

Forward Plan reference number: FP/198/10/21

Report title: Decision to award a contract for Housing Related Support for Young People aged 16+	
Report to: Councillor Beverley Egan, Cabinet Member for Children's Services and Early Years	
Report author: Chris Martin, Commissioning Director – Children, Mental Health, Learning Disabilities and Autism	
Date: 22 November 2021	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out four strategic aims and 20 commitments. Within the strategic aim of making Essex a good place for children and families to grow, it includes a commitment to level up outcomes for the most vulnerable and disadvantaged groups including Care Leavers; and to improve the safety of Essex residents, including children and young people. Within the strategic aim of health, wellbeing and independence for all ages, it includes a commitment to promoting independence through assisting access to suitable accommodation, supporting access to employment and meaningful activities.
- 1.2 Consistent with achieving these commitments, this paper sets out a proposal to award a contract for the provision of Housing Related Support (HRS) to vulnerable young people.
- 1.3 The benefits of awarding the contract are that the service will provide flexible, needs-led access to housing related support for up to 270 of the most vulnerable young people in Essex at any one time; including care leavers, and young people at risk of homelessness.
- 1.4 The contract award will deliver additional Social Value in Essex through increasing sustainable employment opportunities and increasing the skills of people employed in the service.

2 Recommendations

- 2.1 Agree to award the contract for housing related support services for vulnerable young people in Essex for a 5-year term from 1st June 2022 to 31st May 2027 (with option to extend for up to a further 2 years) to Nacro for the contract value set out in paragraph 6.1.1.

3 Background and Proposal

- 3.1 The current contract for housing related support services for vulnerable young people expires on 31st May 2022. On 20th April 2021, Cabinet agreed to launch a tender for an Essex-wide 5-year contract for the provision of Housing Related Support to defined cohorts of young people aged 16+ (the Service) (FP/843/10/20). Authority was delegated to the Cabinet Member for Children & Families (now Cabinet Member for Children's Services and Early Years) to award the contract. This report summarises the outcomes of this procurement process and makes a recommendation to award the contract.
- 3.2 The ECC approach to improving outcomes and stability for Looked After Children and Care Leavers is set out in the Essex Sufficiency Strategy for Children in Care, which is currently under review. Although Care Leavers are not the main focus of the strategy, part of it sets out the intention to ensure that Care Leavers, for whom the council is not usually under a duty to provide accommodation, are able to access suitable accommodation. Part of this includes the provision of support to enable care leavers to maintain their tenancy and live independently. The Service supports the delivery of that intention.
- 3.3 ECC has a number of statutory duties under the Children Act 1989 as amended to care leavers aged between 18 and 21 - or 25 if in full time education. These duties include assistance with accommodation and assistance with education, employment and training. ECC has no statutory duty to provide accommodation to this cohort.
- 3.4 ECC has further responsibilities to provide support as a result of the Southwark Judgement 2009 which concerned the interplay of the homelessness legislation and the Children Act 1989 in relation to the assessment of 16 and 17 year olds. Although ECC is not under a duty to provide accommodation, it is often convenient for the support to be provided in a supported accommodation unit where the accommodation is suitable and suitable support can be on hand when it is needed.
- 3.5 The Service will provide support for up to 270 young people at any one time, based on the following principles:
- A Trauma Informed ethos and approach that can be seen organisationally, in policy and in practice.
 - Flexible, responsive support so that a young person receives the 'right help at the right time'.
 - A delivery model that will provide young people with stable accommodation and reduce unnecessary moves
 - Support for young people to remain in an area where they have a local connection, where this is the best option for them.
- 3.6 The Service will play a key role in enabling young people to achieve the following outcomes:
- Live in safe, appropriate accommodation
 - Maintain good physical and mental health

- Access Education, Training or Employment (ETE)
 - Able to sustain a tenancy and live independently
 - Have a social and support network
- 3.7 The cohorts of young people supported by this service are:
- Those aged 16 and 17 years old and homeless / at risk of homelessness, who have been assessed by Social Care as not a Child In Need (CIN); or assessed as CIN and have made an informed decision they do not want to become a Looked After Child, they want to take responsibility for themselves in respect of their education, training, employment and accommodation.
 - Care Leavers aged 18 to 21.
 - Vulnerable young parents up to the age of 21 years old who have additional support needs.
 - Additional young people aged 18 to 21 years old at risk of homelessness and are assessed as having specific vulnerabilities.
- 3.8 ECC advertised this opportunity via the government's Find A Tender portal, Contracts Finder and on ECC's opportunities listings website. There was a single-stage, open tendering process via ECC's e-sourcing portal within the published timescales.
- 3.9 Four bidders submitted tenders in response to ECC's procurement (the Bidders).
- 3.10 The first stage of the tender evaluation process consisted of reviewing the Bidders' responses to ECC's Standard Selection Questionnaire (SSQ) including pass/fail questions, verification that the Bidders comply with the minimum standards and mandatory and discretionary rejection criteria such as financial appraisals, legislative and insurance requirements.
- 3.11 All submissions passed and were deemed to have satisfied the minimum 50% scoring threshold for the SSQ and progressed to the second stage evaluation of technical responses described below.
- 3.12 The high-level Evaluation Criteria of Part 2 were as follows:
- Commercial response (price) – 30% weighting
 - Technical response (qualitative) – 70% weighting, of which 10% was assigned to Social Value.
- 3.13 Each of the bids were evaluated against the published scoring criteria by the evaluation panel. Subsequently, a moderation meeting was convened to determine the consensus scores for this tender. The panel reached a consensus score for each bid.
- 3.14 The Bidders were asked to submit their Social Value offer by completing the Council's standard TOMs (Themes, Outcomes, Measures) Social Value Calculator along with a supporting statement which was evaluated as set out in the Bidder's guidance.

