

READING BOROUGH COUNCIL

REPORT BY DIRECTORS OF CHILDREN, EDUCATION & EARLY HELP SERVICES; AND ADULT CARE AND HEALTH SERVICES

TO:	POLICY COMMITTEE		
DATE:	20 JULY 2015	AGENDA ITEM:	12
TITLE:	PROCUREMENT OF ADDITIONAL 16+ SUPPORTED LIVING CAPACITY		
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek approval to enter into a contract with Silver Birch Care Ltd. to procure additional capacity for 16+ supported living provision in Reading. This is as a consequence of the termination of the contracts for placements with the previous provider due to poor performance. The new provision should be cost neutral as it is intended to replace what was lost as well as to some extent reduce our current use of supported living outside Reading. However, as a demand-led service it is difficult to make precise budget forecasts.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee delegate authority to enter into a block contract for a 5-7 bed unit for 16+ supported living provision with Silver Birch Care Ltd to the Director of Children, Education and Early Help Services in consultation with the Lead Member, Head of Finance and Head of Legal, for a term of 12 months with the option to extend for a further 12 months.

3. POLICY CONTEXT

3.1.1 The aim of the new 16+ Supported Living contract service:

- *To increase 16+ supported housing capacity to ensure that the authority is compliant with the Southwark Judgement¹ and able to provide suitable local accommodation for eligible young people.*

4. THE PROPOSAL

4.1 Current Position:

4.1.1 Until March 2015 there were 5 beds within Reading with a supported living provider but these contracts had to be terminated due to significant underperformance. There is currently only one supported living unit with one bed within Reading's boundaries and that is provided by Calcot Services for Children.

4.1.2 The YMCA is the only other provision that Reading has within its borders for 16/17 year olds. This is a 40 bed provision which takes young people up to 25 and the Council has a block contract with them to provide this. The usage for 16/17 year olds is quite low and there are currently two 16/17 year olds in placement.

4.1.3 The Council also commissions A2 Dominion to provide a 5 bed supported young parents project (pre- and post-natal 16-25 year olds).

4.1.4 The urgency of the current situation and the need to re-provide lost provision precludes a full procurement process. Five providers were approached whom the authority was already using and where the authority or commissioning colleagues in nearby local authorities were satisfied with their performance.

4.1.5 It is intended that there should be a full procurement process commenced within the next year for a longer term contract to commence within the next two years.

4.2 Proposal for block contract for 5-7 bed supported living unit:

4.2.1 Of the providers approached only Silver Birch were interested in setting up provision on a larger scale.

4.2.2 Silver Birch were willing to come back with proposals for a 5-6 bed unit.

4.2.3 The aim would be to use this provision as emergency/temporary accommodation and enable young people to move on as soon as possible.

4.2.4 An initial contract period of 12 months with a further 12 month extension period is proposed in respect of Silver Birch (and any additional provision subsequently commissioned in the short term). See Legal Implications below.

4.2.5 Silver Birch have identified various potential 5-7 bed properties that they are considering for rent or purchase.

4.2.6 The aim would be for the service to start as soon as possible following Policy Committee's approval.

4.3 Future steps regarding 16+ Housing and Support

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https://england.shelter.org.uk/_data/assets/pdf_file/0005/231269/G_v_Southwark_briefing_revised_Nov_11.pdf

4.3.1 This project is part of a number of additional work streams that have been identified and a project steering group has formed to oversee the whole, chaired by the Head of Housing and Neighbourhoods:

1. Full needs analysis for 16+ supported housing
2. Work on pathways for 16+ accommodation seekers
3. Procurement options for 16+ supported living

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 This proposal meets several of the Corporate Plan priorities:

1. Safeguarding and protecting those that are most vulnerable;
2. Providing the best start in life through education, early help and healthy living;
3. Providing homes for those in most need;

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 Not applicable at this stage. The views of young people should inform future commissioning and form part of a detailed needs analysis.

7. EQUALITY IMPACT ASSESSMENT

7.1 It is not considered that an Equality Impact Assessment under the Equality Act 2010 Section 149 is applicable in this instance.

8. LEGAL IMPLICATIONS

8.1 Contract Procedure Rule 5(1) (d) provides an exemption from the requirement to tender where "The contract is required as a matter of urgency in order to protect the Council's property or financial interests or there is genuine urgency in the sense of time constraints in letting the contract" and where the value of the contract is below the relevant OJEU threshold.

8.2 The relevant OJEU threshold here is £625k lifetime value (or 4 years of costs if that is a lesser period) since the service falls within Schedule 3 of the Public Contract Regulations 2015 which apply a "Light Touch Regime" requiring OJEU advertisement of the opportunity to bid for health social services and education contracts above that figure.

8.3 The expected costs of this proposal are as stated in the Part 2 report for a definite 12 month period and an option for a second year and the relevant value falls below the Light Touch Regime threshold which triggers the requirement to advertise in OJEU.²

8.4 The Public Contract Regulations 2015 now require the Council to advertise the award of the contract and its value in Contract Finder the UK Government's contract portal where the value exceeds £25,000.

9. FINANCIAL IMPLICATIONS

9.1 The costs of the proposal are commercially sensitive and are set out in the report to be considered in closed session.

² <http://beta.reading.gov.uk/media/1338/Constitution-of-The-Council/pdf/Constitution-of-the-Council.pdf#page=246>

- 9.2 Under this proposal the Local Authority will be effectively agreeing to underwrite this cost for the period of the contract, albeit that it may be to some extent offset by any vacant places being sold to other local authorities.
- 9.3 The historical costs of the service and usage in relation to this area are shown in the tables below. This indicates that the historic costs and needs are such as to justify the requirement for this proposal to be taken forward and to be funded within the budget.
- 9.4 There is no specific budget provision for this service currently, rather it is managed within the overall external placements budget in Children's Services. If the proposal is taken forward then budget provision will need to be set aside for the contractually committed sum from within the existing external placements budget, with no allowance for the sale of vacant places. Funding arrangements therefore will be reviewed going forward and consideration will also be given as to whether any element of the expenditure of this can be legitimately charged as capital.

9.5 **Historic spend on 16+ accommodation:**

Year	12/13	13/14	14/15
Expenditure	£163,087	£267,144	£446,627

9.6 **Historic usage (bed nights):**

Year	12/13	13/14	14/15
Total bed nights	3,498	3,580	TBC

10. **BACKGROUND PAPERS**

- 10.1 None