

## Report of Strategic Commissioning Group

### Report to Director of Children's Services

Date: 17<sup>th</sup> October 2014

**Subject: Request to award the White Rose Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4(3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

### Summary of main issues

1. The report seeks approval to award a framework agreement contract to the providers listed at appendix 1 to this report for the provision of Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework.
2. Within the provisions of the 1989 Childrens Act Local Authorities have statutory duties in relation to the protection, accommodation and care of children and young people. The other authorities based in West and South Yorkshire have the same responsibilities as vested in Leeds under the legislation and discussions held between the commissioning teams of these authorities identified the potential to work together. This is to shape and develop the provision available within the region to deliver a high quality provision for the young people in receipt of the services whilst demonstrating value for money in respect of the cost of the placements.
3. The participating authorities are Leeds, Kirklees, Calderdale, Wakefield, Bradford, Doncaster, Sheffield, Barnsley and Rotherham. The "authority" in Doncaster is no longer the council but is instead Doncaster Children's Services Trust.
4. To develop the policies and processes, aims and objectives of the collaborative approach, a number of papers were submitted to the Directors of Children's Services (DCSs) across the authorities. Papers were also submitted to the region's Chief Executives and both the DCS's

and the Chief Executives were supportive of the proposals to contract on a collaborative basis. In respect of the inclusion of Leeds within this project, the Director of Children's Services signed a Delegated Decision to provide approval.

5. The award is for a contract from 1<sup>st</sup> November 2014 to 31<sup>st</sup> October 2016 with the option to extend for a further period of 2 x 12 months in duration.

## **Recommendations**

6. The Director of Children's Services is recommended to award the White Rose Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework Agreement to the organisations identified at appendix 1.

### **1 Purpose of this report**

- 1.1 The report seeks to award a Framework Agreement to a number of organisations providing Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework
- 1.2 Service delivery models submitted have been evaluated and deemed to have met the required level of quality as prescribed within the tender documents.
- 1.3 The maximum contract value in year 1 is £4,000,000 across the participating authorities with the maximum contract value for Leeds being £2.1 million per annum.
- 1.4 Call offs against the framework will initially be made against those providers whose service models and prices have determined that they are placed in Tier 1. Subsequent call offs will be made against tier 2 in the event that a placement cannot be made within tier 1.

### **2 Background information**

- 2.1 The White Rose Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework is between the named placing Authority and the named provider of accommodation and support to the young people placed. The overarching legislation is enshrined within the provisions of the Children (Leaving Care) Act 2000, the Children Act 1989 and the Care Leavers (England) Regulations 2010.

- 2.2 The key themes of the legislation are:

The provision of stable placements with continuity of carers who provide positive links for looked after children

- That Young Persons are looked after until they are prepared and ready to leave care
- To help develop practical self-care skills for Young Persons such as looking after health needs, budgeting,

household skills, and help them develop positive and meaningful relationships.

- To enable Young Persons to fulfil their potential in education, training and employment;
- To ensure Young Persons have access to a range of accommodation and support;
- To ensure contingency planning for any crisis;
- To provide on-going personal support;
- To make adequate financial arrangements for care leavers no longer entitled to access welfare benefits;
- To involve Young Persons in assessment and planning;
- To ensure Young Persons are informed about their rights and services available;
- To monitor and evaluate outcomes

- 2.3 The Service Provider will work in accordance with the Children (Leaving Care) Act 2000 and the Children Act 2004 and Care Leavers (England) Regulations 2010 incorporating [Volume 2: Care Planning, Placement and Case Review \(England\) Regulations 2010 and statutory guidance](#) and [Volume 3: Planning Transitions to Adulthood for Care Leavers: Statutory Guidance on the Care Leavers \(England\) Regulations 2010](#) as well as any other relevant government and/or statutory regulations and guidance. It is the responsibility of the Service Provider to be aware of relevant legislation and to ensure compliance with it.
- 2.4 The placement of the young people with the providers continues to exert significant pressure on budgets within children's services.
- 2.5 The other authorities based in West and South Yorkshire have the same responsibilities as vested in Leeds under the legislation and discussions held between the commissioning teams of these authorities identified the potential to work together. This is to shape and develop the provision available within the region to deliver a high quality provision for the young people in receipt of the services whilst demonstrating value for money in respect of the cost of the placements.
- 2.6 The participating authorities are Leeds, Kirklees, Calderdale, Wakefield, Bradford, Doncaster, Barnsley, Sheffield and Rotherham.
- 2.7 To develop the policies and processes, aims and objectives of the collaborative approach, a number of papers were submitted to the Directors of Children's Services (DCSs) across the authorities. Papers were also submitted to the region's Chief Executives and both the DCS's and the Chief Executives were supportive of the

