

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2995

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Department:

Strategy and Resources

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Subject:

Procurement & Contracting of Semi Independent Living (SIL) for 16-18 year old Children in Care

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£7.5m (Type: Revenue)

Decision Being Taken:

- 1) To approve the procurement of Semi-Independent Living services via an open accreditation exercise. The contracts awarded on the basis of the accreditation will be for 3+1+1 years.
- 2) To delegate authority to the Director of Commissioning & Procurement to approve the outcome of the tenders and award contracts to secure best value.
- 3) To delegate authority to the Head of Contracting and Procurement to sign contracts arising from the tender process once the tender outcome is agreed.
- 4) To approve expenditure from the Children's Placements budget in line with the predicted maximum amount above.

Reasons for the Decision(s)

Nottingham City Council (NCC) has a statutory duty to provide sufficient accommodation for its Looked After Children. For those young people aged 16 years and above (who have left school), it is often appropriate to provide this accommodation in a semi-independent setting, in order to successfully prepare young people for independent living.

NCC has an internal semi-independent estate which provides consistent, quality accommodation and support. In addition to this NCC's Children's Placement Service commissions external providers locally, and further afield when appropriate, to provide accommodation and support for children in care aged 16-18.

Since the expiry of the framework contract established in 2011 Semi-Independent Living (SIL) services have been commissioned on a spot purchase basis. A more robust commissioning and contracting approach is required that still provides NCC with the flexibility to source the best type of accommodation and support package for this cohort of young people.

In 2016 a tender process was undertaken with the aim of procuring a small block contract (6 units) and a closed framework of provision to provide further capacity.

This process did not result in the award of contracts as the bids received for the framework did not represent the required mix of sufficient quality and quantity of provision available in Nottingham, and the block contract tender did not receive sufficient bids. Feedback from providers regarding the block contract was that they could not offer the service within the price parameters we required for a 6 unit block contract as it did not yield sufficient economies of scale.

Since that time the number of young people placed in SIL settings has increased, partly due to an increase in Unaccompanied Asylum Seeking Children aged 16 and over. Work has also been undertaken to improve the quality of provision and to implement a clear set of Quality Standards with SIL providers who currently have NCC young people in placement.

Procuring SIL services via an open accreditation process offers an opportunity to improve outcomes, improve local sufficiency and consistency of quality and to provide greater value for money. The contracts awarded to providers will carry no guarantee or business during the term of the contract.

Taking a longer term view, the improvement of quality and consistency of accommodation and support provided to 16-18 year old children in care may have a positive impact on their representation in homelessness, unemployment (& NEET), the criminal justice system, substance misuse.

Other Options Considered:

- 1. Tender for a closed framework:** The previous procurement exercise in 2016 did not yield the required quantity and quality of provision. A closed framework also does not give NCC Children's Placement Service the required flexibility to bring new providers into the contract which would lead to the continued use of spot purchasing in circumstances in which 'framework providers' are either not able or not suitable to offer a placement. For this reason this option was rejected.

- 2. Tender for a block contract.:** Based on feedback from providers following the procurement exercise in 2016, a block contract of significantly greater than 6 units (beds) would be needed to present a viable business proposition. This would present too great a financial risk to NCC. For this reason this option was rejected.

- 3. Do nothing and continue to spot purchase as and when a placement is required:** This is not an option as it would not resolve the current issues with inconsistencies in the quality of provision and the costs associated with this. It also does not provide the more robust contractual position that is desired. For these reasons this option was rejected.

Background Papers:

Published Works:

Affected Wards:

Citywide

Colleague / Councillor Interests:

Consultations:

Date: 07/09/2017

Other: Cllr Mellen Portfolio Holder Helen Blackman, Director of Integrated Children's Services

agree with the proposed approach

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The improvement of quality and consistency of accommodation and support provided to 16-18 year old children in care may have a positive impact on their representation in relation to issues of homelessness, unemployment (& NEET), the criminal justice system, substance misuse and domestic violence.

