

**SURREY COUNTY COUNCIL****CABINET****DATE: 30 JANUARY 2018****REPORT OF: MRS CLARE CURRAN, CABINET MEMBER FOR CHILDREN****LEAD OFFICER: GARATH SYMONDS  
ASSISTANT DIRECTOR, COMMISSIONING AND PREVENTION****SUBJECT: RE-COMMISSIONING SUPPORTED ACCOMMODATION FOR  
YOUNG PEOPLE IN SURREY****SUMMARY OF ISSUE:**

The purpose of the Supported Accommodation commission is to ensure that sufficient high quality accommodation with support is available for young people that meets their needs, enables them to be safe and to achieve positive outcomes in relation to independent living, health, social wellbeing, education and employment. It enables Surrey County Council to fulfil its statutory duties in this area and is seeking to ensure that young people are able to remain in county and live near to their support networks.

The priority groups supported through this provision are: young people aged 16 to 17 who experience, or are at risk of, homelessness; looked after children, including unaccompanied asylum seeking children; care leavers aged 18 up to 25 year olds or those who are experiencing vulnerabilities as a result of previously being in local authority care (including unaccompanied asylum seekers); young parents aged 16 to 25; young people aged 18-21 who are single and homeless with support needs; 16 and 17 year olds bailed or remanded into local authority supported accommodation.

The current Supported Accommodation Framework comes to an end on 31<sup>st</sup> March 2018. This paper sets out the recommendation for the use of a Dynamic Purchasing System (DPS) to procure Supported Accommodation for young people from April 2018 to March 2022. In addition, a saving of £0.5m per annum on external spend will be made. This will be achieved through the proposals set out in this report. This project supports the commissioning intentions set out in the Child First Commissioning Strategy and will feed into the Sustainable Future project, helping us to manage placement costs more effectively through the use of a DPS.

**RECOMMENDATIONS:**

It is recommended that:

1. Cabinet approves the use of a Dynamic Purchasing System to commission and award contracts for up to £13.4 million of Supported Accommodation provision for young people in Surrey from April 2018 to March 2022.
2. The providers as listed in the Part 2 Annex of this report are awarded a place on the new DPS as they have passed the Invitation to Tender (ITT) evaluation process, whilst recognising that further organisations will be able to apply throughout the duration of the DPS.

## **REASON FOR RECOMMENDATIONS:**

A Dynamic Purchasing System (DPS) under the Light Touch Regime has been selected as the most appropriate route to market because:

- It enables robust control of the quality and cost of supported accommodation services for young people;
- It provides flexibility: this approach attracts a larger range of suppliers and allows providers to enter / exit from the list without having to re-open frameworks, which can be legally challenging and bureaucratic;
- It is responsive. It will enable us to ensure that the service providers who can meet the emergent needs of young people, especially those who are experiencing the greatest challenges, are able to join the list throughout the length of the commission;
- It demonstrates that we have listened to feedback and suggestions from the market and colleagues following the last tender process which was considered to be overly complicated. The approach was also too restrictive and led to spot purchasing with organisations that were not on the Framework as it was considered that only they were able to meet the needs of vulnerable young people.

## **DETAILS:**

### **Background**

1. Supported accommodation is a form of temporary accommodation with support for young people who are not ready to live independently. It can be provided by an individual, company or voluntary organisation and includes support. Young people will require various levels of housing related support and guidance to help them gain the skills they need to live independently. In order to access Supported Accommodation young people must be assessed by the Local Authority as being genuinely homeless or threatened with homelessness and as having no other suitable accommodation options available to them.
2. Since the inception of the Homelessness Prevention Service in 2012, the use of bed and breakfast accommodation for young people aged 16 and 17 has been eradicated. Mediation between young people and families, and respite in supported accommodation provision have been offered instead.
3. The current Supported Accommodation Framework was introduced on 1 April 2014 and runs until 31 March 2018. It is, therefore, necessary to recommission this provision for the period 1 April 2018 - 31 March 2022.
4. 20 providers were recruited onto the Framework in 2014 and delivered services on a block and/ or spot basis. It was re-opened in 2017 to ensure that the required providers were included. Currently, 11 providers hold block contracts, and, during 2016-17, 32 organisations provided placements through spot purchasing arrangements (9 of whom also held block contracts).

