

London Borough of Hammersmith & Fulham

Report to: Cabinet Member Decision

Date: 26/04/2021

Subject: Direct Award Report for Young Persons and Care Leaver's Semi-independent Living

Report of: Councillor Larry Culhane – Cabinet Member for Children and Education

Report author: Adie Smith – Commissioning and Transformation Lead, Children's Services

Responsible Director: Jacqui McShannon – Director Children's Services

SUMMARY

This report seeks approval to directly award contracts for a 24-month period to incumbent supported housing providers for young people at risk of homelessness and care leavers.

A waiver of the Council's Contract Standing Orders has recently been approved and subject to agreement of this decision, Officers will then finalise a comprehensive strategy which sets out the re-procurement of all supported housing and semi-independent living services across H&F.

The direct award of contracts will also immediately increase the number of units available to Children's Social Care, resulting in savings created by out of borough care leavers returning into the borough. A detailed procurement strategy for the recommissioning of these increased services will follow, ensuring they align with the Care Leavers Pathway.

RECOMMENDATIONS

It is recommended that the Cabinet Member for Children and Education:

1. Notes and ratifies the direct award of a contract with Centrepoint for the provision of supported housing for young people from 1 April 2020 to 31 March 2022 at an annual value of £310,296 and total sum of £620,592 for the two-year contract period.
2. Notes and ratifies the direct award of a contract with St. Christopher's Fellowship for the provision of supported housing from 1 April 2020 to 31 March 2022 at an annual value of £255,000 per annum and a total sum of £510,000 for the two-year contract period.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	By increasing the number of young people in the borough engaging in Employment, Training or Education.
Creating a compassionate council	To enable vulnerable young people to develop the skills and resilience to be independent in adulthood.
Doing things with local residents, not to them	By preventing homelessness of people aged 16-24 years and preventing 16 – 17 year olds from going into care.
Being ruthlessly financially efficient.	This proposal delivers future savings to both Adults' and Children's services budget.
Taking pride in H&F.	Creating provision for young people from H&F who are placed out of borough to return to home.
Rising to the challenge of the climate and ecological emergency	Reduced CO2 emissions from the need for young persons to travel in order to remain connected to H&F

FINANCE IMPLICATIONS FOR CHILDREN'S SERVICES

Proposed funding for this will be met from both the existing supporting people budget and the Children's Service Placement budget and will deliver an overall saving against high cost out of borough SIL placements.

The current full year budget provision available for Centrepoint and St Christopher's is £310,296 and £218,474 respectively. An additional £10,000 has been found from within the overall Supporting People Budget bringing the total financial resource available to £538,770.

The budget moved across to Children's Services of £538,800 has left an in-year shortfall of £26,496 when compared to the current year contracted costs of £565,296. The future re-procurement of the contracts could eliminate this shortfall over the longer term, by bringing the cost of the service back within budget.

The £26,496 increase over the two-year direct award period will result in a £52,992 overspend over the 24-month period. This overspend will be mitigated against by the increased use of bed space made available for Care Leavers.

Based upon the average Out of Area SIL placement cost of £802 per week, every Care Leaver who is returned to H&F and placed into one of these services will create a full year saving of £16,161.

To break even in 2021-22 the allocations panel will need to ensure that 2 out of area SIL's have been returned from June 2021 in order to fully offset the £26,496 shortfall.

The aim is to have additional 7 beds utilised by OOA SIL's within 6 months. If 7 are achieved by month 6 of direct award, then a saving of £39,184 (£65,710 less the £26,496 shortfall) would be achieved. This will allow Children's Services to break even on the contract budget shortfall and contribute towards the existing SIL £800,000 overall saving target.

The expenditure budget that has moved across to Children's Services for 2021-22 is £538,800 which has £260,100 of income associated with it. The income is made up of:

Public Health	131,700
Supporting People Reserve	30,200
Income from the Economy Department	98,200
Total	260,100

Public Health Income

The proposal assumes, as the PH monies are disaggregated according to the contribution the service makes to meeting Public Health Outcomes Framework, that the reporting of PH outcomes becomes the responsibility of the receiving department. If there are reductions to the PH grant funding for the delivery of PH outcomes this will need to be built into the budget strategy as a Corporate funding consideration.

