

**REPORT TITLE: Supported Accommodation for 16 & 17 year old looked after children and care leavers - Open Framework**

<b>Cabinet Date</b>	24 <sup>th</sup> July 2024
<b>Cabinet Member</b>	Cllr Stephen Davies, Cabinet Member for Children’s Safeguarding and Early Years
<b>Key Decision</b>	Yes
<b>Purpose of Report</b>	<p>To seek Cabinet approval to:</p> <ul style="list-style-type: none"> <li>a) Develop and then procure a multi-supplier Gloucestershire Open Supported Accommodation Framework Agreement that will better serve the needs of children in care and care leavers aged 16+ in Gloucestershire.</li> <li>b) Implement spot purchasing arrangements in accordance with Council spot-purchasing standards for new supported accommodation placements in the interim whilst the proposed new Framework Agreement is in development.</li> </ul> <p>The proposed Framework Agreement will support the core ambitions within Gloucestershire County Council’s (the Council) Sufficiency Strategy Home@theHeart to take steps to secure, so far as reasonably practicable, sufficient accommodation within the authority’s area which meets the needs of its children in care. This will be achieved through the provision of good quality homes for children and young people and improve their outcomes through proactive engagement with the market, market shaping, and driving value-for-money commissioned arrangements.</p>
<b>Recommendations</b>	<p>That Cabinet agree point 1 and 3 and delegates authority for point 2 to the Executive Director for Children’s Services, in consultation with the Cabinet Member for Children’s Safeguarding and Early Years, to:</p> <ul style="list-style-type: none"> <li>1. Develop and then procure a multi-supplier Open Framework Agreement for the provision of Supported Accommodation for children in care and care leavers aged 16+ in Gloucestershire (the “Supported Accommodation Framework Agreement”). Such framework agreement shall continue for a period of up to 5 years.</li> <li>2. Procure and then award, subject to the financial restrictions set out in the Resourcing Implications section of this report below, as many call-off contracts under the above-</li> </ul>

	<p>mentioned Supported Accommodation Framework Agreement as may be required by the council for the provision of supported accommodation placements for children in care and care leavers aged 16+ for the duration described in their statutory care and permanence plans.</p> <p>3. To implement spot purchasing arrangements as an interim measure for new supported accommodation placements between the 1<sup>st</sup> August 2024 and 31<sup>st</sup> March 2025 whilst the proposed Supported Accommodation Framework Agreement is awarded.</p>
<p><b>Reasons for Recommendations</b></p>	<p>The proposed Supported Accommodation Framework Agreement will enable the Council to achieve best value by enabling it to commission sufficient, good quality placements for Children in Care and Care Leavers aged 16+, and reduce overall spend by the Council in this sector.</p> <p>The proposed withdrawal from the current regional collaborative pseudo Dynamic Purchasing System (DPS) for 16+ Supported Accommodation is recommended on the basis that it does not offer the Council the financial advantages or tools to support the quality, financial management, and shaping of the market in line with the Council's Sufficiency Strategy. Conversely, the implementation of the proposed Supported Accommodation Framework Agreement, developed in line with our Sufficiency Strategy, will better deliver these ambitions.</p> <p>It is necessary to introduce the interim spot purchase arrangements since ongoing efforts to negotiate the preferred terms within the new regional pseudo Dynamic Purchasing System (DPS) for 16+ Supported Accommodation have ultimately proved unsuccessful. We therefore require until the 31<sup>st</sup> March 2025 to develop the new Framework after the regional scheme lapses on the 1<sup>st</sup> August 2024.</p>
<p><b>Resource Implications</b></p>	<p>Taking account of our commissioning intentions and the delivery of our new 19-bed supported accommodation provision in 2025, present forecast models do not indicate likely growth in the number and profile of the children in care aged 16+ in need of supported accommodation. The total value of supported accommodation provision for children in care and care leavers aged 16+ is approximately £11.5m per annum currently. Given that most young people in scope are already in placement and under the contractual terms already agreed under the current regional pseudo DPS, there are only likely to be a relatively small number requiring new placement spot purchase contracts or call-offs each month.</p>

Over the 5 year period the open framework aims to reduce spend in the sector between 10- 20% against current spend (not inclusive of inflation). This follows from improved commissioning practices and maximising the use of local services in support of local placements.

Based on current spend in the sector and, assuming that demand remains consistent with no significant increase or decrease, the saving or cost avoidance could be as much as £2.3M p.a. against current spend.