5. Between July 2016 and October 2017, 932 young men (446 in block placements, 486 in spot placements) and 700 young women (621 in block placements and 79 in spot) were placed in supported accommodation.
6. A thorough needs analysis has been undertaken to inform the development of the model and specification, alongside feedback from providers, young people and colleagues from Family Services and Children's Services. In 2016-2017, 911 referrals were received for young people who were in need of supported accommodation. 246 of these were for young people aged 16-17. For this specific cohort, for example, relationship breakdown with caregivers, violence and aggression in the home, abuse, substance use and non-compliance with boundaries were key reasons for referrals.
7. The analysis highlighted the importance of ensuring that supported accommodation is accessible to those who have been deemed to have 'complex needs'. Cross cutting themes have been identified across all of the priority groups which providers are expected to support. This may require them to adapt their practice and provide development opportunities for their workforce. These are:
  - I. Safeguarding, including risks of Child Sexual Exploitation (CSE) and young people being missing
  - II. Mental health and emotional wellbeing
  - III. Substance use, including alcohol and new psychoactive substances
  - IV. Special educational needs and/ or disabilities
  - V. The importance of a planned move-on process for all young people
8. The identified areas for development and recommendations described in the needs analysis have informed the design of the new model, the service specification and the way in which contracts will be monitored and providers will be supported. The full needs analysis is available in Annex 1.

### **Feedback from young people**

9. The views of young people about supported accommodation were captured through the Big Survey (2016) and a questionnaire distributed to young people currently in placement in commissioned provision.
10. Young people have identified strengths and areas for development within the provision. Overall young people value the relationships and support provided by key workers, they said that they feel safe in their private space within the accommodation and several said that they are happy with the quality of accommodation. In terms of areas for development, some young people highlighted that they would like to be placed closer to home and have more regular key-work support. Others said that there should be a greater consistency in the implementation of boundaries for all residents and, young parents described how they would like the opportunity to live with their partner and child/ren as a family unit.

## Legal duties

11. Surrey County Council has a number of statutory duties in relation to the provision of supported accommodation that Cabinet should take into consideration when reviewing the proposal set out in this paper.

Statutory Guidance on securing sufficient accommodation for looked after children

Children (Leaving Care) Act 2000

Homelessness Act 2002

The Homelessness (Priority Need for Accommodation) (England) Order 2002

Anti-Social Behaviour Act 2003

Children Act 1989

Children Act 2004

Children Act 2010

Children, Schools and Families Act 2010

Children and Families Act 2014

Housing Act 1996

Housing Act 2004

Southwark Judgement- Law Lords 2009

Statutory Guidance for Local Housing Authorities and Children's Services Authorities issued by Department for Communities and Local Government and Department for Education April 2010

Sentencing and Punishment of Offenders Act 2012

## The model

12. The model for supported accommodation for young people in Surrey has been designed in response to the identified needs of young people, evaluation of the current provision and budget (see Figure 1). Supported lodgings and the volunteer host scheme will continue to be delivered by Surrey Family Services. Public Health and Surrey Family Services will continue to jointly fund a service for young people requiring residential support in order to maintain long term recovery from substance misuse.
13. The remaining required elements have been divided into 7 lots by accommodation and support type and will be delivered by external organisations commissioned through the DPS. The model offers a breadth of accommodation and support that will meet the diverse needs of the young people who require supported accommodation in Surrey. The services will be spread across the county in order to maximise the likelihood that young people will be able to remain in county and within easy reach of their existing support networks and educational provision.
14. In addition to the provision being commissioned, work is being undertaken to promote the wellbeing of young people and to manage demand through a restorative approach to resolve presenting issues with their parent/ carer to enable them to return home, where appropriate.