proposals to contract on a collaborative basis. In respect of the inclusion of Leeds within this project, the Director of Children's Services signed a Delegated Decision to provide approval.

- 2.8 To ensure that the project met with the objectives of the participating authorities a project team was established that was made up of key officers from the participating authorities. This included officers from commissioning, procurement, legal and specific service responsibilities such as the head of placement teams.
- 2.9 Work streams were developed with Leeds City Council being given the responsibility to manage the procurement exercise. Leeds were also identified as being the lead authority in respect of the formal contracts to be established with the providers of the services.
- 2.10 The Public Private Partnerships Unit within Leeds City Council were contacted and were able to provide appropriate project management support utilising the delivering successful change method of project management as supported by the council.
- 2.11 Project initiation documents were developed and these were subject to each of the participating authorities' governance processes to ensure that the decision to collaborate on the project was approved within these governance frameworks.

### **3 Main issues**

- 3.1 **Reason for Contract award**
- 3.2 The contract documents were established to ensure that the responders to the tendering opportunity clearly understood the requirements of the participating councils.
- 3.3 The contract documents comprised appropriate documentation for a scheme of this nature and included specification, framework mechanism, quality framework documentation, pricing documents, terms and conditions and instructions to bidders.
- 3.4 Each participating authority took ownership of a particular element of the bid documents. These included Calderdale being responsible for the terms and conditions of the contract, Sheffield being responsible for the specification, Doncaster being responsible for the pricing document and Leeds being responsible for the procurement process.
- 3.5 The contract is to be let on the basis of the establishment of a tiering system of providers. Providers would be allocated to one of two tiers allocated to each area of activity and home size (in the case of lot LC1 only) with the providers who provided the best responses in terms of the price and quality of their bid being placed in tier 1. Those providers in tier 1 would be offered the opportunity of the placement in the first instance with bidders in tier 2 subsequently being contacted in the instances where the tier 1

providers are unable to provide a place that matches the needs of the young person.

- 3.6 Tiers will be established across the following placement needs :
- 3.6.1** Lot LC1 – Group Living, Lot LC2 – Supported Tenancy (Floating Support and Accommodation), Lot LC3 – Supported Lodgings Accommodation and Lot LC4 – Floating Support.
- 3.7 The evaluation of the bids was undertaken on the basis of 50% of marks being attributed to price and 50% of marks being attributed to quality.
- 3.8 Price would be evaluated by weighting the weekly/hourly price submitted so that it is proportionate to the weighting given to that price criterion on the tender evaluation pricing model.
- 3.9 Quality was established across a range of questions established by the project team with full details of the criteria against which bidders would be judged being published within the bid documentation. This included questions on the recruitment, training and professional development of staff, initial and on-going assessment of the children and young people and safeguarding.
- 3.10 On-going quality of provision when the framework is established will be monitored through the work of the Contracts and Market Management Group that was established after the commencement of the Fostering and Residential Frameworks. This multi-authority group will also be responsible for contract managing this framework.
- 3.11 To ensure that the market place of providers were engaged in the process and prior to the publication of the bid documents an open day was held. This facilitated presentations by key members of the project team and round table discussions between the project team and the providers to check and challenge the process to be undertaken and to reality check the framework mechanism and quality and pricing proposals.
- 3.12 The opportunity was made available to providers by publication of the documentation on Leeds City Council's YORtender system on 26<sup>th</sup> November 2013. The opportunity was published utilising the restricted process which entailed the issue of a pre-qualification questionnaire (PQQ) initially. Following the PQQ evaluation process the bid documents were issued to shortlisted providers on 28<sup>th</sup> March 2014. An official notice was also published in the official journal of the European Union.
- 3.13 On-going support was made available to bidders during the period when the tender was out via the dialogue function available on YORtender.
- 3.14 PQQs were received on 8<sup>th</sup> January 2014 from 50 organisations.

