

**Report for:** Cabinet - 21 January 2025

**Item number:** 12

**Title:** Approval to Procure Supported Accommodation via a Dynamic Purchasing System (DPS) for Children in Care and Care leavers

**Report authorised by:** Ann Graham, Director: Childrens Services

**Lead Officer:** Caroline Brain- Assistant Director, CYP Commissioning and Programmes

**Ward(s) affected:** All

**Report for Key Decision:** Key Decision

## **1 Describe the issue under consideration.**

- 1.1 The Council currently commissions supported accommodation provision via Adam Dynamic Purchasing System (DPS). This system will expire in February 2025 and a new DPS will be established using the Council Corporate DPS system.
- 1.2 The report seeks authority to undertake a procurement exercise to commission supported accommodation and services for children in care aged 16 to 17 and care leavers aged 18 plus, ensuring compliance with the Public Contract Regulations 2015 PCR).
- 1.3 In 2023/2024, Haringey had 228 children and young people in supported accommodation. As of 02/10/2024 there were 162 children and young people in supported accommodation. We project that by the end of 2024/2025, the number of children and young people in supported accommodation will be lower compared to 2023/2024.
- 1.4 In 2023/2024, £6.8 million was spent on supported accommodation for children in care, care leavers and unaccompanied asylum-seeking children. This is an increase of £1.5 million from 2022/2023 due to recent cost of living crisis and it is anticipated that costs will continue to increase.
- 1.5 Having a long-term arrangement with providers will assist Haringey in managing the market, drive down costs and work in partnership to develop new ways of working to support this cohort of young people.
- 1.6 The new DPS will enable the Council to commission supported accommodation and services until such time as the Public Act (Commencement and Transitional and Savings Arrangement Regulations 2024 permit, (currently not being less than 4 years). The estimated annual expenditure of £6.8 million will enable the Council to deliver its statutory duty and ensure good quality, locally available

homes which represent value for money. The estimated spend over the next 4 years is estimated at £27.2 million.

- 1.7 Services will be commissioned through Haringey's DPS system and be aligned to the PCR's, ensuring compliance and flexibility in developing the provider market. The DPS is a tool which will standardise the enrolment and quality assurance of all suppliers being commissioned. It will enable a robust audit trail of spend and will provide a fast route to market for new initiatives, saving time and resources. Providers will be required to meet a minimum quality standard and therefore value for money should be delivered with lower unit costs
- 1.8 In addition, approval is requested to investigate opportunities to enter into a block contract arrangement with provider'(s) at a lower unit cost. The estimated value would be no more than £1.6 million over 4 years based on an estimated lower unit cost of 5% of the average cost. See Appendix One for breakdown of calculations. This report is requesting delegated authority normally reserved for Cabinet to the Director of Children Services in consultation with the Lead member for Children's Schools and families to sign off individual call offs for contracts (including block arrangements) up to a value of £2 million.

## **2 Cabinet Member Introduction**

- 2.1 As a Corporate Parent the Council has a statutory duty to ensure sufficiency of accommodation for our most vulnerable children and young people. Commissioning this accommodation will ensure the council is meeting its duties. It is pleasing to see the new Ofsted regulations and how the service will be monitoring and quality assuring providers to ensure the accommodation is of a high standard where children and young people can be supported to prepare for independence.
- 2.2 It is vitally important that our children and young people are supported to maintain relationships and local connections within the Haringey community and ensuring accommodation is within 20-mile radius of the Borough where possible is hugely welcomed.

## **3 Recommendations**

For the reasons set in the report and its appendices, Cabinet is recommended to approve:

- 3.1 The estimated spend of up to £27.2 million over a period of 4 years via the corporate Dynamic Purchasing System
- 3.2 The commencement to procure supported accommodation for 16 and 17 years and 18 plus Pursuant to Regulation 34 of the Public Contract Regulation.
- 3.3 Where contracts value £500,000 and above require approval by Cabinet as per Contract Standing Order (CSO) 9.07.1 d) or modified as per CSO 10.02.1 b) (variations and extensions to contracts with value of £500,000 and above to delegate authority to the Director of Children Services in consultation with the

Lead member for Children's, Schools and families to award, vary or extend any individual call offs or block contract arrangements under the DPS to successful providers up to £2 million per award or any individual variation and extension.