Existing call off contract will be transferred to the new framework and new, in county placement call offs will be made on the proposed open framework

Annual Cost	Existing DPS	New Open Framework
Continuing Placements	£11.5M	£9.254M
Turnover of placements	Nil	£2.246M
Annual costs before savings	£11.5M	£11.5M
Less Saving	Nil	Up to £2.3M
Revised Annual Cost	£11.5M	£9.2M

Total overall estimated total contract value over the 5 year period is £48,000,000.

Broken down to £9.2M x 5 Years plus an additional £2M for call of contracts that may exceed the term of the contract.

Based on current reductions in costs for spot purchase arrangements it is estimated that efficiencies for the Council of between 10- 20% against current spend in the sector can be yielded by: shaping the local market by working collaboratively with providers to align their services with the assessed needs of children in care and care leavers aged 16+; defining placement types; and the development of 'Lots'.

	<p>'Lots' will be developed in consultation with providers and aligned to the assessed needs of young people that will be accessing the services. 'Lots' are known to stimulate competition within markets, enabling improved like for like provider comparison and more targeted approaches to placement sourcing.</p>
<b>Background Documents</b>	<p><a href="#">Home@theHeart, Gloucestershire's Sufficiency Strategy for Children and Young People 2022-26.</a></p> <p><a href="#">Report on the Children's Homes Providers that GCC works with – CFOSC 2023.</a></p> <p><a href="#">CMA Children's Social Care Market Study, final report. 22nd March 2022.</a></p>
<b>Statutory Authority</b>	<p>Children Act, 1989.</p> <p>Children Leaving Care Act, 2000.</p> <p>Care Planning, Placement and Case Review (England) Regulations, 2010.</p> <p>The Supported Accommodation (England) Regulations 2023 (legislation.gov.uk)</p> <p>Guide to the Supported Accommodation Regulations including Quality Standards, 2023.</p>
<b>Divisional Councillor(s)</b>	All
<b>Officer</b>	<p>Name: Simon Bower  Tel. 01452 328685  Email: <a href="mailto:simon.bower@gloucestershire.gov.uk">simon.bower@gloucestershire.gov.uk</a></p>
<b>Timeline</b>	<ol style="list-style-type: none"> <li>1. July 2024: Cabinet to approve recommendations within this report.</li> <li>2. July 2024: implement the draft spot purchase contract for all new supported accommodation placements from point of agreement.</li> <li>3. July 2024: Initiate development of Gloucestershire Open Framework for 16+ Supported Accommodation.</li> <li>4. March 2025: Gloucestershire Open Framework for 16+ Supported Accommodation commences.</li> </ol>

## Background

1. Gloucestershire County Council has been a member of the regional pseudo DPS for the provision of 16+ Supported Accommodation Services for young people aged 16+. This pseudo DPS has been drawing to a close with an intended end date of the 31<sup>st</sup> August 2024.
2. Due to unanticipated delays the start date of the new regional DPS has been deferred to August 2024 and new contracts are yet to begin being issued. The previous pseudo DPS– of which Gloucestershire remains a member – is continuing, so Gloucestershire contracts will continue to operate under that pseudo DPS until it formally closes.
- As a large county, with a large market share the Council has decided to develop our own open framework in order to: Improve alignment with the Supported Accommodation Regulations 2023 and have cross-cutting standards and regulatory practices.
  - Allow for local market engagement or consultation as the new pseudo DPS relies on engagement undertaken by Hertfordshire County Council prior to the regulation of the sector by Ofsted in 2023.
  - Incorporate agreed data gathering, analysis and reporting functions to inform business management, future forecasting, self-evaluation, and organisational reporting impacting on service planning and strategic developments.
  - Include clear categorisation by lots of different forms of provision to inform necessary market engagement, shaping, and costing.
  - Introduce fee guidelines and the necessary uplift mechanisms to support in-year negotiations of rates, uplift agreements, and medium to longer term financial planning.
3. Membership in the regional pseudo DPS would limit our ability to control these elements.
4. As such, it is difficult to reconcile the new regional pseudo DPS with the Council's ambitions in the Sufficiency Strategy Homes@theHeart. Whilst the proposed regional pseudo DPS would ensure that the Council remains procurement compliant, it does not seek to manage the design, delivery, quality, or cost of services for Gloucestershire children and young people in line with demand.
5. The Council currently spends circa £11.5M p.a in this sector and has 186 young people in Supported Accommodation placements (excluding Trevone House) at the time of writing.
6. As identified in the Competition and Markets Authority "Children's Social Care Market Study", and local commissioning practice, the local market is directing the provision available rather than shaping provision in line with the needs of GCC young people and fair value-for-money formulations.

