

REPORT OF  
The Strategic Director for People  
TO  
Procurement Board  
ON  
11<sup>th</sup> March 2020

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TITLE: Approval for an Exception to Contractual Standing Orders to award a contract for the award of the Contract for Liberty House & The Foyer contract exemption plus provision expansion to support No Wrong Door model as detailed in the table below:

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RECOMMENDATION:

That the Procurement Board approves an exception to Contractual Standing Orders as permitted within the City Council Constitution for the reason(s) highlighted in the table below and the award of the Contract for Liberty House & The Foyer contract exemption plus provision expansion to support No Wrong Door model as detailed in the table below:

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Detail required	Answers
<b>Title/Description of Contracted Service/Supply/Project</b>	Semi and Independent Living Services for 16 – 25 year olds plus the details to develop the provision at the Foyer to support Route 29.
<b>Name of Successful Contractor</b>	Liberty House – Adullam The Foyer – Places for People
<b>Supplier Registration Number</b> <i>(to be supplied by Corporate Procurement)</i>	
<b>Type of organisation</b> <i>(to be supplied by Corporate Procurement)</i>	Registered Charity
<b>Status of Organisation</b> <i>(to be supplied by Corporate Procurement)</i>	Choose an item.
<b>Contract Value</b>	Liberty - £126,259 Foyer - Per Annum (estimated average)

	£109,318	
	<b>£69,413.76</b> – 4 block beds against The Foyer linked to Route 29	
	<b>£17,000</b> – Additional member of staff to support at The Foyer	
<b>Contract Duration</b>	6 month extension	
<b>Contract Start Date</b>	22/10/2020	
<b>Contract End Date</b>	21/04/2021	
<b>Optional Extension Period 1</b>		
<b>Optional Extension Period 2</b>		
<b>Who will approve each Extension Period?</b>	Choose an item.	
<b>Contact Officer (Name &amp; number)</b>		
<b>Lead Service Group</b>	Choose an item.	
<b>Reason for CSO Exception</b> <i>(select all that apply)</i>	The goods / services / works are only obtainable from one provider and there is no other provider available to allow genuine competition <input type="checkbox"/>	
	The execution of works or the supply of goods or services is controlled by a statutory body <input type="checkbox"/>	
	Delivers Best Value to the Council <input checked="" type="checkbox"/>	
	Special education, health or social care contracts, if it is considered in the Council's best interests and to meet the Council's obligations under relevant legislation <input type="checkbox"/>	
	The execution of works or the supply of goods and services is required so urgently as not to permit compliance with the requirements of competition <input type="checkbox"/>	
	Security works where the publication of documents or details in the tendering process could prejudice the security of SCC and Salford residents <input type="checkbox"/>	
	Procurements made through, or on behalf of, any consortium, local authority, statutory or similar body, provided that tenders or quotations are invited and contracts placed in accordance with national or EU legislation. <input type="checkbox"/>	
<b>Funding Source</b>	Combination of Above (please detail below)	

## EXECUTIVE SUMMARY:

The purpose of this report is to request an exception to Contractual Standing Orders to approve the award of a contract for:

1. Exemption to extend both Liberty House and The Foyer contract by 6 months to April 2021
2. Block book 4 additional beds at The Foyer for ROUTE 29 use. This includes 1 emergency bedsit for 28 days and 3 short to medium term beds with the potential to also create revenue for Salford via arrangements with other GM authorities who are following No Wrong Door model
3. In principle request to fund 1 additional staff member to work at the Foyer linked specifically to Route 29 should the pilot period of a Route 29 outreach worker attached to the Foyer not be successful

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BACKGROUND DOCUMENTS: Options paper Route 29 & The Foyer

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KEY DECISION: YES

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## DETAILS:

### **1. Contract exemption to extend both Liberty House and The Foyer contract by 6 months to April 2021**

Children's Services inherited Liberty House and the Foyer from the Supporting People Programme. Both provisions have been closely monitored and Liberty House have made a number of changes at our request to improve the service, but there has not been a full review of 16+ provision as a whole. Aligning the contract end dates with those of Foundations Ltd, who deliver Lane End and Claremont Road provision for care leavers, will allow for a full needs assessment the whole programme going to the market at the same time.