#### **4 Reason for decision**

- 4.1 The Children Acts 1989 and 2004 and the Children Leaving Care Act 2000, local authorities have a duty to assess and meet the needs of young people aged 16+ and 18+ who are in care or care leavers. Wherever the young person lives, the duty will rest with the parent local authority to stay connected with care leavers until they are at least 21 (in some instances this is extended to age 25). The local authority has a statutory duty to ensure that every looked after child and care leaver is properly prepared in making the transition to adulthood in a planned and effective way to achieve the best possible outcomes for the individual young person.
- 4.2 Haringey's Looked After Children's Sufficiency Strategy identified the need to improve the range and depth of our placements offer, strengthen legal permanency options, and build pathways to adulthood in semi-independent and supported living with a focus on increasing the availability of local placements. Supported accommodation services enable the Council to meet its duty to provide sufficient accommodation for children and young people in care in their local area.
- 4.3 Supported accommodation services will enable young people to become more independent whilst living in the service, through developing the knowledge, skills, attitudes, and behaviours required to sustain independent living and make a smooth and successful transition to adulthood. The service is required to build resilience and strength in young people's skills to live in the community whilst ensuring young people are fully involved in the development and delivery of their support plans. The service providers will also support young people in care to engage in Education, Employment and Training opportunities.
- 4.4 Approval to procure supported accommodation via the DPS will ensure the council is compliant with Procurement Regulations.

#### **5 Alternative options considered**

- 5.1 **Do nothing:** This option was discounted: The Council has a statutory duty to assess and meet the needs of young people aged 16+ and 18+ who are in care or care leavers under the Children Acts 1989 and 2004 and the Children Leaving Care Act 2000. To fulfill this requirement, the Council would need to engage in spot purchasing of the service. This approach is not permitted under the Public Contract Regulations 2015 and would be likely be more costly and resource intensive.
- 5.2 **Deliver in house:** This option was discounted; The council does not have the capacity to deliver these services in-house.

## **6 Background information**

- 6.1 Section 17 of the Children Act 1989 places a general duty on every local authority to safeguard and promote the welfare of children in need within their area by providing services appropriate to those children's needs, with support for care experienced young people up to 25 years old. The Council has a statutory duty under section 22G of the Children Act 1989 to take steps that secure sufficient accommodation within its area.
- 6.2 The Haringey Looked After Children Sufficiency Strategy 2022 -2026 sets out how Haringey intends to fulfil its duties, as a Corporate Parent in line with the new Ofsted regulations for this sector and for separated migrant children and/or formally separated migrant children with no recourse to public funds (NRPFs).
- 6.3 In addition, the council intends to ensure that a dynamic and responsive offer is in place to meet the diverse accommodation needs of our looked after children and young people and those leaving care. The sufficiency strategy aims to achieve this through understanding the needs of children and young people in our care and working collaboratively to ensure that there is sufficient, appropriate accommodation within the local authority area in response to those needs.
- 6.4 The use of supported accommodation provisions has grown as more older children enter care. To ensure quality for those aged 16+, the Department of Education (DfE) introduced new national standards on 28th October 2023, overseen by Ofsted. Following the 'Stable Home Built on Love' strategy, the DfE recommends tracking progress for care leavers across six key missions. Mission 5 aims to increase the number of care leavers in safe, suitable accommodation and reduce homelessness by 2027

## **7 Current arrangements**

- 7.1 The Council currently commissions supported accommodation provision via Adam DPS system. This system will expire in February 2025 and a new DPS will be established using the Council's corporate system.
- 7.2 Supported accommodation ranges from shared 24-hour on-site support to independent accommodation with different levels of floating day time support. These types of provisions are considered as "Other Arrangements" and "Suitable Accommodation" within the Care Planning Placement and Case Review Regulations and Guidance 2010. These provisions are for 16- & 17-year-old children looked after and 18+ care leavers.