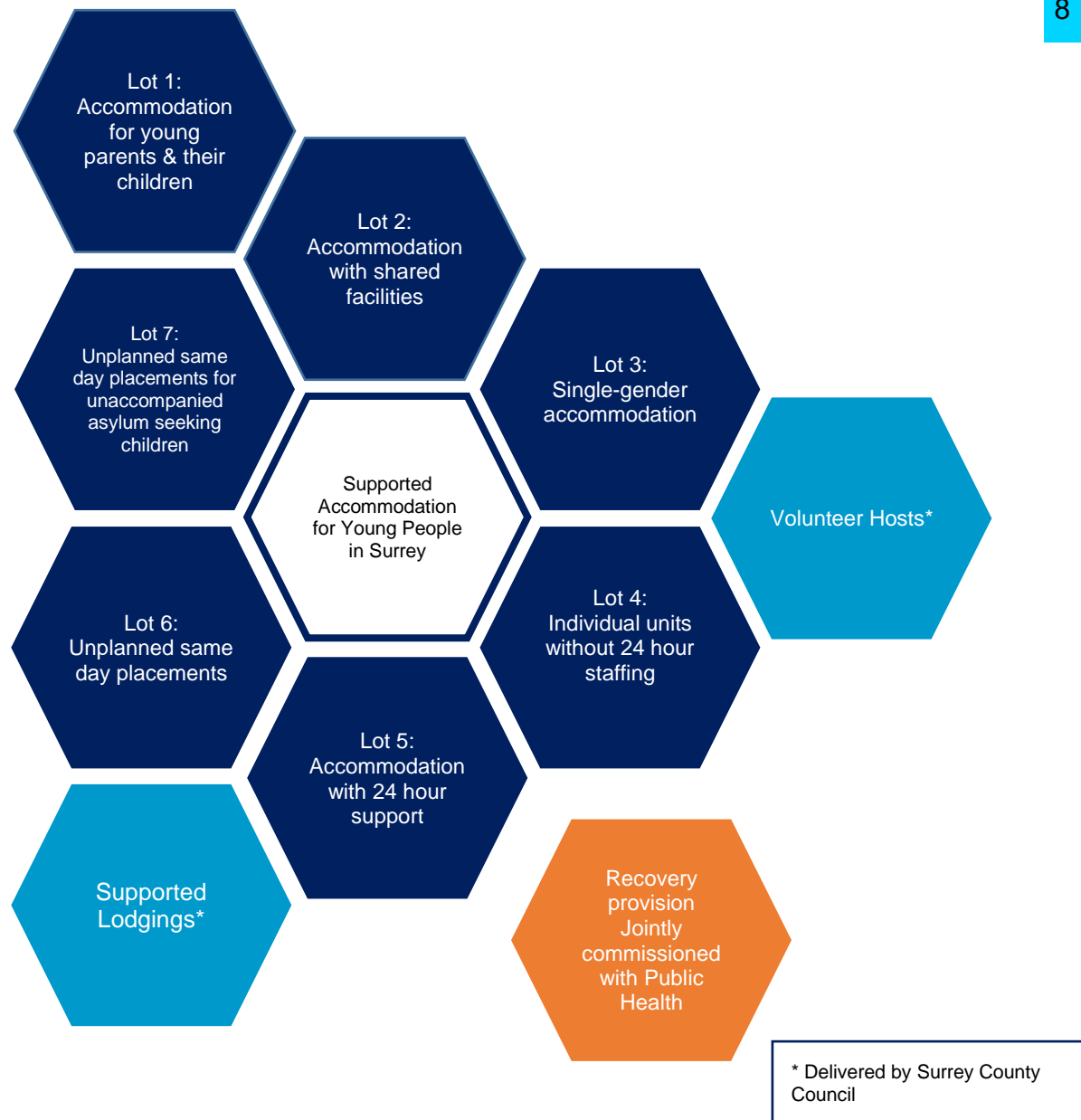


Figure 1: Young People's Supported Accommodation: The Model

#### 15. The lots are:

##### Lot 1: Supported accommodation for young parents and their children

The purpose of this commission is to ensure that young parents have access to high quality support and accommodation that enables them to provide a safe home for their child(ren) and to develop the skills, knowledge and confidence to live independently as a family unit.

##### Lot 2: Accommodation with communal facilities (e.g. shared houses and flats)

Supported semi-independent shared houses and flats for young people who would benefit from living in smaller living environments and do not need 24 hour staffing in their placement. In some cases, these can be move-on placements for young people living in other supported accommodation provision.

### Lot 3: Single-gender accommodation

Provision with 24 hour staffing that meets the needs of young women and young men who require single-gender accommodation in order to promote their wellbeing and safety, to protect them from vulnerabilities relating to exploitation and/ or abuse (e.g. child sexual exploitation, domestic abuse), or to ensure that supported accommodation is accessible to young people who have particular cultural and religious requirements. In addition, single-gender accommodation may be required for young people who display sexually harmful behaviour.

### Lot 4: Individual units without 24 hour staffing

Individual units for young people who would benefit from living in smaller living environments and do not need 24 hour staffing in their placement. The units will be self-contained and without shared facilities (individual rooms which have their own kitchenette and bathroom).