- 3.15 The evaluation of the pre-qualification questionnaire was undertaken by colleagues within Leeds and including assessments on references, health and safety and financial stability of the organisation. The location of the homes/units was also assessed as organisations needed to have at least one home within the Yorkshire and Humber boundary.
- 3.16 Eight organisations failed the PQQ assessment as they failed to meet the minimum quality threshold as detailed within the issued documentation. As required within the Transforming Procurement Project the unsuccessful bidders were notified at this stage.
- 3.17 Following the PQQ evaluation 42 organisations were invited to tender on 28<sup>th</sup> March 2014 and 37 bids were received.
- 3.18 Evaluation teams were nominated with participants from each authority and due training was undertaken to ensure a consistency of approach was evident throughout the process.
- 3.19 Evaluation teams were established with a nominated officer from the participating authorities being given the responsibility to lead the evaluation on a specific question within the tender evaluation model.
- 3.20 Evaluation team leaders were provided with the responses to the evaluation questions by each bidder. These were evaluated by the team on an individual basis utilising the desirable content templates that had been developed for the purpose of evaluating the bids where applicable.
- 3.21 Team leaders were then responsible for undertaking moderation meetings to arrive at a consensus score for each bidder relative to the particular question being evaluated.
- 3.22 One of the evaluation questions was developed in conjunction with young people. This was facilitated through Sheffield City Council and entailed the young people taking an active part in the determination of the quality score.
- 3.23 When completed the evaluation scores attributed to each bidder were returned to Leeds City Council for insertion into the price quality evaluation model.
- 3.24 None of organisations failed to meet the minimum standards of the evaluation process as published within the bid documents. These were that any organisation scoring 2 or less on a particular question or who scored less than 50% of the available quality points would not be considered for inclusion onto the framework.
- 3.25 The prices submitted by the bidders were inserted into the model to provide a score relative to their position in relation to costs submitted by the other bidders.
- 3.26 The participating authorities were provided with details of the prices submitted and confirmed that for Lots LC3 and LC4 they believed

that the framework would offer value and therefore recommended that those organisations identified in tiers 1 and 2 of the lots be accepted.

- 3.27 As post tender negotiation is permissible within this tender exercise, as the service is classified as part B within the public contracts regulations, an assessment was made of the prices submitted by the providers with the largest number of current placements to identify if it was necessary to invoke the provisions of post tender negotiation.
- 3.28 This exercise identified that it would be advantageous to the group to enter into post tender negotiations with the group. This was in respect of lots LC1 and LC2 and these providers were written to with details of their current position to enable them to make a commercial decision.
- 3.29 After the results of the post tender negotiations were collated they were presented to SCG. SCG accepted lot LC2 and decided that further efficiencies may be able to be secured by inviting lots LC1 to further post tender negotiate via a conference call or face to face meeting.
- 3.30 The results were submitted to SCG who agreed to award all four lots.
- 3.31 It should be noted that further value is anticipated through the framework mechanism which allows, at the point of calling off against the framework, negotiation on price.
- 3.32 The utilisation of standard specifications specific to each of the Lots should ensure that authorities are placing young people in establishments most suited to their needs, whilst reducing the scope for providers to be adding transactional activity not suited or required for the young person placement.
- 3.33 Upon completion of the evaluation process, a full due diligence exercise was undertaken to ensure that the figures incorporated into the model were accurate in all respects.

#### **4 Consequences if the proposed action is not approved**

- 4.1 Purchases of accommodation and floating support would continue across the region in an uncoordinated fashion with the market place seen to lead on the nature and quality of the provision.
- 4.2 The efficiency savings that are anticipated would not be realised.
- 4.3 The qualitative benefits as anticipated within the framework would not be realised.
- 4.4 In the absence of a formally accepted framework contract future expenditure within this category of spend may be in breach of the proposed changes to the Public Contract Regulations.