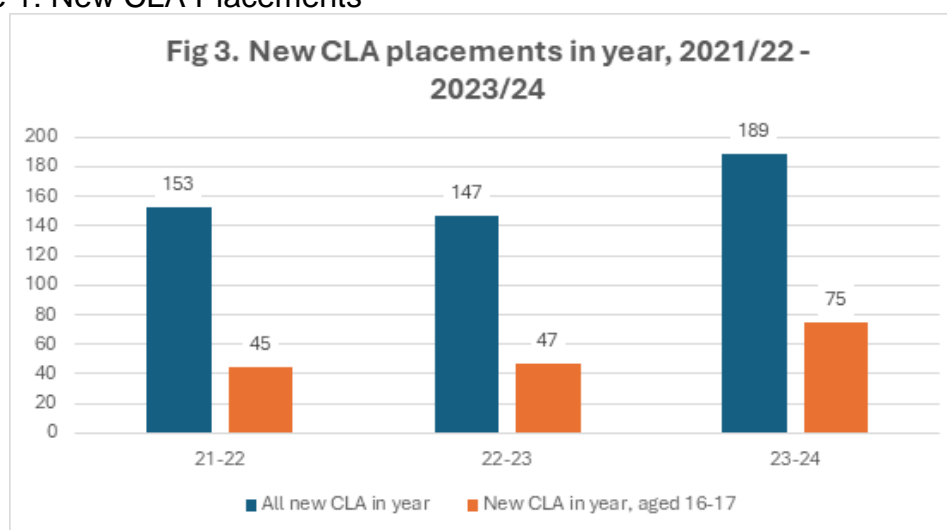
## **8 Data and Cohort Analysis**

- 8.1 At the time of writing this report (02/10/2024) there were 330 children in care in Haringey (includes 26 Unaccompanied Asylum-Seeking Children) and 403 care leavers. This includes ninety children in care who are 16- and 17-year-olds with

68% of the 16 and 17 years olds in care being males of which 28% are from Black, Black other, African and Caribbean, compared to other ethnic groups.

- 8.2 The rate of Haringey children in care over the last three years as seen a gradual decline. The Haringey rate of children in care per 10,000 population under 18 is comparable to our statistics neighbours. The data shows that in 2023, 33% of children in care were 16 years and over.
- 8.3 In 2023, the data depicts a higher number of males aged 16 plus being accommodated in supported accommodation compared to females.
- 8.4 Table 1 shows a significant increase in new children in care aged 16 plus in 2023/2024 compared to previous years. The primary reason for children coming into care is absent parenting, which is primarily associated with unaccompanied asylum-seeking children.

Table 1: New CLA Placements



- 8.5 As of 02/10/2024 there were 38 children in care and 124 care leavers accommodated in supported accommodation. Children in care and care leavers are accommodated in a range of accommodation options, some of which can be more costly due to the pressures of the current marketplace, and procuring bespoke accommodation to meet the needs of individual children in care to keep them safe due to criminal exploitation and other challenges.
- 8.6 The average weekly unit cost for 24-hour accommodation in 2023/2024 is on average £1,177.00 and for accommodation only is £408. Please see table 2 for number of young people placed in the different types of supported accommodation and table 3 for outline of average costs. For accommodation only the average is calculated by the overall different categories of accommodation only.
- 8.7 We have several children placed in very high-end supported accommodation and this impacts on the unit cost. In 2022/2023 we had nine children in this type of accommodation, although once outliers are removed the average unit cost

reduces to £950. For 2023/2024, there were six children impacting on the unit cost. The outliers were removed so that this would not show an impact on the average unit cost of £1,177 in 2023/2024.