Liberty House, run by Adullam Homes Housing Association Ltd, is a 16 bed supported accommodation service for young homeless/leaving care people aged between 16 and 24. It is situated in a residential area of Higher Broughton, near Cheetham Hill. The property consists of 12 bedrooms in the main house and 2 shared flats for 4 people at the back of the building. Children Services currently

commission the support element at Liberty House for £126,259 per annum. The remaining cost of the provision is funded by housing benefit.

The Foyer, run by Places for People Living Plus, is a purpose built 39 bed accommodation over two floors. There are currently 31 self-contained bed sits, 4 shared flats with a separate bedroom/bathroom and 4 one bedroom flats for mums and babies. Salford City Council currently commission the support element at £109,318 per annum. The remaining cost of the provision is funded by housing benefit.

Both providers are not for profit organisations and subject to quarterly contract monitoring

The current contracts for both of these services run to 23<sup>rd</sup> October 2020. The request is to extend the contract dates for both to 23<sup>rd</sup> April 2021 to bring the contract dates in line with the other SaLS provision contracted by Salford City Council and delivered by Foundations Ltd specifically for care leavers; Lane End, Eccles, 8 bed and Claremont, Claremont Rd, 5 bed)

This will enable Commissioners to complete a full scale review of all the accommodation services in Salford aimed at young people aged 16+. The review will underpin the next phase of service planning and development. This will allow time to test the market for other providers who may be able to offer services within Salford. It will also enable Commissioners time to gather evidence relating to the next proposal and the effectiveness of this in relation to Route 29.

By extending the contract by 6 months this will also allow time for Route 29 to embed and the impact of this initiative will start to become apparent; which will inform future commissioning decisions.

### **Financial Implication**

Liberty - £63,129.50 per 6 months

Foyer - £54,659 per 6 months

### **Total - £117,778 per 6 months for 55 beds in total**

- 2. Block book 4 additional beds at The Foyer for ROUTE 29 use. This includes 1 emergency bedsit for 28 days and 3 short to medium term beds with the potential to also create revenue for Salford via arrangements with other GM authorities who are following No Wrong Door model**
- 3. Initially to support the Foyer with a member of staff from Route 29 3 days a week to monitor the provision needs and usage. In principle request to fund 1 additional Foyer staff member who will be linked specifically to Route 29.**

Places for People, the organisation who manage The Foyer, are part of the model development squad for Route 29. They are funding a refurbishment of The Foyer

which will increase capacity with 3 additional flats and 1 bedsit available to Salford young people. This will deliver a 16+ move on option for Route 29. Salford Foyer statistics show that their capacity is always above 98% with waiting lists. As a housing provider it makes sense for them to extend their property as they can see the demand for beds.

This proposal will provide 4 additional accommodation options for young people with Salford having priority. These are new flats, converting an underused space and they will not reduce or compromise the size of any existing provision. Places for People Living Plus are funding all the build with no cost to the Local Authority.

The success of The Foyer model is based on the support staff and key workers are able to offer young people to secure employment and training, develop life skills to transition into independence and move into their own tenancies. Therefore, it has been identified that an additional key worker role is required to support the extra capacity. The initial proposal is that this additional staff capacity is met from within existing Route 29 staffing profile with a portfolio lead for SaILS and specifically The Foyer. The Foyer have agreed to this as a pilot model. However, in the event this model is not successful, this paper includes an in principal request for Children's Services to fund a key worker post at £17K per annum. There is no identified funding stream for this post.

### **Data evidence on why we should work with The Foyer**

The current pathway for a young person requiring accommodation is initially a direct referral to Liberty House. If accepted they are assessed and offered a place. There is rarely a same day placement as there is very limited capacity for emergencies. There is a maximum stay at Liberty House of 6 months and the majority of young people from here are referred onto further accommodation. Within the current pathway arrangement the move on accommodation is The Foyer. Both providers operate at around 98% occupancy with waiting lists. If the provisions are full and agreement is given, Salford also use the North West SaILS framework, who are unregulated independent providers.

.During the first 2 quarters of 2019/2020 76% of Liberty's referrals were from Children's Services with 50% from the Outreach Team and 22% from DAT. This demonstrates there is a high demand and it is the same cohort as Route 29 are targeting.

22% of the total young people who have been placed at Liberty house over the last 4 years have returned to a family household; family member; friend or relative. With more targeted interventions it is believed young people could be prevented from needing accommodation or could return home sooner.

