

## LONDON BOROUGH OF CROYDON

To: Croydon Council website  
Access Croydon & Town Hall Reception

### **STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR CHILDREN YOUNG PEOPLE AND LEARNING ON 28 JULY 2016**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

**Reasons for these decisions:** are contained in the **attached** Part A report

**Other options considered and rejected:** are contained in the **attached** Part A report

**Details of conflicts of Interest declared by the Cabinet Member:** none

**Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member:** none

The Leader of the Council (decision reference no. 32.16.LR) has delegated to the Cabinet Member for Children, Young People and Learning, in consultation with the Cabinet Member for Finance and Treasury and either the Leader or the Deputy Leader (Statutory), the power to make the decisions set out below:

#### **CABINET MEMBER'S EXECUTIVE DECISION REFERENCE NO. 57/16/CYPL Decision title: Extension of Semi-independent Accommodation Framework**

Having carefully read and considered the attached Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury and the Deputy Leader (Statutory) and Cabinet member for Homes, Regeneration and Planning.

#### **RESOLVED:**

Following the approval of a waiver of Regulation 18 of the Tenders and Contracts Regulations by the Director of Strategy, Communities and Commissioning, to approve the award of an extension by way of contract variation of the Semi - Independent Accommodation (SIA) Framework to the existing 12 providers on the framework.

## For General Release

<b>REPORT TO:</b>	<b>Cabinet Member for Children, Young People and Learning and Cabinet Member for Finance and Treasury</b>
<b>AGENDA ITEM:</b>	<b>not applicable</b>
<b>SUBJECT:</b>	<b>Extension of Semi Independent Accommodation Framework</b>
<b>LEAD OFFICER:</b>	<b>Paul Greenhalgh Executive Director People</b>
<b>CABINET MEMBER:</b>	<b>Cllr Alisa Flemming Cabinet Member for Children, Young People and Learning and Councillor Simon Hall Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>ALL</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT</b>	
<p>The provision of semi-independent living services refers to accommodation and support services for vulnerable children and young people aged 16-17 that enables them preparing for their independence and reaching full potential during their transition to adult life.</p> <p>The Semi-Independent Accommodation Framework supports the achievement of a number of corporate priorities and supports the Administration's ambition to protect the most vulnerable and to enhance the life chances of Looked After Children, as contained in the Community Strategy 2013-2018:</p> <ul style="list-style-type: none"><li>• by providing a safe place where vulnerable children maximise their independence (C2, B3)</li><li>• by improving permanence and wellbeing outcomes for Looked After Children (C2.4).</li></ul> <p>It also enables the Council to meet the statutory duties placed by the Children (Leaving Care) Act 2000 and Volume 2 &amp; 3 of the Children Act (Care Planning/Transition to Adulthood) by helping young people who have been looked after by a local authority achieve a successful transition from care into living independently. The Leaving Care Act (2000) requires that 16/17 year old 'relevant' children are provided with or maintained in suitable accommodation (unless the local authority is satisfied that their welfare does not require it). The act imposes additional leaving care duties to support and assist young people who are 16 plus and leaving care or who are eligible as children formerly in care. This includes duties to assess and meet the care and support needs of eligible and relevant children and Young People and to assist former relevant children, in particular, in respect of their employment, education and training.</p>	
<b>AMBITIOUS FOR CROYDON &amp; WHY ARE WE DOING THIS:</b>	
<p>The Commissioning Framework for Looked After Children 2015-2019 sets out our commissioning priorities and puts delivery of outcomes at the heart of the decision</p>	

making process. This has highlighted the need for:

- Ensuring our Looked After Children have a safe and secure place to live with the right support
- Supporting our Looked After Children to achieve positive outcomes and enable them to transition into adulthood successfully.
- Improving the availability and choice of high quality placements for 16 +
- Providing placements that meet the diverse needs of young people in the care

**FINANCIAL IMPACT:** Extending the existing Semi-Independent Accommodation framework for the maximum duration of 5 months, will have a contract value in the region of £875,000 dependent on the number of vulnerable young people and their level of need. This extension value is 11% of the total contract value.

**KEY DECISION REFERENCE NO.:** This is not a key decision

The Leader of the Council has delegated to the nominated Cabinet Member the power to make the decisions set out in the recommendations below

## 1. RECOMMENDATIONS

Following the approval of a waiver of Regulation 18 of the Tenders and Contracts Regulations by the Director of Strategy, Communities and Commissioning, the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury and either the Leader or the Deputy Leader (Statutory), the power to make the decisions set out below:

- 1.1 is recommended to approve the award of an extension by way of contract variation of the Semi - Independent Accommodation (SIA) Framework to the existing 12 providers on the framework

## 2. EXECUTIVE SUMMARY

- 2.1 Options have been considered to ensure continuity of service between the existing SIA framework (Existing Framework) terminating on the 31<sup>st</sup> July 2016 and the delayed award of a framework likely to be no later than the 31<sup>st</sup> December 2016.
- 2.2 It is recommended that an extension by way of variation of the Existing Framework is agreed with the existing framework providers to ensure continuity of service. The Deed of Variation would not amend the terms of the Existing Framework save in order to give effect to the extension. In particular rates would remain the same.
- 2.2 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB Approval Date	CCB ref. number

### 3. DETAIL

- 3.1 Due to an unavoidable delay, the tendering process for the new SIA Framework started later than anticipated which will result in a five month gap of service between the existing framework terminating on the 31<sup>st</sup> July 2016 and the new framework being in place no later than the end of December 2016.
- 3.2 The procurement strategy approved by CCB sets out the possible options for ensuring a SIA service is available during these 5 months and recommends the extension to the existing framework to be the most cost effective option.