Supporting People Reserve

The Supporting People reserve will fund £30,162 of the contract budget for the 2020-21 and 2021-22. In 2022-23 this will need to be written out by Children's Services causing a pressure that will need to be mitigated by the savings forecast on the Placements budget through increased in borough care leaver capacity and a reduction on higher cost of out borough SIL placements.

Income from the Economy Department

This is expected to continue as bed spaces are still expected to be filled by the Economy department. If Children's were to use these bed spaces the income would reduce but would be offset by increased savings.

Legal Implications

- This report recommends the decision maker to note and ratify the decision to directly award a contract for the provision of Young Persons' Supported Housing to Centrepont and St Christopher's supporting housing providers for the period 1 April 2020 to 31 March 2022 for the annual value of £310,296 and £255,000 respectively.
- The services fall under the category of social and other specific services, Schedule 3 of the Public Contracts Regulations 2015 (PCR). The threshold for such services is £663,540. This proposed contracts therefore fall below the current Procurement Threshold and therefore the PCR do not apply in full.
- As a matter of local government law, a decision cannot be taken retrospectively. Were it not for the extreme urgency, this approval should have been obtained prior to the provider resuming the services and therefore the recommendation is to note and ratify the awards of the contracts that have already been made as opposed to approving it.

A waiver of the competition requirements under the Council's Contract Standing Orders (CSOs) CSO 19.1 was noted on 23 March 2021 on the ground that the contract is for these services are required in circumstances which are genuinely exceptional (CSO 22.3.6). The decision maker needs to be satisfied, based on the information set out in this report, that a direct award would be justified.

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DETAILED ANALYSIS

PROPOSALS AND ANALYSIS OF OPTIONS

1. The current contracts for the above-mentioned services have now passed their expiry date of 31 March 2020 following direct contract awards in 2018. The wider Supporting People budget disaggregation proposals and contingency planning in response to the Covid-19 outbreak and ensuring providers were supported to maintain service provision has caused delays to this workstream and as a result, retrospective contract approval is being sought.
2. Pending approval of this decision the Children's Commissioning Team will draft a procurement strategy for sign-off which seeks to commence an open tender process using the semi-independent living dynamic purchasing system to procure a new service commencing April 2022.

OPTIONS

3. **Option 1** – Do nothing, we do not believe this to be the right option, as the current contracts have now expired. We need to ensure we are achieving best value for money not only to meet the Council's values, but to ensure sustainability of service to those whom we have a statutory responsibility to.
4. **Option 2** – Long term Direct Contract Awards, to current providers is not a viable option. Legally we must adhere to the Public Contracts Regulations 2015. Within which it also states that in order to achieve 'Best Value' we are obliged to run a competitive procurement exercise.
5. **Option 3** – A short term direct award and a redesign and remodel the services by way of a competitive procurement exercise will ensure best value is achieved in the longer term as well as enabling more expensive out of borough SIL placements to be moved back into H&F. This will provide savings for the council and allow care leavers to access local services. This is a more person centred and cost-effective approach.
6. This new contract will be awarded for a 24-month period, to allow expiry dates to then be aligned with other contracts that sit within the Care Leavers Pathway. Future contractual alignment will provide greater commissioning opportunity going forward and allow commissioners to take a strategic approach to the management of both young people's supported housing services and the main care leavers block contract.
7. For the reasons set out above that option 3 is recommended.

REASONS FOR DECISION

The key drivers for making changes to the current arrangements across young peoples supported housing and care leavers services are based on:

8. Reduced service utilisation and a small number of ongoing voids – under the current contractual scheme, the services are not being utilised to their maximum potential and achieving best value for the Council. Allowing overspill

to be used at a different nearby property, should the need arise will mitigate against services reaching capacity whilst others have voids. The whole process and pathway will be closely monitored by Commissioning and Service Managers with regular 'Panel' meetings.