Table 2: Number of Young People placed in different types of supported accommodation

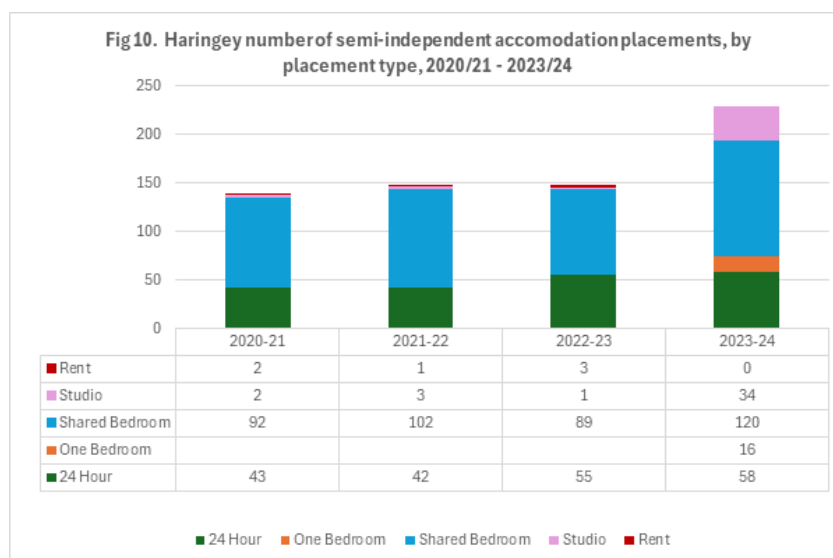
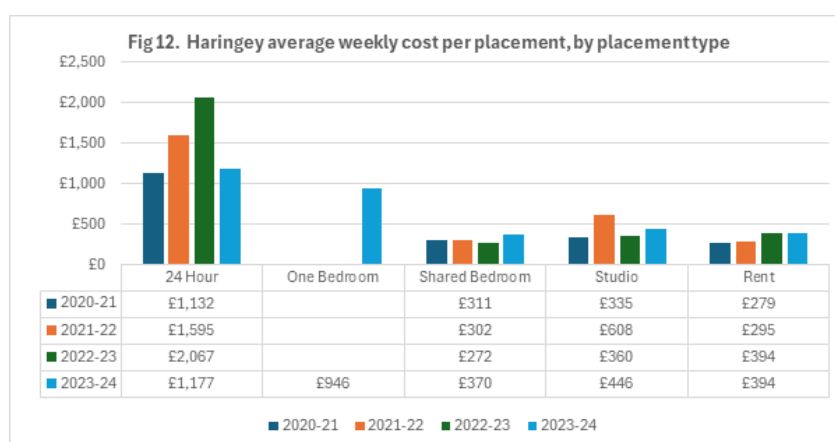


Table 3: Average weekly costs per placements type



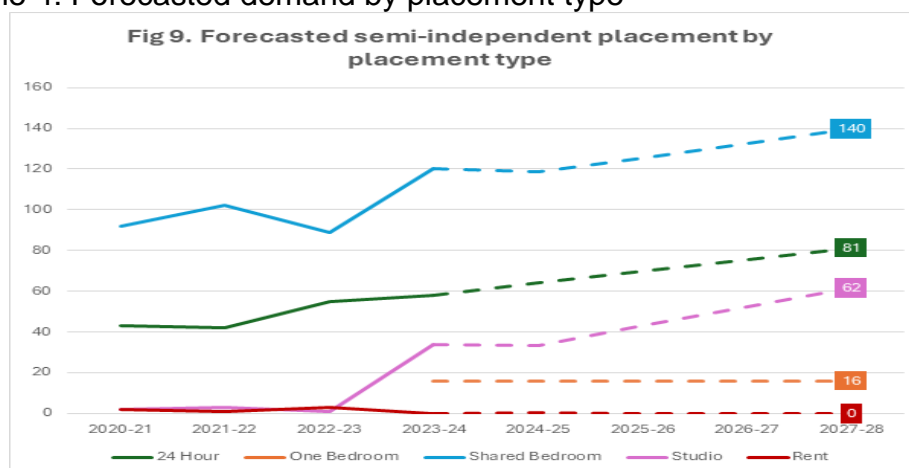
- 8.8 The council expects to reduce outgoings for those care leavers in funded accommodation. This is achieved by requiring providers to ensure young people who are eligible are signed up for the Housing Element of Universal Credit at the age of 18 (if they have legal status) and the Council reduces the fees paid by an amount equivalent to the Local Housing Allowance. The Local Housing Allowance is currently £246 per week in Haringey for one bedroom room rate.

