

REPORT OF
The Strategic Director People
TO
Procurement Board
ON
1 July 2020

TITLE: Approval for an Exception to Contractual Standing Orders to award Lane End; Claremont; Liberty House & The Foyer a contract exemption plus provision expansion to support No Wrong Door model

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 exception plus provision expansion to support No Wrong Door model as detailed in the table below:

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

	Foyer - £109,318	average)
	Lane End & Claremont – £440,606,92	
	The cost below will begin once building has completed which is now currently on hold due to Covid	
	£69,413.76 – 4 block beds against The Foyer linked to Route 29	
	£17,000 – Additional member of staff to support at The Foyer	
Contract Duration		
Contract Start Date		21/10/2020
Contract End Date		21/04/2022
Optional Extension Period 1		
Optional Extension Period 2		
Who will approve each Extension Period?		Choose an item.
Contact Officer (Name & number)		
Lead Service Group		Choose an item.
Reason for CSO Exception <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	x
	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"/>

Funding Source

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.

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 Liberty House; The Foyer; Lane End and Claremont contract by 12 months to April 2022 due to the inability to go to tender within current timescales due to restrictions in place by Covid 19

BACKGROUND DOCUMENTS: Options paper Route 29; The Foyer & ROD 11.3.20
ROD 09.01.19

KEY DECISION: YES

DETAILS:

1. **Contract exemption to extend Liberty House; The Foyer; Claremont and Lane End contract by 12 months to April 2022 due to ongoing restrictions in place due to Covid 19.**

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.

This contract is a relatively recent merger (Operational for the past 3 years) of two 16+ provisions delivered by Foundations Ltd over two sites.

Claremont Road, run by Foundations, is a 5 bed provision delivering supported accommodation for vulnerable 16 – 25 year old young people who are homeless, have a learning disability or are care leavers.

Lane End has 8 self-contained flats and 1 emergency bedsit with a communal area and offers supported accommodation to 16 & 17-year-old care leavers

The Foyer and Liberty are not for profit organisations whilst Foundations is a private company, and all are subject to quarterly contract monitoring.

The current contracts for all these services run to April 2021. The request is to extend the contract dates for all to April 2022 to ensure that we can complete robust commissioning and procurement of future services.

At this point in time given the restrictions in place by UK Government Salford will be unable to meet procurement timelines for new contracts to be in place in April 2020.

By extending the contract this will enable Salford to meet legislative guidelines in relation to commissioning of services. All these contracts would need to go back out to market with a 6-month lead in time if new providers were successful in the tender. Given the current lockdown on the UK Salford would not be able to robustly and diligently tender for new services.

This will also enable Commissioners to complete the original plan of 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.

Financial Implication

Liberty - £126,259 (16 beds)

Foyer - £109,318 (39 beds)

Lane End & Claremont – £440,606,92 (14 beds over 2 provisions)

Additional

Part of the decision taken by Salford City Council Procurement board on 11.03.20 was;

- Block book 4 additional beds at The Foyer for ROUTE 29 use. This includes 1 emergency bedsit for 28 days and 3 shorts 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
- 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.

Due to Covid related restrictions building work on the extension of the Foyer has been put on hold. As we are unsure when any restrictions can be lifted, we are unsure when the building work on The Foyer can resume. The build will still have 8 weeks of completion left once it begins again.

This contract's request is building in a flexible timeline for the start of the Route 29 16+ hub.

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. Currently during Covid this is at 100% occupancy with no move on. 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 SaLS 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.

Summary

By working extending the contracts with known providers we benefit from;

- Working with providers who have managed a time of crisis well and continued to deliver a service to young people in Salford with very minimal change against the service specification to date
- 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)

KEY COUNCIL POLICIES:

The Great Eight

Tackling Poverty and Inequality

Education and skills

Health and Social Care

Housing

Social impact

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: -

These proposals will benefit this vulnerable group of 16 – 25-year olds

ASSESSMENT OF RISK:

If the exemption to extend is not agreed we would be unable to go to the market and tender in time for a new service and we would be left without a service available for 16 – 25 year olds and would have to use the North West framework for spot purchase placements. This would mean using unknown unregulated services at a significant cost to the LA.

SOURCE OF FUNDING:

Foyer and Liberty House existing budget revenue stream

LEGAL IMPLICATIONS: 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 relatively short for a low value. To mitigate the 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.

In responding to COVID-19, the Council may enter into contracts without competing or advertising the requirement so long as they are able to demonstrate that there is genuine reason for urgency and the events were unforeseeable. Following the Cabinet Office guidelines Regulation 72 of PCR specifically sets out where contracts may be modified without a new procurement procedure.

The following conditions will apply:

- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract; and
- (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement

This justification demonstrates that the decision to extend these particular contracts was related to the COVID-19 outbreak, and having has considered the circumstances

in this matter and concluded that the recommendation to extend the services as described is considered to be of least risk and of most benefit to the Council.

Further reasons for approving the extensions are set out in the body of the report, and the risk of any challenge to the extension proposed could be described as extremely low.

FINANCIAL IMPLICATIONS: Chris Mee – Strategic Finance Manager Ext 0434

The cost of the proposed extensions to the three existing contracts can be met from existing provision within 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 four additional beds or the additional member of staff at the Foyer and funding will therefore need to be identified for both these proposals.

PROCUREMENT IMPLICATIONS: Supplied by Christopher Conway 0161 686 6248

Following the Cabinet Office guidelines Regulation 72, whereby contracts may be modified without a new procurement procedure. The following conditions may apply: (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; (ii) the modification does not alter the overall nature of the contract; (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement This justification demonstrates that our decision to extend or modify the particular contract was related to the COVID-19 outbreak. Providers are struggling to maintain staffing levels during this outbreak and as we have no certainty as to whether the contract would be fulfilled it seems sensible to extend the current arrangements for up to a further 12 months.

Procurement are happy to approve the recommendation to award a contract under an exception for up to a further 12 months until 31st March 2022 for the reasons stated in the report.

1st May 2020

HR IMPLICATIONS: Supplied by: N/A

CLIMATE CHANGE IMPLICATIONS: Supplied by Mike Hemmingway

Providing 16+ provision in the city decreases 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.

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

CONTACT OFFICER: Jennifer Walsh

TELEPHONE NUMER: 0161 778 0533

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

Eccles; Seedley and Langworthy; Broughton