### Lot 5: Accommodation with 24 hour staffing

Hostel / Foyer models / Larger shared houses with 24 hour staffing for young people who have complex needs and require this level of provision. Services must include access 24 hours a day, 7 days a week, for commissioned unplanned same day placements.

### Lot 6: Unplanned same day placements

Unplanned same day placements which provide a safe, short term respite option for young people identified as needing same day placements and who have been assessed as having no other options available to them.

### Lot 7: Unplanned same day placements for unaccompanied asylum seeking children

This lot provides Unaccompanied Asylum Seeking Children (UASC) aged 16-18 and SCC with a safe environment on arrival in Surrey where they can be safeguarded from child sexual exploitation, trafficking and going missing within the first 48 hours in care; adequate time for Children's Social Care, Health and Education to undertake a rigorous assessment of the child's placement, health, education and safeguarding needs; a safe space for age assessments to take place (when needed). Placements will need to be accessed outside of office hours (evenings and weekends).

16. Supported accommodation will enable young people to achieve the outcomes described in the outcomes framework (Annex 2).

## Overview of the procurement approach

17. Having reviewed the evaluation of the previous procurement process, feedback from providers and colleagues who utilise these services about the

current arrangements, it was necessary to identify the appropriate procurement approach.

18. A number of options for the route to market were explored:

Option 1: Do nothing

Option 2: Block Contracts only with a few suppliers

Option 3: Framework Agreement with 3 or more suppliers – block and spot provision

Option 4: Join another LA's Framework Agreement

Option 5: Establish a collaboration with other LAs to tender

Option 6: Establish DPS with stringent and thorough entry criteria under the Light Touch Regime.

19. Option 6 has been identified as the best approach for this area of commissioning based on the analysis of the information available and on the recommendation of the Sourcing Governance Board for the reasons outlined below:

- It enables robust control of the quality and cost of supported accommodation services;
- It provides flexibility: this approach attracts a larger range of suppliers and allows providers to enter / exit from the list without having to re-open frameworks, which can be legally challenging and bureaucratic;
- It is responsive. It will enable us to ensure that the service providers who can meet the emergent needs of young people, especially those who are experiencing the greatest challenges, are able to join the list throughout the length of the commission;
- It demonstrates that we have listened to feedback and suggestions from the market and colleagues following the last tender process which was considered to be overly complicated. The approach was also too restrictive and led to spot purchasing with organisations that were not on the Framework as it was considered that only they were able to meet the needs of vulnerable young people.

20. SCC ran a full, open tender process from 3 October 2017 to 6 December 2017. This was run under the Light Touch Regime and was compliant with Public Contract Regulations 2015 and the Council's Procurement Standing Orders. The approach was endorsed by the Council's Sourcing Government Board on 22 August 2017 and the Commissioning Oversight Group in Children, Schools and Families on 8 September 2017. The contract opportunity was advertised in the Official Journal of the European Union (OJEU). The opportunity was also advertised on Contracts Finder and the SE Shared Services portal.

21. During the procurement process 26 organisations bid to deliver supported accommodation for young people in Surrey in the initial window. Interest was expressed for each of the available lots. It is recommended that 16 of those



organisations are awarded a place on the DPS as they passed the Invitation to Tender evaluation. Full details of the results of the bid evaluation process are included in the Part 2 report.

22. The Council will keep the DPS open to allow new providers to join at any time, including those that were unsuccessful the first time around, to increase flexibility and allow any new and emerging providers to join. Providers can bid to be considered for the DPS at any time up until March 2022. Bid submissions must be evaluated and awarded a combined quality and price score of 50% or above to be successful. As part of the ITT process and any subsequent submission, providers have been asked to provide pricing which is fixed for spot purchases. This will ensure affordability to the council for the lifetime of the DPS. Block contracts will be commissioned through the use of mini-competitions. Providers will be invited to refresh their pricing and submit responses to mini-competition questionnaires but these must not exceed the prices provided within the bid submissions.
23. Mini competitions will be held in February 2018 for the award of block contracts. This opportunity will only be available to organisations who are currently on the DPS.

#### **CONSULTATION:**

24. Consultation has been undertaken with:

- Current providers
- Colleagues from borough and district council housing departments through provider events in February and May 2017 and the Housing Needs Managers Group.
- Young people, who were given the opportunity to provide feedback about existing provision through an online survey. The views of young people captured through the Big Survey were also incorporated.