## 9 Block Arrangement and Future Demand

- 9.1 The forecasted demand for supported accommodation by placement type is projected in Table 4.

*\*\* Please note that the forecasted figures are based on the use of the Forecast () function in Excel to extrapolate based on previous actual figures\*\*.*

Table 4: Forecasted demand by placement type



9.2 The forecast in Table 4 illustrates the demand for shared accommodation, 24-hour accommodation and studio accommodation.

9.3 The intention is to procure block contracts with providers via DPS to achieve reductions in the weekly fees of up to 5%. This will be based on demand for local accommodation within the council's borders. The intention is to enter into a block arrangement via an individual call off with up to two providers for 5 bedded units. This initiative will support improved collaborative working between the council and providers, and will support children in care and care leaver to maintain connections close to the Borough where this meets their needs.

9.4 The average weekly rent for 24 hours accommodation is £1,177 and for accommodation only is £408. A block arrangement is estimated to achieve a total savings of £82,400 over 4 years based on 5% reduction of the weekly rent. Please see Appendix one

## 10 Consultation and Engagement

10.1 With the implementation of the new Ofsted regulations in October 2023 for 16 and 17 years olds accommodated in supported accommodation. Ofsted facilitated a consultation to gather views on regulating supported accommodation from care experienced children and young people. Snapshot of the findings from the consultation showed the following themes:

- 64 care experienced children and young people responded
- 81% agreed with the 8 principles for supported accommodation providers, in agreeing that it was important to feel safe and secure in the accommodation.
- 84% said that the new rules would help make sure that young people are protected.
- 78% though that the Ofsted checks would help make sure supported accommodation providers are following the rules

10.2 The proposal has been developed through provider forums and virtual market engagement events with providers which were well attended. We discussed our ambition for placing young people closer to Haringey and more collaborative working.

10.3 A workshop has also been held with young people to gather the voice of young people on the specification, their experience of supported accommodation and changes they would like implemented. The feedback from young people highlighted the following:

- Access to better internet connectivity in supported accommodations.
- Improved cleaning standards
- More timely repairs
- Require providers to have at least two bins and encourage recycling.
- Better assessment and matching of readiness for supported accommodation and improve the matching process for placements.
- Provide shared spaces, like lounges, for YP in standalone studios to offer more communal areas outside their rooms.
- Maintain a ratio of 1 bathroom for every 2 YP.
- Ensure bigger room sizes to enhance living conditions.

## 11 Activity to reduce the budget pressure

- With the significant demand on the Council's budget several initiatives are in place for children at the edge of care and to reduce the need to bring care or supervision. There are also projects that support children in care to be stepped down. These projects will continue until funding is no longer available.

Outline of some of the initiatives are as follows:

- **Youth Endowment-** Functional Family Therapy Gangs (FFT-G) an intensive, home-based, family therapy programme for the families of young people with severe behavioural challenges. It aims to improve the stability of children and families and reduce offending.
- **Brandon Centre** - therapeutic support for parents and carers to reduce children's violence, crime, and anti-social behaviour. Counselling and Psychotherapy (BC), Systemic Integrative Treatment (SIT) provides a 12-month intervention to the families and carers of 10-14-year-olds who are absent from school, displaying violent behaviour, misusing substances, or offending.

## 12 Recommissioning of Supported Accommodation

12.1 In accordance with Haringey's requirements for supported accommodation provision, priority for placements will be providers that are able to provide accommodation within a 20-mile radius of Haringey's border, supporting the development and sufficiency of provision within our local area.

