framework will provide a service under contractual terms and conditions.

### **8.2 Performance management:**

The development and implementation of the Supported Accommodation framework will be actively managed within and between the Transition & Leaving Care (TLC) Team. The intention behind the framework is to allow further improvements in performance. This will include the development of performance indicators within the contract which will form part of the contract monitoring framework. This will allow the Council in the deployment of resources to best meet the needs of Young People of Walsall.

## **9. Equality implications**

The implementation of the Supported Accommodation framework will give the Council the opportunity to further enhance the consistency and robustness of its focus on identifying and meeting the needs of the Young People of the borough. Through the use of contracts with independent service providers it will be possible to create clear and objective expectations in terms of delivering equality outcomes and equity of resource allocation.

## **10. Consultation**

The following have been consulted;

- Procurement
- Legal
- Finance
- Housing

## Background papers

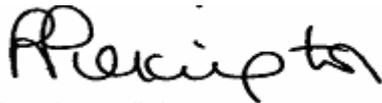
There are no background papers

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Signed:  
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14 March 2011



Signed:  
Councillor R Andrew  
Portfolio holder  
31 March 2011