- 3.15 As part of their technical response, the Bidders were required to respond to questions that had been developed and tested with representatives of Essex young people. The scores from this section accounted for 15% of the total evaluation and were evaluated by a panel of young people with lived experience of supported accommodation. This has ensured that the evaluation of this service captured the voice of young people.
- 3.16 The outcome of the evaluation stage resulted in one bid satisfying ECC's minimum quality criteria for this service, which was to achieve the published minimum pass score on every technical question. Nacro was the successful bidder and had submitted the most economically advantageous tender with a score of 70% which exceeded the minimum pass score. The other 3 tenders were disqualified as failure to meet the published minimum pass score resulted in disqualification.

4 Links to our Strategic Ambitions

- 4.1 This report links to the following aims in the Essex Vision
- Provide an equal foundation for every child.
 - There are no direct environmental or climate change implications on this decision.
- 4.2 This report links to the following strategic priorities in the emerging 'Everyone's Essex':
- Health wellbeing and independence for all ages
 - A good place for children and families to grow
- 4.3 Awarding this contract supports these priorities through the provision of a targeted service that prioritises access to the most vulnerable groups of young people including care leavers; delivering support that helps young people develop independence skills, manage their finances, access education, employment and training and look after their own physical and mental health and wellbeing.

5 Options

- 5.1 Option 1: To award a contract to Nacro for delivery of Housing Related Support to Young People aged 16+ for a 5-year term, with the option to extend for a further 2 years (**recommended option**).

Benefits

- Improved quality and access to housing related support for some of the most vulnerable young people in Essex.
- Stability of delivery for up to a 7-year term, with annual review built in to enable the provision to flex to meet changing demand.

- Opportunity to shape the delivery in response to changing need and demand through the minimum 5% annual flex that the provider has committed to in their tender.
- Surety of cost for ECC as the price is set for the contract term.
- Improved outcomes for young people through a delivery model that focuses on flexible, responsive support so that the young person receives the 'right help at the right time'.
- Four separate innovations built into the contract, which will enable testing and upscaling of these should success be evidenced.
- Delivery of £5.875 million of Social Value annually, through increasing sustainable employment within Essex

Risks

- Continued use of larger high needs units in the Mid and North quadrants, due to smaller accommodation units not being available; which does not match ECC's preferences for smaller units which are better suited to this cohort of young people.
Mitigations - Detailed mobilisation planning with provider and Children & Families (C&F) colleagues; ECC to commence internal exploration with Essex Housing to identify options to secure 2 x 8-12 bed units in 2 quadrants for future delivery.
- Risk of Anti-Social Behaviour (ASB) or other disruptive factors in the 2 larger 24/7 staffed units and in locations where a number of 'dispersed' (non-24/7 staffed) units are located together. **Mitigations** - Provider's approach to safeguarding in these units as set out in their bid; delivery of flexible support model as set out by provider in their bid; utilisation of the minimum 5% annual flex in the contract to increase/decrease provision as required.
- Risk of the contract not delivering the required outcomes for ECC due to changes in the presenting needs of young people.
Mitigations – Contractual ability to annually adjust the spread of delivery by +/- 5% in response to changing demand; break point built into the contract to allow ECC to terminate at 3 years; ECC strategic work to identify and develop suitable properties for future use.
- Risk of waiting lists emerging through the contract transition period due to the property disposal and acquisition timeline operating from January 2022 through to December 2022. **Mitigations** - detailed work with provider from January 2022 onwards to prioritise acquisition in key areas of shortfall identified by C&F teams and in line with the providers' acquisition timeline submitted as part of their tender.
- Risk that the property acquisition programme set out by the provider fails to deliver all the required units in the required areas, resulting in gaps in accommodation-based provision and limiting ECC's ability to support young people in an area where they have a local connection. **Mitigations** – Commencement of acquisition programme by provider as soon as contract award is announced; ECC contract manager with tight oversight of mobilisation timetable; joint mobilisation steering board to be set up to maintain oversight and scrutiny of progress.

