

Forward Plan reference number: FP/573/11/19

Report title: To agree an extension to the current contract for the delivery of Housing Related Support for Young People 16+	
Report to: Councillor Louise McKinlay, Cabinet Member for Children & Families	
Report author: Chris Martin, Commissioning Director – Children, Mental Health, Learning Disabilities and Autism	
Date: January 2020	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 The purpose of this report is to seek agreement to extend the current contract with Nacro, the current contracted provider, for the delivery of Housing Related Support for Young People for a period

2. Recommendations

- 2.1 To agree to extend the current contract with Nacro for the delivery of the Essex Young People’s Partnership (“EYPP”) Service for a period of ten months from 1st June 2020 to 31 March 2021 .
- 2.2 To agree expenditure of £2.146m to deliver the service for the 10 month period 1st June 2020 – 31st March 2021. This is inclusive of a 3% (£62,500) uplift on the current contract value of £2.5m per annum. The 3% increase is to support National Living Wage increases, one-off property costs and additional staff to support the higher numbers of young people with complex needs.

2. Summary of issue

- 3.1 Essex County Council (ECC) has a number of statutory duties relating to the provision of accommodation and support for young people aged 16 and over
- 3.2 The current ECC service is known as the Essex Young People’s Partnership This service aims to deliver Housing Related Support (HRS) post-16 accommodation support for the following cohorts of young people:
- Aged 16 and 17 years old at risk of homelessness.
 - Additional young people aged 18 to 21 years old at risk of homelessness and are assessed as having specific vulnerabilities.

Housing Related Support for Young People 16+

- Care Leavers
- Vulnerable young parents up to the age of 21 years old with additional support needs.

The Service includes the following main components:

- Information, Advice and Guidance
- Prevention and Intervening Early
- Assessment and Support Planning
- Risk Assessment and ongoing Management
- Integrated Working/Partnership Working
- Wraparound Support
- Support/interventions
- Access to and maintenance of ETE/peer/mentoring support/volunteering
- Move-on
- Emergency Placements

3.3 ECC currently have a contract with Nacro for the delivery of EYPP (“the Contract”). The Contract commenced in June 2017 and is due to expire on 31st May 2020 with an option to extend for up to a further 2 years.

3.4 Work has commenced on the recommissioning of a new housing related support service from April 2021. Analysis and review work undertaken by ECC Commissioners has identified collaborative commissioning opportunities with the 12 Local Housing Authorities (LHAs) in Essex. In order to explore this approach further and in detail, it is proposed to extend the Contract period and offer an initial extension to Nacro for a period of 10 months to enable service design work to be undertaken robustly, in partnership with LHAs and in consultation with current and potential future service users. Nacro has provisionally agreed to this 10-month extension. A further governance paper will follow detailing the proposals for the future services, allowing a full 12 months for the tender process, which experience has shown will be sufficient time to procure and mobilise a new service.

3.5 The Service contributes towards the delivery of the following ECC priorities:

- Help keep vulnerable children safer and enable them to fulfil their potential
- Enable more vulnerable adults to live independent of social care

The Service includes the following main components:

- Information, Advice and Guidance
- Prevention and Intervening Early
- Assessment and Support Planning
- Risk Assessment and ongoing Management
- Integrated Working/Partnership Working

Housing Related Support for Young People 16+

- Wraparound Support
- Support/interventions
- Access to and maintenance of ETE/peer/mentoring support/volunteering
- Move-on
- Emergency Placements

3.6 The contract value is £2.5m per annum. This delivers the support (at low, medium or high level, dependent on assessed need) for up to 330 young people at any one time.

3.7 There is provision in the current contract to extend for up to 2 years, however changing demographics and complexity of young peoples' needs mean a different service will be required in the future.

3.8 Market analysis, stakeholder and service user engagement during 2019 has identified:

- Opportunities to improve access and 'move on' pathways for young people through partnership working between ECC and the 12 local housing authorities.
- Opportunities for learning from a range of pilots and innovation projects taking place across the country, which are exploring alternative models of supported housing.
- Opportunities to collaboratively design a service that is fit to meet the changing needs of young people in the future.