12.2 The requirement has been separated into the following categories:

- **Lot 1: 24/7 (with onsite staff), supported accommodation** and support for eligible and relevant young people in care, aged 16-18.



- **Lot 2: Accommodation only for 18+ for care leavers**, the council can purchase floating support where needed from the accommodation provider or an alternative provider
- **Lot 3: For young people in care and care leavers who are parents to child/ren** to ensure that young parents are given a safe and supportive environment, where they can live together with their children
- **Lot 4: Support only** provide a variety of Keyworking support for several young people who are not residing within the Service Providers accommodation. The keyworking support will be for young people residing in permanent or temporary social housing accommodation or private rented accommodation.

12.3 The accommodation standards are the same across Lots 1-3. The difference between Lot 1, 2 and 3 is that provider registering for Lots 1 and 3 will require Ofsted registration as part of the selection criteria.

### **13 Contract management**

13.1 Contract management will be incorporated alongside key performance indicators, and quality assurance visits as a method of measurement are integrated within the requirement and will be monitored through contract monitoring meetings and reports. The contract meetings will be held quarterly, and the purpose of the contract meetings will be to examine the service delivery and meeting the outcomes for children in care and young people.

### **14 Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes**

The commissioning of supported accommodation aligns with the priorities within Haringey's Corporate Delivery Plan 2023-2024' specifically:

#### **14.1 Theme 3: Children and young people**

- o Outcome 1: Best Start in Life – The first few years of every child's life will give them the long-term foundation to thrive.
- o Outcome 2 Happy Childhoods - All children across the borough will be happy and healthy as they grow up, feeling safe and secure in their family networks and communities.
- o Outcome 3 Successful Futures - Every young person, whatever their background, has a pathway to success for the future.

### **15 Carbon and Climate Change**

15.1 The Council has set the date for a zero-carbon deadline of 2027, including core council operational buildings and all transport-related activities undertaken by the Council in the delivery of core services. The rest of the buildings from which the Council delivers services and is directly responsible for the energy bills (such as

schools) will be net zero carbon as soon as it is possible the same will also apply to the resource provisions outlined in this cabinet report.

- 15.2 Supported accommodation buildings are maintained by various landlords. The energy efficiency of services is assessed as part of the accreditation process. Recycling will be proactively promoted and will be monitored during quality assurance visits.

## **16 Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)**

### **16.1 Finance.**

The report seeks approval to recommission Supported Accommodation for Children in Care and Care Leavers via the Dynamic Purchasing System. The contract will be for 4 years from February 2025. The cost of the contract for the 4 years is estimated at £27.2m.

The first year of this new contract is due to start 1st February 2025, 2 months in the current year 24/25 and the remainder of this first year of this to be funded from the 25/26 budget.

The cost of this contract will be fully funded from the Children's Placement and Leaving Care budgets on Cost Centres S36400, S35104, S21300 and S21600, it will be met from the approved general fund budgets allocated to cost centres above.

### **16.2 Procurement**

Strategic Procurement notes the contents of this report and have been consulted in the preparation of this report.

The report relates to services which are subject to the Light Touch Regime under the Public Contract Regulations 2015 (PCR). As such they are required to be advertised and comply with the procedures laid out in the PCR's.

Strategic Procurement confirm Cabinet approved the establishment of the DPS's referenced in this report in November 2024. These will be established in accordance with the Regulation 34 of the PCR and Contract Standing Orders 9.04.

The DPS for Supported Accommodation provision is considered the most suitable and efficient route to market, offering the Council the potential to rapidly access new service providers much sooner than traditional procurement approaches. Furthermore, the DPS allows suppliers to join at any time, ensuring it remains open to new businesses throughout its duration. This approach increases competition, choice, and innovation.

Strategic Procurement confirms there are no procurement related matters preventing Cabinet approving the Recommendations stated in in paragraph 3 above.

