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D2N2 Joint Contracting Arrangement – D2N2 Supported Accommodation Framework for 16 /17 years old (Housing Framework) - Amendment

Purpose

- 1.1 This report seeks amendment to a previous Cabinet report which was considered and approved, on 8 September 2021, to establish a new collaborative contracting arrangement with neighbouring Local Authorities for Supported Accommodation placements. This was for the provision of support and accommodation for young people aged 16/17 years old, through a D2N2 Supported Accommodation Framework.

The specific recommendation on which amendment is proposed is (recommendation 2.3) detailed below:

- To note the period of the D2N2 Joint Contracting Arrangement is for a maximum of 4 years, with a contract value of £1.5m per annum.

A link to the previous Cabinet report is included in Appendix 1.

- 1.2 Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council (D2N2) have worked collaboratively to commission a new suite of contracts to meet the requirements for local Supported Accommodation placements for 16/17 year olds, which is being led by Derby City Council.
- 1.3 Following continued collaboration and on-going development work with the D2N2 Local Authorities, all four Local Authorities are in agreement, that to ensure high quality provision, stability and forward planning for our young people, it is important to establish this contract from the outset for a maximum of 10 years, as opposed to a maximum of 4 years previously reported. This also helps ensure value for money over a longer contract period, which providers support.

Recommendation

- 2.1 To approve the period of the D2N2 Joint Contracting Arrangement for a maximum of 10 years, with a contract value of £1.5m per annum.

Reasons

- 3.1 A joint procurement allows access to the wider market, learning and best practise, sharing of resource and will enable the undertaking of larger procurements required to

meet the needs of our young people, including a mix of accommodation and support types. Success of this approach has been evidenced through D2N2 external foster and residential contracts established February 2020.

- 3.2 This is to ensure high quality provision, stability for our young people and our regional partners over a longer period, delivering continued local sufficiency of contracted safe and suitable supported accommodation (Sufficiency Duty) and provide value for money.
- 3.3 Supported Accommodation is heavily utilised; semi-independent placements are required to ensure safe and sufficient provision for our vulnerable young people and to prevent the use of Bed and Breakfast provisions for 16/17 year olds. The Council has a statutory duty to Looked After Children as a corporate parent, and to children who are homeless, to provide sufficient local accommodation. There is a Sufficiency Duty as part of the Childrens Act 2004, and the Southwark Judgement. Supported Accommodation also reduces the risk for vulnerable young people being at risk of exploitation.
- 3.4 Since January 2021 the D2N2 Supported Accommodation Operational Group has met at least monthly to review current and forecasted demand, and to consult on the scope and structure of the proposed contracting arrangements.

This follows an annual review and consultation exercise across D2N2 during 2021/22, where D2N2 partners outlined that the contract length should be set at a maximum of 10 years.

Supporting information

- 4.1 Derby City Council as a Corporate Parent has a duty to provide safe, secure and sustainable placements for children and young people. As part of this duty, there is a requirement for supported accommodation to support young people to develop independent living skills, assisting towards step down and their own accommodation. It needs to encompass providers with a range of accommodation and support packages who bid for planned or emergency referrals.
- 4.2 Derby City has seen an increase in the number of children entering care over the past year however, it is envisaged that the demand for supported accommodation for 16/17-year-olds and care leavers continues to remain between 70 and 100 placed at year end for the next few years. The forecast is based on evaluation of current data including:
 - The number of children due to turn 16 in the next 12 – 24 months who may choose supported accommodation as an option.
 - The likely increase (as in 2019/20) of UASC, a further 10 UASC emergency placements were required in July 2021 (potentially up to 20 young people requiring supported accommodation).
 - The continued drive on providing young people with options including step across from foster or residential to supported accommodation as part of their transition to adulthood.

4.3 Following a review of Supported Accommodation, new proposals on procuring services have considered:

- The needs, type and number of Derby City Children in Care (inclusive of Unaccompanied Asylum-Seeking Children (UASC)) and Children in Need (CIN) who are accessing the framework.
- The potential to align with D2N2 (Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council) partners.
- The national proposed reforms to unregulated placements. This is in readiness for the national move from un-regulated settings to regulated settings, and all providers on these frameworks or block contract will be required to be Ofsted registered.

4.4 The proposal of the group supported by the D2N2 Collaborative Commissioning Group is to form a Partnership Agreement to contract based on a Framework but utilising the flexibility provided by the Light Touch Regime (Regulation s74 to 77) procedure as detailed in Public Contract Regulations 2015.

This contracting structure would allow:

- Mini competition between providers for placements available at the point of need, meeting matching requirements and local sufficiency.
- Providers to join at set times during the contracted period to meet additional sufficiency needs.
- Prices to be set at the start of the contract.
- Increased availability of quality placements, improved provider relationship and market management, and fixed prices saving the Council the resource required for extra tendering, opening up conversations with a wider market to fulfil placements within Derby.
- The Council to create a list of pre-qualified service providers for each Service requirement (if they meet the selection criteria).
- Ongoing Provider engagement meetings, gaining feedback from the wider provider market. All current providers across D2N2 have been engaged in review and consultation through bi-monthly meetings and they would have the option to apply to the proposed contracting structures.

4.6 The joint commissioning arrangement will:

- Improve the quality of Supported Accommodation for our Children in Care and Care Leavers.
- Meet the reforms planned by Ofsted to regulate the market starting in 2023.
- Reduce the cost as prices have been capped with a maximum per Lot and the response is also scored against price.
- Provide the support required for our over 16 year olds requiring a step across from residential to supported accommodation reducing the need for high cost off framework wrap around packages for over 16 year olds.

Public/stakeholder engagement

- 5.1 Young people were consulted as part of the review during July/August 2021 to ensure we capture their thoughts and feelings, what has and what hasn't worked for them in relation to housing and support. This was completed through telephone questionnaire and the Children in Care Council.
- 5.2 Providers have been consulted with during April – June 2021 and will continue to be consulted at the Young People's Housing Provider meetings during the review period ensuring feedback from all stakeholders is considered equally.

Other options

- 6.1 Remain with the maximum 4 years contract term as previously approved by Cabinet, which may risk dis-engagement by the D2N2 partners, as this is not their preferred option.

Financial and value for money issues

- 7.1 The current budget provision for supported accommodation is £1m per annum and continues to be closely monitored to ensure sufficient funding for the number of required placements.
- 7.2 The D2N2 Joint Contracting Arrangement costs would be expected to mirror the average costs currently in this sector.

Legal implications

- 8.1 The Council has a statutory duty to provide sufficient, safe accommodation to children in care and children in need and prevent any Bed and Breakfast placements being made. Failure to put suitable and sustainable provision in place could put the Council in breach of its statutory duty.

- 8.2 The D2N2 Joint Contracting Arrangement also has the flexibility to allow new providers onto the framework at set dates during the term by way of a series of rounds and ensuring providers on are set terms and conditions.

Climate implications

- 9.1 None

Other significant implications

- 10.1 None

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services,	09/09/22
Finance	Janice Hadfield (Head of Finance, Children and Young People)	09/09/22
	Linda Spiby (Head of Procurement & Contracting)	09/09/22
Service Director(s)	Gurmail Nizzer, Service Director for Integrated Commissioning.	09/09/22
Report sponsor	Andy Smith, Strategic Director, People Services.	09/09/22
Other(s)		

Background papers:	
List of appendices:	Appendix 1 – Cabinet Report 08 September 2021- Cabinet report