62% of the total young people placed at Liberty in the last 4 years have moved onto further supported accommodation which following the existing pathway is The Foyer.

From The Foyer 48% of young people in the last 3 years have moved onto independence which is the predicted pathway. 27% of young people who have

moved on from The Foyer in the last 3 years have returned to a family household; family member; friend or relative.

Evictions are recorded separately so it can be concluded that the young people have moved back to family as a positive option, not because of a placement break down.

These statistics would suggest that with the right support Young People might be prevented from needing accommodation or might be able to move back to family sooner. A specific key worker focussing on this group of young people would have a significant impact in securing early return to family home and further releasing capacity to meet the high demand for placement requests.

## **Recommendation**

### **To utilise the 4 new additional beds at The Foyer for Route 29**

Block book 4 additional beds at The Foyer for ROUTE 29 use. This includes 1 emergency bedsit for 28 days and 3 short to medium term beds with the potential to also create revenue for Salford via arrangements with other GM authorities who are following the No Wrong Door model. Placements Northwest census data illustrates the demand from other LAs for unregulated provision which is currently being spot purchased from providers with variable quality and outcomes.

Route 29 will deploy a member of staff 3 days per week when the provision is first opened. This will allow time to monitor and assess the cohort linked to Route 29 and the level of staffing that may be required in the future. If this is not effective, an in principle request will secure funding for a specific member of staff at £17K per annum.

This will allow Salford to work in partnership with The Foyer to influence the model, who is admitted into provision and their pathway onwards.

Foyer staff will benefit from input from Route 29 specialist roles so outcomes for other young people will be strengthened- particularly in terms of understanding impact of early trauma.

By working with The Foyer we benefit from;

- Quality and trusted provider who delivers against the service specification.
- Further development of Route 29 with wider partners thus fostering relationships and sustainability.
- Additional capacity for young people on the edge of care/edging towards care/ exit from Route 29 Hub.
- Capacity for emergency/out of office hour provision up until 10pm.
- Guaranteed beds.
- Admissions & referral pathway that works for Salford.
- Reduced need to spot purchase from NW 16+framework. (unregulated provision)

The Foyer support staff are onsite until 10pm so will be able to manage out of office hour admissions up until this time. With the current process all referrals are assessed before being admitted therefore this change will enable Salford to place with The Foyer in an emergency instead of using the North West framework. This will save costs as Salford on average spend £735 per week for the unregulated market.

### **Financial Implication**

- £69,413.76 per year for 4 x blocked booked beds ( $£333.72 \times 52 \times 4$ )
- (£333.72 includes service charge and rent)
- **Total = £69,413.76**

**Regional NW Average SaLLS = £1,062 per bed per week**

**Salford Average SaLLS = £765.14 per bed per week**

### **The Foyer proposal**

- Rent and service charge £333.72
- Support cost including additional staff member £56.49 (if agreed split over 43 beds)

**£390.21 = per bed per week**

### **Potential for Reimbursement**

This above cost is a maximum cost.

For looked after children the housing benefit element is funded by the LA until they reach 18 years of age and can claim in their own right.

If CIN or CP then they can access housing benefit between 16-18 years on evidence of an 'Estrangement from Family' letter.

There is also an option to sell any 'empty' beds to other local authorities working under the No Wrong Door ethos. This is a real possibility as the Placement North West census return from June 2019 showed that the other LA's are paying on average more than the cost at The Foyer.

- Manchester - £685
- Trafford - £1213
- Rochdale - £832
- Wigan - £851
- Warrington - £1192

### **Summary of benefits of proposal**

There is still significant spend on unregulated provision despite the range and choice of provision in Salford City.

- 2016/17 - £81,248
- 2017/18 - £305,277
- 2018/19 - £368,838
- 2019/20 - £225,309

Unregulated provision presents the highest risk in relation to safeguarding and quality varies considerably. By minimising the usage of this external market we gain greater control and oversight of quality via quality monitoring and regular contact with the Salford based provision.

The new build for the extended part of The Foyer will be ready in Spring 2020. If the recommendation to extend the contracts by 6 months is agreed it will be set up as a 'Pilot' and regularly reviewed. This means at the end of the pilot if we are not seeing the results we predict or the local need has changed we are in a position to make amendments or end the pilot all together.