### **16.3 Legal and Governance**

16.3.1 The Assistant Director for Legal and Governance has been consulted in the preparation of this report

16.3.2 Regulation 34 of the Public Contracts Regulations (PCR2015) permits the Council to procure certain services by way of a dynamic purchasing system (DPS). Usually, a DPS is subject to the full procurement rules, however the services being procured in this report are categorised as Schedule 3 services under the PCR 2015, which falls under the Light Touch Regime (“LTR”) processes, allowing significant flexibility as to how the DPS can be set up. The proposal to set up a DPS is a compliant route to procure the services in this report.

16.3.3 Pursuant to the Council's CSO 9.07.1(d), Cabinet has power to approve the award of a contract where the value of the contract is £500,000 and above.

16.3.4 Further to paragraph 16.3.3 above, the report recommendation in paragraph 3.3 to delegate authority to the Director of Children Services in consultation with the Lead member for Children's, Schools and families to award, vary or extend any individual call offs or block contract arrangements under the DPS to be established to successful providers up to £2million per award or any individual variation and extension is in line with law. Cabinet has power under the Local Government Act 2000 to delegate the discharge of any of its functions to an officer (S.9E (Discharge of Functions)).

16.3.5 The Assistant Director for Legal and Governance sees no legal reasons preventing the approval of the recommendations in the report.

### **16.4 Equalities**

The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act,
- Advance equality of opportunity between people who share protected characteristics and people who do not,
- Foster good relations between people who share those characteristics and people do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex, and sexual orientation. The first part of the duty applies to marriage and civil partnership

status only. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

An Equality Impact Assessment has been completed for the proposed, procurement of supported accommodation and is included as Appendix three to this report.

Children in care and care leavers are vulnerable groups, and will include young people with mental health, learning disability, physical and sensory disabilities and long-term conditions, young people with offending behaviour and at risk of criminal exploitation, misusing substances, teenage parents, and young people seeking asylum. Children in care and care leavers have a wide range of cultural and ethnic backgrounds and sexual orientation.

Sections 20 and 149 of the Equality Act are relevant to this proposal. Section 20 of the Act requires public authorities to take steps to make reasonable adjustments where a physical feature creates a substantial disadvantage to disabled people in comparison with those who are not disabled. It also requires the provision of auxiliary aids to support disability related need.

These proposals should not result in adverse consequences for any particular equalities group or sector within the community. The proposals will have a positive benefit for vulnerable children in care and care leavers as it provides regulated and homes for vulnerable children in care and homes for care leavers.

## **17 Use of Appendices -**

Appendix One: Block arrangement cost analysis

Appendix Two: Equalities Impact Assessment

## Appendix One: Block Arrangement Cost Analysis

Block arrangement calculation based on booking with one provider for 24/7 accommodation with 5 beds and one provider for accommodation only, 5 beds (1 bedroom/studio). Assumes the average weekly cost of £1,177 for 24-hour accommodation and £496 for accommodation only.

Table 1: Estimated savings with 5% reduction of weekly fee

Category	Average yearly cost	No of yrs	Total	5% reduction
24/7 accommodation (5 beds)	£306,020.00	4	£1,224,080.00	£1,162,876
18+ Accommodation only (5 beds)	£106,080.00	4	£424,320.00	£403,104
<b>Total</b>	<b>£412,100.00</b>		<b>£1,648,400.00</b>	<b>£1,565,980</b>
<b>Savings over 4 yrs</b>	<b>£82,420</b>			

Table 2: Estimated savings with 2% reduction of weekly fee

Category	Average yearly cost	No of yrs	Total	2% reduction
24/7 accommodation (5 beds)	£306,020.00	4	£1,224,080	£1,199,598
18+ Accommodation only (5 beds)	£106,080.00	4	£424,320	£415,834.
<b>Total</b>	<b>£412,100.00</b>		<b>£1,648,400</b>	<b>£1,615,432</b>
<b>Savings over 4 yrs</b>	<b>£32,968</b>			