25. The feedback from stakeholders has informed the needs analysis, assessment of equality impact, model development and the approach to procurement. The voice of young parents was particularly strong and has ensured that we are commissioning provision that enables them to live with their children and partner as a family unit, where appropriate. Colleagues from Children's Services and Family Services have been instrumental in developing this project to ensure that it meets the needs of the young people they require provision for.

#### **RISK MANAGEMENT AND IMPLICATIONS:**

26. The terms and conditions of the contract include relevant termination clauses which will allow the council and the provider to terminate the agreement with six months' notice. In addition, immediate termination is possible if the service provider commits a breach of the terms of contract or the provider at the time



of the contract award has committed an offence under the Public Contract Regulations 2015.

Risk Description	Mitigation Activity
Demand may grow for services resulting in increased costs for SCC	<p>The service specification outlines reliable data which captures numbers of people accessing services.</p> <p>Quarterly contract review meetings will be held to monitor the performance of the service and the numbers of people accessing the service in order to predict future demand.</p> <p>The cost per placement for accommodation with support is fixed for the duration of the DPS.</p> <p>There will be continuous development of supported lodgings and the volunteer host service, as well as mediation work with young people and families to prevent young people leaving the family home where appropriate, in order to reduce demand for higher cost provision.</p>
Potential risk that during the life of the contract the Providers will request an inflationary increase against the annual service delivery cost.	<p>The cost per placement for accommodation and support is fixed for the duration of the DPS. The terms and conditions are explicit that SCC will not pay inflation.</p>
Poor quality of service and service does not deliver required outcomes.	<p>Strong contract management and quarterly contract review meetings will mitigate the risk of a poor quality service.</p> <p>Failure to meet the service outcomes and objectives will enable Surrey County Council to restrict payment based on performance and ultimately terminate the contract if performance does not improve.</p>
Disengagement of young people due to changes resulting from a new service provider	<p>Surrey County Council will closely monitor data from the Providers, enable partnerships with key stakeholders and service user feedback, as part of the contract management process to ensure service users do not disengage from the service</p>

Providers who currently have young people in placement and/ or are able to meet the needs of young people from priority groups may not apply to deliver services through the DPS.	<p>Current providers will be alerted to the opportunity to apply to be part of the DPS within the boundaries of procurement rules.</p> <p>The DPS approach means that providers can apply to deliver services at any point during the 4 year period so there will be further opportunities to for them to join in the future.</p> <p>The specification provides clear expectations that all providers will be required to support young people from all of the priority groups.</p> <p>A programme of market development and support for organisations will be provided to enable them to further develop the skills, capacity and approaches required to meet the needs of the young people referred.</p>
There is insufficient provision for young people or the provision commissioned does not meet their needs	<p>A robust approach to finance, contract and performance management has been established which will alert the Supported Accommodation team to such issues within the block contract arrangements, This is being extended to provision purchased through spot arrangements.</p> <p>The DPS approach means that additional places can be spot purchased at a fixed cost where needed. Where it is apparent that there is a need for a longer term arrangement, further mini-competitions can be held for block contracts.</p> <p>A programme of market development and support for organisations will be provided to enable them to further develop the skills, capacity and approaches required to meet the needs of the young people referred.</p> <p>Where a new need emerges which cannot be met by current providers, the flexible nature of the DPS means that new providers can apply to deliver services in Surrey. This means that the opportunity can promoted to new providers who may be able to deliver more specialist services.</p>

#### **Financial and Value for Money Implications**

27. The agreed budget (funded by Children's Services and Family Services) totals £3.361m per annum (approximately £13.4m from April 2018-2022).
28. Recommendations set out will be delivered within the identified budget and secures the required saving of £0.5m from the annual budget for the period 2018-22 in line with the Medium Term Financial Plan (2017-2020). The savings will be realised by reducing the age range of single homeless people who can access supported accommodation funded through this commission from 18-25 to 18-21 which will enable more young people from our priority groups (incl. looked after children and care leavers) to access the provision and, therefore, reducing the volume of spot purchases; developing and using alternative models of delivery; fixing the cost of services for the duration of the DPS; and restricting the use of expensive provision, where appropriate. Care leavers and young parents aged 21-25 will still be able to access the

provision. The decision to reduce the age range for single homeless people is considered in the Equality Impact Assessment and was informed through consultation with partners.

29. In addition to the budget allocated to externally commissioned services, £0.327m per annum funds the delivery of the supported lodgings and volunteer host schemes by Surrey Family Services, and £0.025m is used to jointly commission supported accommodation for young people in recovery from substance use with Public Health.