Equality: EIA not required. Reasons: The proposal is not for a new service that supports or disadvantages any individuals representing any of the protected groups.

Social Value Considerations: The improvement of quality and consistency of accommodation and support provided to 16-18 year old children in care may have a positive impact on their representation in relation to issues of homelessness, unemployment (& NEET), the criminal justice system, substance misuse, domestic violence.

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 14/11/2017

Advice Sought: Legal, Finance, Procurement

Legal Advice:

The previous contract for Semi-Independent Living services has expired and has been commissioned on a spot contract basis to ensure compliance with the Council's statutory duty to provide sufficient accommodation for its Looked After Children. The Council attempted to re-tender this service last year but was unsuccessful in awarding a contract due to lack of suitable provision. The Council is seeking to re-tender the services to continue its commitment to preparing young people to live within the community by establishing a pseudo DPS/ accredited list of providers for the delivery of the service.

The services are considered to fall within the remit of the Light Touch Regime (LTR) of the Public Contracts Regulations, which allows the Council to determine the most suitable procedure for awarding contracts, provided that certain regulations are met and the Council continues to operate in line with general Treaty principles.

The services were previously provided under a framework agreement which by its very nature was closed to new providers. The proposal to establish an accredited list of providers by way of 'psuedo DPS' compliant with the Regulations will allow a more flexible delivery of service, more choice and quantity of providers available to deliver the service and ultimately reduce the use of purchasing by way of 'spot' contracts which are more expensive, less consistent and do not provide a compliant procurement route for service delivery.

Consultation undertaken with colleagues and service users has demonstrated the need for a flexible approach to ensure sufficient and efficient delivery and to ensure that appropriate quality standards and performance measures can be implemented.

The report proposes an initial term of 3 years with 2 further options to extend for up to 12 months each time at the Council's sole discretion subject to available funding, which is hoped will allow the Council to manage the contract efficiently, ensure value for money and flexibility in delivery of the service.

Legal services will continue to work with the service area during the tender process to ensure that the requirements are accurately developed within the contractual arrangements with chosen providers

Advice provided by Dionne Claire Scream (Solicitor) on 26/09/2017.

Finance Advice:

The Council has a statutory duty to provide sufficient accommodation for its Looked After Children. Currently, this service is commissioned by 'spot contracts' which are more expensive and inconsistent in terms of service delivery. This proposal aims to introduce an accredited list of providers to improve outcomes and provide consistent pricing for our semi-independent provision for Children over the age of 16 (school leavers).

It is proposed these improvements will be achieved through robust contract management. There is no guarantee of business to the provider during the term of the contract (3 +1 +1). The funding will be met through the existing budget and whilst there is no direct savings, there is flexibility to work with new providers and explore other commissioning options to meet the changing needs of our young people.

Christine Green
Senior Commercial Business Partner

Advice provided by Christine Green (Senior Commercial Business Partner) on 31/10/2017.

Procurement Advice:

This report proposes the establishment of an accredited supplier list (or pseudo DPS) for the delivery of Semi Independent Living /services for 16-18 year olds. A tender exercise in 2016 failed to produce a successful outcome - the previous framework contract has now expired and a number of contracts have been placed using spot contracting arrangements. It has therefore been concluded that a more flexible approach to procuring these services is required.

The services fall within the remit of the Light Touch Regime in the Public Contracts Regulations, which allows the Council to determine the most suitable procedure for awarding contracts, provided that certain regulations are met and the Council ensures compliance with the principles of transparency and equal treatment to all economic operators.

The Procurement Team will manage the procurement process to establish the Accredited Supplier List and will ensure compliance with the LTR regulations.

Advice provided by Nicola Harrison (Procurement Lead Officer) on 25/09/2017.

Signatures:

Jon Collins (Leader of the Council)
SIGNED and Dated: 06/11/2017
Candida Brudenell (Corporate Director for Strategy and Resources)
SIGNED and Dated: 03/11/2017