7. Analysis of the proposed South West contract indicates that it is unlikely to result in any financial market management and likely to result in increased costs rather than a reduction.
8. The Commissioning and Placement team consider that now is a suitable time for GCC to be disrupting and better-directing the local market which does not align with the regional offer. It is considered that the development of a local framework for providers operating in the county of Gloucestershire will provide an opportunity to disrupt, redefine and reshape the local market to meet the needs of the young people of Gloucestershire as well as delivering savings to the Council.
9. To develop a Gloucestershire Open Framework for 16+ Accommodation under the new Procurement Act 2023 will require the Council's children's commissioning hub to:
  - Align with the County's Sufficiency Strategy Home@theHeart.
  - Include the number, forecast and characteristics of GCC young people 16+.
  - Define the type of provision and support hours most appropriate for GCC young people and recognise the differential in support for the UASC young people accessing these services.
  - Create *Lots* within the procurement that directly reflects the demands of GCC young people and those of our UASC and the potential for growth in demand for this cohort
  - Create a set of minimum quality standards for providers.
  - Define the quality, performance and reporting requirements in line with contract monitoring arrangements.
  - Define the call off, award criteria based (value x quality model).
  - Undertake a consultation with all current market participants operating in Gloucestershire and other potential providers seeking to develop services in the county to drive competition and:
    - Develop an outline cost base with local providers to seek consistency to include but not be limited to:
      - Additional support hours
      - Sleep in/waking nights
      - Other services
      - Annual reprice and uplift mechanisms
      - Automatic reduction in placement costs at an agreed period, if a young person remains in placement post 18 to reflect housing benefit claim; contributions from the young person; reduction in key work;

The capacity and expertise for the above framework implementation activity is already available within the Children's commissioning hub, and it is seen as an advantageous development opportunity for the new Placements team to undertake this work.

10. To develop a Gloucestershire spot purchase contract for 16+ Accommodation for the interim will require the Council's children's commissioning hub to implement the following in line with the timescales outlined in the below section on Proposal Detail and Timeline:
  - Design and develop a spot purchase contract and service specification

- Issue the new spot purchase contract to new providers and local providers on an interim basis as and when new placements are made.
- Issue internal *Confirm and Contract* agreements for each placement made under a spot purchase as per current systems
- Design and issue new Individual Placement Agreements for new placements made on a spot purchase basis – utilising the current Individual Placement Agreement with some local variation

The capacity and expertise for the above spot purchase activity is already available within the Children’s commissioning hub, and it is seen as an advantageous development opportunity for the new Placements team to undertake this work.

## Cohort Analysis

11. At the time of writing, there are presently 850 Children in Care (CiC) in Gloucestershire with 19% (159) of these aged 16 and 17. The Council is also accommodating a further 86 young people aged 18 and over in external accommodation.

Of these, children and young people are accommodated:

- in independent foster care arrangement (37 children)
- In a staying put arrangement (30 care experience young people)
- in a supported accommodation placement (133 young people)
- In residential children’s home and SEND (34 children)
- In other arrangements (11 young people)

12. 85% of supported accommodation placements are in county, highlighting the need to continue to work more collaboratively with local providers. This aligns with our ambition that only those young people who need be outside of Gloucestershire for their best interests will be placed out of county.

## Options Appraisal

13. **Option A: continue with the Regional Pseudo DPS for 16+Supported Accommodation**

### Pros

- The Council will remain procurement compliant.
- Consistent contract documentation for those LA’s across the region that are utilising this, keeping terms and conditions consistent for providers.
- Call off and award of provision will conventionally be in place.
- The work has already been completed and there are no additional resource requirements.

### Cons

- Regional pseudo DPS does little to manage the relatively high costs of the sector in the South West Region. No cost/price challenge at the point of application.
- Contract fails to include any form of robust uplift or re-price mechanism

- Contract does not offer robust deduction of housing benefit or contribution from young people 18+.
- Contract has not been developed with, or consulted with local provision, but relies on consultation conducted by Hertfordshire prior to the new Ofsted regulatory framework.
- Contract does not consider providers in Lots, but rather by Ofsted categories. While relevant this does little to define differentials in provision to allow like-for-like comparison.
- Whilst contract and KPI requirements are expected to be submitted under the regional DPS, these are onerous and are not captured by the regional DPS. Providers subsequently do not submit these and any LA's seeking performance and other relevant intelligence need to undertake their own work on this through contract monitoring and KPI collection.