### 4. CONSULTATION

- 4.1 The options and proposal have been considered with Children’s Social Care service leads, internal legal and heads of Strategy, Communities and Commissioning

### 5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 The effect of the decision is noted below:

#### 1 Revenue and Capital consequences of report recommendations [

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Revenue Budget available</b>				
Expenditure	1,092			
Income				
<b>Effect of decision from report</b>				
Expenditure	875			
Income				
<b>Remaining budget</b>	217			
<b>Capital Budget available</b>				
Expenditure				
<b>Effect of decision from report</b>				
Expenditure				
<b>Remaining budget</b>				

## **2 The effect of the decision –**

The existing framework has a total contract value of £8.4m which is £875k pro rata for the 5 month extension period. This is within the budgeted amount currently available, from a mix of Home Office and General Fund budgets.

## **3 Risks**

There is a risk that the decision to extend the existing framework is subject to a procurement challenge from a provider in the market. However the relatively short extension period of 5 months relative to the 4 year contract term, reduces the likelihood of the risk, especially as a competitive procurement which is open to all providers in the market is currently underway.

By utilising Regulation 72(1) (e) and (8) to amend the existing contract, there is no need to submit a contract award notice and therefore not alerting the market to the extension.

The view of SCC is that a VEAT notice would not be beneficial in this instance as it would alert the wider market to the extension, when the risk of procurement challenge is deemed minimal as there is a competitive procurement underway.

## **4 Options**

Option 1: Spot purchase future placements from 1st August 2016 – 31st December 2016

Implications

- The annual spend on SIA placements is estimated at £2.1m, which equates to a pro rata cost of £875k over 5 months. The Council's Tenders and Contracts Regulations would apply to any spot purchased contracts requiring a competitive tender over £25k. Even if individual contracts were below the Public Contracting Regulations (PCR, 2015) threshold of £589,158, aggregation principles would be applicable and so a failure to advertise and comply with the PCR 2015 regulations could be subject to procurement challenge. Competitively tendering each placement would be a slow, un-wieldy and resource intensive process.
- The need to commission all new placements from the open market would require additional resource to support this increased level of procurement, contracting processes and quality monitoring responsibilities.
- Placement costs could increase by as much as £50/week, as providers would no longer be held to previously negotiated rates. Historically Croydon have negotiated lower prices compared to other London Boroughs. This cost saving could be eroded.
- Quality of placement could suffer as framework standards could not be enforced.

Option 2: Extend the current framework from 1st August 2016 – 31st December 2016

Implications

- Existing terms and conditions would be extended to all new placements made in the 5 month period.
- A 1 month termination notice period would be in place should the procurement process for the new framework be completed ahead of the 31st December 2016. This termination notice period will be added to the Deed of Variation.
- The existing framework agreement does not allow for an extension beyond the 4 year term. This would therefore require consent from all 10 providers on the current framework and a signed deed of variation to be in place with each provider.
- There is a risk that the extension to the current framework is challenged by providers in the market, however the relatively short term of the extension (5 months) relative to the original 4 year term and without any other changes which benefit the providers, the risk is deemed small. This is especially the view as a competitive procurement for the new framework is currently underway.

## **5 Future savings/efficiencies –**

Future savings will be made in the new SIA framework which is likely to be in place no later than 31<sup>st</sup> December 2016.

Approved by: Lisa Taylor, Assistance Director of Finance and Deputy 151 Officer)

## **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The overall procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999

(Approved on behalf of the Acting Council Solicitor and Acting Monitoring Officer)

## **7. HUMAN RESOURCES IMPACT**

- 7.1 None

## **8. EQUALITIES IMPACT**

- 8.1 A full equality analysis has commenced for the new framework in accordance with corporate requirements and indicates that there are no adverse impacts on any protected groups that would result in a change to the commissioning of the proposed services. The project will have a positive benefit for vulnerable Looked After Children as it provides regulated and supported accommodation for vulnerable young people in care.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 None

**10. CRIME AND DISORDER REDUCTION IMPACT**

10.1 None

**11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

11.1 The option to extend the current framework by way of a contract variation is deemed more cost effective to bridge the five month gap between the two frameworks rather than spot purchasing from the market for each placement.

**12. OPTIONS CONSIDERED AND REJECTED**

12.1 Spot purchasing from the market as outlined as option 1 in section 4 of this report.

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**CONTACT OFFICER:**

<b>Name:</b>	Sarah Risby
<b>Post title:</b>	Category Manager
<b>Telephone number:</b>	63270

**BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972**

Procurement Strategy