#### **5 Corporate Considerations**

## **5.1 Consultation and Engagement**

- 5.2 Chief Executives and DCSs have been updated during the progress of the project. The Director of Childrens Services signed a delegated decision giving authority for Leeds to participate within the collaborative process.
- 5.3 The leaders of the respective Councils involved have been updated during the progress of the project.
- 5.4 Young people were engaged in the evaluation of the submissions.
- 5.5 The provider market were consulted and engaged with during the development of the project.
- 5.6 All other participating local authorities received prior approval through the governance processes before the commencement of the project.

## **6 Equality and Diversity / Cohesion and Integration**

- 6.1 The Equality Impact Assessment screening exercise has been undertaken and indicated no adverse equality impact to the service users, staff and the wider community (attached).

## **7 Council policies and City Priorities**

- 7.1 The principles of the turning the curve project are enshrined within the project.
- 7.2 The contract management process to be utilised during the operation of the framework will continue to ensure that quality of provision is absolutely critical in the delivery of the services.

## **8 Resources and value for money**

- 8.1 There is the potential to deliver efficiency savings through this framework arrangement. This is based on the current price paid by Leeds against the different Lots to be awarded across the framework being higher in the majority of cases than the average price available on the framework.
- 8.2 It should be noted that one provider currently established within the Leeds area and with whom placements are currently made has increased their costs under this framework agreement. This will need to be managed and the framework does gives access to a range of providers under each lot or service type. Work will need to be undertaken to manage and develop the market to ensure a range of provision is available in the Leeds area which provides value for money in order to mitigate this risk.
- 8.3 The framework itself also contains mechanisms to help ensure value for money at secondary call off. The framework is based on a tiering system allowing those on tier 1 who offer best value for money (based on price and quality) to have first option to respond to referrals. It is also possible to agree lower than tendered fees



based on the needs of the individual young person and to agree a block arrangement with a provider as part of the secondary call to competition and agree reduce costs under this arrangement.

- 8.4 All other participating councils have approved the award of the contract based on the prices received during the tendering phase.

## **9 Legal Implications, Access to Information and Call In**

- 9.1 The opportunity was advertised on Leeds City Council's YORtender system and the Official Journal of the European Union and was advertised on the basis of the contract commencing 1<sup>st</sup> July 2014 for a period of two years with the option to extend for a further period of two years. The extended period of evaluation and negotiation has resulted in a proposed commencement date of 1<sup>st</sup> November 2014 with the longevity of the framework being maintained as advertised i.e. a period of two years with the option to extend.
- 9.2 The contract is only open to the participating councils for the initial 8 months with the option for other councils within the Yorkshire and Humberside boundaries to participate from then and onwards at each refresh interval which will be on an 8 monthly basis.
- 9.3 Appendices 1 and 2 of this report have been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to interests of that person or of the Council.
- 9.4 The decision to award the contract is classified as a key decision and is on the list of forthcoming Key Decisions.
- 9.5 To comply with the obligations of the Public Contracts Regulations a Voluntary Standstill period will be adhered to prior to the contracts being awarded.

## **10 Risk Management**

- 10.1 A risk log has been maintained during the tendering phase and will continue to be maintained during the operation of the framework.
- 10.2 The utilisation of the tiering system should ensure that value for money continues to be a key assessment during the operational phase of the framework.
- 10.3 The 8 monthly refresh on pricing and quality to facilitate movement between the tiers should ensure that value for money and quality of provision continues to be an essential consideration when placing young people with providers.
- 10.4 The contract management process to be utilised during the operation of the framework will continue to ensure that quality of provision is absolutely critical in the delivery of the services.

## **11 Conclusions**

- 11.1 The proposal is to award the contract to the named providers identified within appendix 1 of this report.

## **12 Recommendations**

- 12.1 The Director of Children's Services is recommended to award the White Rose Children's 16+ Accommodation and Support for Care Leavers and Vulnerable Young People Regional Framework to the organisations identified at appendix 1.

## **13 Background documents<sup>1</sup>**

- 13.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.