3.9 The proposed 10-month contract extension will enable service design work to be carried out robustly and collaboratively with Local Housing Authorities and internal stakeholders. An indicative timeline is below:

Activity	Start	End
Stakeholder engagement, analysis and service design	Commenced	Mar-20
ECC Internal Governance	Mar-20	May-20
Cabinet Member	Apr-20	
Invite to tender	July-20	Aug-20
Evaluations	Sept-20	Oct-20
Contract award	Nov-20	
Mobilisation	Dec-20	Apr-21
New contract commences	1 st April 2021	

3. Options

Option	Pros	Cons
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Housing Related Support for Young People 16+

<p>Option A – Do nothing</p>	<ul style="list-style-type: none"> • Realise savings through decommissioning of service 	<ul style="list-style-type: none"> • Risk of adverse outcomes for young people • Risk of challenge and reputational damage through not fulfilling statutory duties • Risk of escalating costs through spot purchasing and emergency placements for young people
<p>Option B – Procure a new service to commence June 2020</p>	<ul style="list-style-type: none"> • Improve value for money through an open tender process • Opportunities to drive up quality through market competition 	<ul style="list-style-type: none"> • Missed opportunity to design pathways collaboratively with local housing authorities • Missed opportunities to develop innovative solutions in partnership with stakeholders
<p>Option C – Extend current contract for the maximum period of 2 years as set out in the original Cabinet Paper</p>	<ul style="list-style-type: none"> • Continuity for young people supported through the service • Opportunity to continue to realise in-contract improvements with current incumbent 	<ul style="list-style-type: none"> • Risk of slow pace of improvement that does not deliver value for money to the authority • Risk of poor outcomes for numbers of young people with complex needs who fall outside of the current service specification • Risk of missing opportunity for collaborative working with local housing authorities
<p>Option D (preferred option) – Extend current contract for a period of two years and offer an initial extension period to Nacro for of 10 months to March 2021</p>	<ul style="list-style-type: none"> • Improve value for money through an open tender process • Opportunities to drive up quality through market competition • Enables a redesign of services collaboratively with key stakeholders including local housing authorities • Provides opportunity to improve outcomes for young people through service design • Offers continuity and time for a managed mobilisation of any 	<ul style="list-style-type: none"> • Limited appetite from current provider to invest in staffing or accommodation, due to relatively short term nature of extension – to be mitigated by close management and monitoring of the contract

	future contract, minimising adverse impact on the young people currently accommodated in the service	
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4. Next steps

Following approval of this CMA, a 10-month extension of contract alongside continued in-contract improvements will be agreed with the provider.

5. Financial implications

- 5.1 Funding of £2.5m per annum is included in the 2020/21 budget funding the contract with Nacro.
- 5.2 The current contract is due to end 31st May 2020 with a recommended 10 month contract extension commencing 1st June 2020 to 31st March 2021 at a cost of £2.146m. There is an additional £62,500 required to fund one off costs associated with ensuring that the occupied properties are fit for purpose and appropriate staffing to support the most complex cases.
- 5.3 This additional cost will be met through re-prioritising existing resources within Children & Families portfolio.

6. Legal implications

- 6.1 ECC is a contracting authority for the purposes of the Public Contracts Regulation 2015 (PCR 2015). This is a social services contract which comes under the PCR 2015 light touch regime. The value is above the financial threshold (currently set at £663,540) and ECC must ensure that it complies with the PCR 2015 when modifying contracts during their term.
- 6.2 The terms of the contract entered into between ECC and Nacro expressly allows ECC to extend the contract by a period of up to two years. The requested uplift on the current contract value is below the relevant threshold and less than 10% of the initial contract value. The contract variation therefore falls within regulation 72(1) of the Public Contract Regulations 2015.

7 Equality and Diversity implications

Housing Related Support for Young People 16+

- 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.

List of appendices

Appendix 1: Equality Impact Assessment

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Louise McKinlay, Cabinet Member for Children and Families	26.02.20

In consultation with:

Role	Date
Executive Director for Corporate and Customer Services (S151 Officer) Stephanie Mitchener	17.02.20
Director, Legal and Assurance (Monitoring Officer) Laura Edwards on behalf of Paul Turner	30.1.2020