**14. Option B: withdraw from the Regional DPS for Supported Accommodation and instead develop local procurement by means of an OPEN FRAMEWORK AGREEMENT AND SPOT PURCHASING. (Spot purchasing as an interim measure, to bridge the period between 1st August 2024 and 31<sup>st</sup> March 2025)**

**Pros**

- GCC to take more control on the procurement, contract and commissioning of placements for young people in Supported Accommodation
- Provision better matched to the needs of GCC young people, with a view to improving outcomes.
- GCC has control of the Terms and Conditions of the contract, defining and refining these to best suit the needs of the young people of GCC with a greater probability of achieving value for money
- Opportunity for GCC to disrupt the local market and seek to better influence and shape the provision in the county.
- Opportunity for GCC to encourage new providers to enter the local market to enhance competition.
- Opportunity to develop a locally relevant market positioning statement and send a clear message to the Supported Accommodation market with the opportunity to increase market competition.
- Set the stage for similar strategic developments for the residential and foster care sector and upskilling the existing Commissioning and Placements Team.
- Establish reporting frameworks to support strategic reporting, needs assessments, forecasting and future market shaping.
- National patterns indicate a rising number of providers leaving regional framework and DPS agreements and seeking to negotiate greatest advantage directly with Local Authorities. Formalising this on a local Open Framework positions the Council well to address this movement.

**Cons**

- Resource needs to be assigned to undertake the procurement, market engagement and contract activity. This resource is described within business as usual for the Council's Children's Commissioning Hub and corporate services.



- Resource requirements to develop a spot purchase contract to remain compliant with Public Contract Regulation 2015 and maintain due diligence and compliance checks for the interim and for out of county placements. Much of this work is already in place in support of other spot purchase processes but the Council's Children's Commissioning Hub will need to dedicate specific resource to establishing this into an open framework for the sole purpose of 16+ Supported Accommodation.
- No guarantee that the exercise will result in a reduction of costs for provision, although it is considered as likely. Early market engagement with the sector will give an early indication of the likelihood and scope of the potential cost saving.
- This will necessitate interim spot purchase contracting for 7 months whilst the proposed new Supported Accommodation Open Framework Agreement is developed and procured. This will require considerable effort to ensure consistency and quality of provision and monitoring cost to prevent case-by-case inflation. Current practice in relation to spot purchasing is better positioning the Council's commissioning in this respect and this will be strengthened during this period.

## **Proposal Detail and Timeline**

15. The proposed timeline following from these decisions is as follows:

### **July 2024:**

- Cabinet to approve recommendations within this report.
- the Council does not progress a membership application for the regional pseudo DPS from point of cabinet agreement.
- Initiate development of Gloucestershire Open Framework for 16+ Supported Accommodation inclusive of consultation and market engagement.
- Market Consultation/Engagement event to initiate co-production of key elements of service specifications and 'lot' design

### **August 2024:**

- implement the draft spot purchase contract for all new supported accommodation placements from point of agreement.
- Contract, Service Specification and Lot Design for new Open Framework

### **November 2024:**

- Procurement launch through Pro Contract

### **December 2024:**

- Procurement Close

### **January 2025:**

- Applicant Evaluation and Contract Issued

### **March 2025:**

- Gloucestershire Open Framework for 16+ Supported Accommodation commences.

## Risk Analysis/Management

16.

<b>Risk</b>	<b>Impact</b>	<b>Probability</b>	<b>Management/Mitigation</b>
Costs of provision increases resulting from market pressures (e.g. supply shortages).	Higher annual spend for the Council	Low. Current commissioning practices are already indicating how this can be mitigated where the contracts are directly between the Council and provider. This risk is heightened by remaining on the regional DPS.	If the market trend reverses and the regional pseudo DPS for 16+ Supported Accommodation presents as more advantageous, then the Council can apply to rejoin this.
Annual fee uplifts increase resulting from, for example, cost of living increases	Higher annual spend for the Council	Low. With a built-in mechanism the Council will be able to anticipate and forecast uplifts on an ongoing basis.	Co-producing and building in an agreed fee uplift mechanism will ensure fees are locally managed on an annual basis and uplifts accord with the Council's financial planning.
Providers do not engage with the Council's proposed new open framework.	Reduced options of placements for young people. Relational damage between the Council and providers.	Low. Local providers are seeking to better engage with the Council.	In the unlikely event that providers did not engage the Council does have the option to rejoin the regional DPS agreement. It is likely that the local arrangement will improve relationships with local providers and that co-production will increase the likelihood of providers engaging.
The relevant profile of services is not available through procurement	Unable to make placements through a framework contract. Potential breach of procurement regulations	Low. Indicators are such that local providers are seeking to actively work with the Council to shape relevant services.	Co-production of the contract service specification with providers to ensure that the framework meets provider expectations will reduce this risk.