9. Requirement to competitively tender and ensure best value is achieved. This is a legal requirement as responsible commissioners. It is imperative that in order to not impact upon next year's budget, this service is recommissioned, and new contracts awarded before the end of the 2021/22 financial year.
10. Requirement to clarify current contract arrangements and costs. Contract will be monitored against KPI's to ensure outcomes are being met and value for money is being achieved.
11. Pressure on the Supporting People budget and the need to deliver savings. The current Supporting People Budget does not cover the entire cost of this service; however, it is envisaged that redesigning and re-procuring of services combined will enable the Council to commission the same outcomes within budget.
12. The need to clarify commissioning and budget responsibility for these services.
13. Existing MTFS commitments for Children's Services.
14. The need to develop a joint protocol between both Children's and Housing Services for accommodating and supporting homeless 16- and 17-year olds. By aligning the care leavers pathway with the Young Persons at Risk of Homelessness Pathway, we are creating a transparent and consistent approach to both cohorts.
15. Appendix A of this report, 'Service Level Agreement between Housing and Children's Services' sets out the operational arrangements for referrals and case management of care leavers, and those supported under the homelessness legislation. Placements made for Looked after Children or Care Leavers placed into these services as part of their care plan, will remain the responsibility of the Social Work team for all support requirements, move on responsibility and monitoring.
16. Where a homeless young person aged 18 or over is placed into the services, or aged 16 or 17 and having been assessed as not a child in need or requiring ongoing social care involvement, the move-on responsibility, monitoring and all other duties related to the placement rest with the Housing team under the duties contained within the Housing Act 1996 and the Homelessness Reduction Act 2017.

EQUALITY IMPLICATIONS

17. There are no anticipated negative implications for groups with protected characteristics, under the equalities act 2010, by the approval of these proposals. Whilst there will be a reduction in capacity in the young people's

pathway, this is based on voids analysis over a 3-year period and therefore reflects reduced demand.

18. Whilst the decision relates to a protected characteristic deemed vulnerable (Young People) no services will be decommissioned. It is anticipated that there would be no impact in relation to the protected characteristics as the services will remain in place following re-procurement, a continuing positive impact has been identified.
19. As part of the commissioning relationship with the provider, quality of service delivery and protected characteristic groups will be monitored regularly with a focus on actions required for hard to reach groups.

RISK MANAGEMENT IMPLICATIONS

20. Contracts are to be placed on a forward plan and reviewed at the Council's Contracts Assurance Board periodically to ensure that the best possible services are delivered in accordance with the Being Ruthlessly Financially Efficient priority. All services are to be delivered in compliance with HM Government, Health and Safety Executive and Sector guidelines that are applicable throughout the Covid pandemic.

Implications verified by Michael Sloniowski, Risk Manager, tel: 020 8753 2587

CLIMATE AND ECOLOGICAL EMERGENCY IMPLICATIONS

21. This decision does not involve changing infrastructure to hard standings or buildings. It does create additional space within the borough for Out of Area placed Care Leavers to return to the Borough. Thus, reducing the need to travel in order to connect with peers. In addition, education around Climate and Ecology are to be added to the KPI's within the future re-procurement.
22. Some positive impact for the climate emergency. Recommendation to further enhance this aspect where possible and proceed.

Implications verified by: Hinesh Mehta, Strategic Lead – Climate Emergency

LOCAL ECONOMY AND SOCIAL VALUE

23. This decision report relates to a retrospective direct award. The waiver for which was agreed at CAB on 24 March 2021. Due to specific circumstances mentioned above, the procurement exercise has been waived, asking suppliers to retrospectively commit to Social Value would not be viable.
24. Commissioners will work with Social Value Officer to identify social value currently being delivered by the suppliers. This can be recorded to inform future re-commissioning and procurement of these contracts.

25. During the next financial year (2021/2022) the Children's Commissioning Team will be carrying out a comprehensive procurement exercise of all the contracts within the Care Leavers Pathway. A Social Value Assessment will be requested within the invitation to tender.

Implications by: Ilaria Agueci, Social Value Officer, tel. 0777 667 2878 and verified by Kamal Motalib, Head of Economic Development, tel. 0777 335 3914

PROCUREMENT

26. The Waiver was agreed at Contracts Assurance Board on 24 March 2021.

CONSULTATION

27. A service user consultation has been carried out seeking the views of those residing at the properties.

28. This consultation was delivered to the residents by way of a customer survey, seeking a quality assurance view on what's working within their service, what's not working, and what changes if any they would like to see.

29. The results from this quality assurance consultation were completed and sent back to the Council to be analysed and recorded.

30. 33% of responses suggested that the dynamics between the other residents and staff contribute towards the service working well.

31. This fact and all other results from the survey such a request to improve some of the facilities, will all be considered when forming designing future service specifications. Enabling the Council to continue to commission person centred outcomes.

List of Appendix:

Appendix A - Supported Accommodation Service Level Agreement