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#### KEY COUNCIL POLICIES:

The Great Eight  
Tackling Poverty and Inequality  
Education and skills  
Health and Social Care  
Housing  
Social impact

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#### EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:-

These proposals will benefit this vulnerable group of 16 and 17 year olds.

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#### ASSESSMENT OF RISK:

If the exemption to extend is not agreed we would be unable to go to the market at the same time for all the provision.

If the additional funding for block booking and additional staffing is not agreed then it will hinder the Route 29 service and limit the options for accommodation for Young People to move on to.

It would also result in only housing support being offered (housing benefit) for the additional beds. This would impact on the level of support offered (less than the rest of the contract) and would compromise the offer.

The Foyer will be unable to extend the offer of taking admissions until 10 pm so Children's Services would not have the flexibility this would offer.

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#### SOURCE OF FUNDING:

Foyer and Liberty House existing budget revenue stream

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LEGAL IMPLICATIONS Supplied by: Tony Hatton, Principal Solicitor, tel. 219 6323

It is an established principle that an existing public contract is capable of being extended, and an exception to the Council's Contractual Standing Orders (CSO's) may be approved by the Procurement Board to allow for contract extensions to be made where the original contract does not make provision for such an extension of the original term. There is, however, always a risk that any extension, if done outside of the usual tender process, or outside of the scope of CSO's, could be subject to challenge by an aggrieved provider, on the basis that it ought to have been put out to tender and advertised in accordance with the Public Contract Regulations 2015 (PCR).

The risk of challenge increases in tandem with the value and proposed length of the contract. In this instance, as noted in the report, the proposed term is only 6 months. To mitigate that risk it could be argued that these proposals are merely a delay in the competitive process, not avoidance, whilst the Council looks to review the service. The extension with the existing providers with proven ability to meet the requirements of the service users would be argued to be more cost effective and efficient under the circumstances, in addition to the provision of continuity of support to vulnerable members of the community. Further reasons in support of approving the extension are set out in the body of the report.

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FINANCIAL IMPLICATIONS: Supplied by the Finance Team

The cost of the proposed 6 month extension to both contracts of £118k can be met from existing provision with the Children's Services budget.

However, it should be noted that this budget is within the integrated fund and any decision to extend should follow the governance / approval procedures of the fund.

There is currently no specific budget available for the block booking of the additional 4 beds at The Foyer and funding will therefore need to be identified for this proposal.

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PROCUREMENT IMPLICATIONS Supplied by: Chris Conway, Procurement, tel. 6248.

Procurement are happy to approve the extension for the Liberty House and Foyer contracts for the period 24<sup>th</sup> October 2020 to 23<sup>rd</sup> April 2021 at a cost of **£117,778.00**. It is noted that an extension is being sought in order to align the contract expiry dates

with all other SAILS service contracts as these have all been scheduled for retender within the next 12-18 months.

Procurement are happy to approve the cost for an additional staff member at a cost of **£17,000** which will support the Route 29 programme however, it is noted that the Council will only be contributing 70% of the salary cost as 30% will be recovered through Housing Benefit Payments. It is recommended that HR be engaged with in order to discuss job descriptions and potential TUPE requirements moving forward as HR have recently recruited other similar posts which will be supporting the Route 29 agenda.

Procurement are happy with the block booking arrangements for 4 additional beds at a cost of **£69,413.76** with the Foyer on the proviso that the arrangements would terminate on the 23<sup>rd</sup> April 2021 in line with the extension being sought with the main contract. It is recommended that these requirements be reviewed and included in the new tender specification should these services need to be continued after April 21.

The total being sought under the three proposals comes to **£204,191.76**.

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HR IMPLICATIONS: Supplied by: N/A

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CLIMATE CHANGE IMPLICATIONS: Consultation with Mike Hemingway 24.02.20

By increase the service size more young people will be able to be placed within Salford. This will decrease the number of people needing to travel out of area for appointments which will cut down on carbon emissions.

The Foyer is a purpose built building which is around 20 years old therefore the fabric of the building is a good quality and heat loss is a minimum.

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OTHER DIRECTORATES CONSULTED: Jane Anderson, Service Manager, Housing Choice and Support, 0161 793 2078

I cannot see any issues with the content and recommendations of the report. It would seem to me that it is a sensible approach to extend the contracts so that the impact and needs of Route 29 can be taken into account in any future commissioning arrangements.

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WARD(S) TO WHICH REPORT RELATE(S):

Seedley and Langworthy Broughton

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