#### **Section 151 Officer Commentary**

30. The financial implications of these contract awards have been considered and the funding available is sufficient to cover the contracted costs. The contract reduction to release the £0.5m budget saving will be reflected in the budget from 2018/19.

#### **Legal Implications – Monitoring Officer**

31. The services required for Supported Accommodation were procured in accordance with the Public Contracts Regulation 2015. The requirement for a Dynamic Purchasing System (“DPS”) was advertised in the Official Journal of the European Union as an Open Procedure under the Light Touch Regime. This meant it was open to all potential suppliers who wished to apply. The evaluation was done on an objective basis and several suitable suppliers were identified and admitted to the DPS. Under the DPS the Council has the flexibility to call off services as and when required. Potential suppliers have the flexibility to apply to join the DPS during the lifetime of the DPS.

#### **Equalities and Diversity**

32. An Equality Impact Assessment has been written and sets out the impacts of the proposed approach to re-commissioning supported accommodation on young people who have protected characteristics (Annex 3)
33. Whilst full details of the positive and negative impacts of these proposal and the mitigations have been set out in the EIA, a summary of the key impacts are included below:

Information and engagement underpinning equalities analysis	Young People’s Supported Accommodation Needs Analysis (2017), Young People’s Supported Accommodation Lots 2018-2022, census data, needs assessments (Looked After Children, Care Leavers and UASC), case studies written by providers and SCC staff, feedback from providers and young people.
Key impacts (positive and/or negative) on people with protected characteristics	Young people from the priority groups (including those who have protected characteristics in addition to age) will have access to high quality supported accommodation which will meet their needs and enables them to be safe, thrive and achieve positive outcomes in relation to independent living, health, social wellbeing, education and employment.

Changes you have made to the proposal as a result of the EIA	Equality considerations have been fundamental to the design of the Supported Accommodation model which includes a range of options to ensure that young people's needs are met therefore there are not changes proposed in response to this EIA.
Key mitigating actions planned to address any outstanding negative impacts	<p>Continue to work with colleagues in adult services and borough and district housing departments to ensure they are aware of the change of age range and that alternative provision is available for single homeless people aged 21-25 assessed to be in need of supported accommodation.</p> <p>Monitor the number of young people seeking accommodation as a couple and assess each situation on a case by case basis where requests are made. Ensure young people are sign posted to borough and district housing departments in order to access appropriate accommodation where needed.</p>
Potential negative impacts that cannot be mitigated	None

#### **Corporate Parenting/Looked After Children implications**

34. Supported accommodation ensures that Looked after Children and Care Leavers (including Unaccompanied Asylum Seeking Children) have access to safe and secure accommodation and high quality support that prepares them for independent living.

35. It is an element of Surrey's Placement Strategy for Looked After Children 2016 - 2019.

#### **Safeguarding responsibilities for vulnerable children and adults implications**

36. Some of Surrey's most vulnerable young people access Supported Accommodation. It is vitally important that robust safeguarding standards and practice are maintained by all providers, in line with the local safeguarding children board policy. It is essential that all providers work within guidance relating to child sexual exploitation and missing people. Policy and practice will be scrutinised as part of a robust approach to contract management.

#### **WHAT HAPPENS NEXT:**

37. The timetable for implementation is as follows:

Action	Date
Cabinet approval of the use of the Dynamic Purchasing System	30/01/18
Mini-competitions for block contracts for providers on the	February 2018

DPS	
Mobilisation period	February – 31 March 2018
Contract commencement date	1 April 2018

38. Procurement, Children's Schools and Families Commissioning Team, Children's Services and Family Services will work closely with the successful providers and if applicable current providers to ensure a successful mobilisation of the new contracts to ensure a smooth transition from the current arrangements for the new provision for young people.

39. During the lifetime of the contracts, a robust approach will be undertaken to contract management and evidencing the impact of the provision on young people's development and wellbeing.

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**Consulted:**

Young people, borough and district housing departments, current providers, colleagues from SCC: Children's Services and Family Services, Procurement, Legal and Finance, Sourcing Governance Meeting and CSF Commissioning Oversight Group.

**Annexes:**

Annex 1 – Young People's Supported Accommodation Needs Analysis August 2017  
 Annex 2- Supported Accommodation Outcomes Framework  
 Annex 3 – Equality Impact Assessment

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