5.2 Option 2 – To not award the contract and instead enter into negotiations with the current incumbent (Nacro) to make a direct award (**not** recommended).

Benefits
<ul style="list-style-type: none">○ Opportunity to attempt to negotiate a spread of properties that more closely match ECC's preferences.
Risks
<ul style="list-style-type: none">○ Risk of challenge as Nacro met the standards laid out in the tender and therefore under the Procurement Regulations should be awarded the contract.○ Loss of improvements in service delivery that would be delivered through awarding the contract as the provider would not be able to be held to the requirements of the new specification.○ High likelihood that negotiation would not secure any further service improvements, nor access any properties not already identified by the provider in their tender.○ Risk of poorer outcomes at higher cost if ECC choose to proceed with negotiating a direct award with current incumbent as ECC will have little leverage on delivery requirements or costs.○ Risk of increased numbers of young people becoming homeless, as tenancies may be terminated by the current service provider if negotiations failed.○ Risk of reputational damage for ECC amongst providers as they have submitted tenders in good faith that ECC intend to award.

5.3 Option 3 – To not award any contract and allow the service to cease on 31st May 2022 (**not** recommended).

Benefits
<ul style="list-style-type: none">○ Annual savings of up to £2.575 m.
Risks
<ul style="list-style-type: none">○ Risk of poorer outcomes for young people who would no longer have access to accommodation-based support.○ Significant risk to ECC of no accommodation being available once the current contract expires on 31st May, as pre-tender market engagement confirmed no market interest in just being a landlord. Withdrawal of current accommodation would lead to increases in homelessness and/or young people living in unsuitable accommodation.○ Risk of legal challenge to ECC of not fulfilling its statutory obligations to Care Leavers and 16-17 year olds.○ Risk of significant reputational damage for the authority amongst districts and boroughs due to increases in homelessness presentations by young people○ If ECC was to subsequently make a decision to directly deliver the support; TUPE risk for ECC in relation to current provider staff and additional cost burden of in-house provision.

6 Issues for consideration

6.1 Financial implications

6.1.1 The annual cost of the awarding the housing related support contract to Nacro is **£2.575m** and **£12.875m** over the initial **5 year** term of the contract award. This has been included in the draft Medium Term Resources Strategy. Although a 5% flexibility is built into the contract, this relates to volumes of young people in the service and types of property used to deliver the support and not to the contract price which will remain fixed over the contract term. The service will provide support for up to 270 young people at any one time.

6.1.2 As part of the contract evaluation Nacro were required to set out the annual cost of providing support per young person in each of the following cohorts:

Support Requirements
High / Intensive Support in 24/7 staffed units
Low / Medium support requirements in dispersed accommodation
Wraparound Support
Support delivered through Innovation and new ways of working
Support provided to transition in and out of the service

6.1.3 The unit cost submitted by Nacro as part of their bid will be used to support negotiations where the service is to be flexed over the contract term, in line with the flexibilities set out in the contract. An opportunity to review the unit cost to ensure they still reflect the cost of service delivery is made following the first 3 years of the contract award. The overall contract value is not expected to change at this review point.

6.1.4 Additional flexibility has been included in the current specification to allow ECC to hold an empty property with Nacro for an extended period. This is only likely to apply in exceptional circumstances in order to reserve a space at a suitable property for a young person who is not yet ready to transition into the service but is expected to do so in the very near future.

6.1.5 The additional flexibility of accommodation will be at a weekly cost as agreed in the tender and would be at an additional cost over and above the annual £2.575m. This would be at the discretion of ECC but would look to be avoided through regular planning and contract management meetings with Nacro. This will avoid the risk of the cost of empty properties held by Nacro being absorbed in the overall contract value and potentially diluting the quality of service provided. Should any cost be incurred then it will need to be absorbed within the annual revenue budget of the portfolio.

6.2 Legal implications

6.2.1 ECC is a contracting authority for the purposes of the Public Contract Regulations 2015. The contract must be awarded in line with the published award criteria. ECC will need to enter into a written contract with the successful bidder based on the terms set out in the tender documents.

- 6.2.2 It is important to note that this report relates to the provision of support services for young people where ECC is not under a duty to provide accommodation. The provision of accommodation by the provider reflects the fact that this is often the most convenient way of providing support.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic. The specific implications identified are positive impacts, as the service is targeted at specific vulnerable groups and take-up of the service has been proportionate with the reported demographics of these groups.

8 List of Appendices

Appendix One: EQIA

9 List of Background papers

Cabinet report FP/843/10/20

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Beverley Egan, Cabinet Member for Children's Services and Early Years	03/12/21

In consultation with:

Role	Date
Helen Lincoln, Executive Director for Children, Families & Education	25/11/2021
Executive Director, Corporate Services (S151 Officer)	22/11/2021
Stephanie Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	25/11/2021
Susan Moussa on behalf of Paul Turner	