			Ultimately the Council can apply to join the new regional pseudo DPS.
Risks associated with spot purchase contracting	There is a risk that these are not as cost effective as Framework agreements, or do not have the regular compliance with relevant due diligence and other procurement requirements.	Medium: There is an observable national trend of providers preferring spot purchase arrangements to regional framework and DPS arrangements. Further, by requiring procurement compliance on a case-by-case basis increases the risk of non-compliance.	Improvements in commissioning practices has enabled the commissioning team to enhance value-for-money arrangements through spot purchase arrangements versus the current regional DPS. These practice improvements will be translated into the new local Framework. The commissioning team will continue to ensure that due diligence and contract management is maintained for all providers through this interim phase.

### Financial implications

17. There will be a continued requirement for the Council to purchase this type of accommodation for children in care and young people aged 16+ so demand levels will be sustained.
18. With current spend of circa £11.5M per year in the current form, the likelihood is that these costs will increase under current arrangements and without market intervention. Should the proposal be successful it should arrest any increase in the sector costs and seek to achieve savings to the Council that could be between £1.15M and £2.3M per year; resulting in potential savings of £6.9M over a three-year period and as much as £11.5M over the five year period. These estimates arise from current targeted work within the Council's commissioning service with spot purchased providers which are resulting in savings between 10 – 20% of placement costs following from fee reductions and more efficient support arrangements.

### Climate change and Ecological implications

19. A Climate Impact Assessment Tool has been completed and due to the nature of this contracting moving from external provision to the Council, there are no climate implications per se other than overall reductions in environmental impacts (e.g., reductions in greenhouse gas emissions through reduced travel) and beneficial social impacts (wellbeing, cultural resources, and accessibility).

20. Practises will be adopted where possible to reduce climate impacts. This includes encouraging staff and service users to use sustainable transport methods, utilising energy saving measures in buildings and waste reduction measures to name a few.

### **Equality implications**

21. An Equalities Impact Assessment (EqIA) has been completed and is attached to this report.
22. In summary, this assessment demonstrates that a decision to operate a Gloucestershire Open Framework will allow for a more tailored response to the needs of Gloucestershire children in care and care leavers aged 16+. This will be inclusive of their protected characteristics not least their care leaver status, and in so doing offers a positive EqIA assessment.

### **Data Protection Impact Assessment (DPIA) implications**

23. A Data Protection Impact Assessment checklist has been completed and due to the large volume of personal data processing, a DIPA will be undertaken if the recommendation to develop a Gloucestershire open Framework is agreed.
24. Ultimately though, by retaining this information within the team in the Council already processing it, we are simplifying and securing the data handling arrangements.

### **Social value implications**

25. The opportunity to test local providers commitment to embedding social value (including working with local suppliers, approaches to waste reduction, recycling, and volunteering) will be included in the contracts within the resultant tender process and will be regularly reviewed as part of the quarterly contract monitoring process. Any procurement undertaken to deliver the programme will include social value as one of the criteria that will be considered when evaluating tender submissions and will be worth a minimum of 15% of the evaluation score. GCC is committed to a performance and evidence-based approach to Social Value. Based on the National TOMs (Themes, Outcomes and Measures) that the council uses to evaluate social value, tenderers will be required to propose credible targets against which their performance will be monitored in contract delivery.

### **Officer recommendations**

26. It is recommended that Cabinet agree points 1 and 3, and delegates authority for point 2 to the Executive Director for Children's Services, in consultation with the Cabinet Member for Children's Safeguarding and Early Years, to:
  - a) Develop and then procure a multi-supplier Open Framework Agreement for the provision of Supported Accommodation for children in care and care leavers aged 16+ in Gloucestershire (the "Supported Accommodation Framework Agreement"). Such framework agreement shall continue for a period of up to 5 years.
  2. Procure and then award, subject to the financial restrictions set out in the Resourcing Implications section of this report, as many call-off contracts under

the above-mentioned Supported Accommodation Framework Agreement as may be required by the council for the provision of supported accommodation placements for children in care and care leavers aged 16+ for the duration described in their statutory care and permanence plans.

3. To implement spot purchasing arrangements as an interim measure for new supported accommodation placements between the 1<sup>st</sup> August 2024 and 31<sup>st</sup> March 2025 whilst the proposed Supported Accommodation Framework Agreement is awarded

**Performance management/follow-up**

27. The development of the Open Framework will include specific and measurable key performance indicators and outcomes. The contracts will continue to be actively monitored through the analysis of quarterly key performance indicators and regular meetings with the providers.