

Item No. N/a	Classification: Open	Date: 17 November 2017	Meeting Name: Cabinet Member for Children and Schools
Report title:		Gateway 1 Procurement Strategy Approval Southwark Young People's 16+ Support and Resettlement Services	
Ward(s) or groups affected:		All wards	
From:		Strategic Director of Children's and Adults' Services	

RECOMMENDATION

1. That the Cabinet Member for Children and Schools, in consultation with the Deputy Leader and Cabinet Member for Housing, approve the procurement strategy outlined in this report, namely to undertake an EU restricted procedure for Southwark Young People's 16+ Support and Resettlement Services at an estimated total value of £9.96million. This procurement will be offered in three 'lots':
 - two lots awarded geographically, with an estimated annual value of £780,000 each for a 4-year period commencing 11 June 2018, with an option to extend for a further 2-year period making a total period of 6 years and estimated £9.36 million estimated value.
 - one lot offered for a specialist 'high needs' unit with an estimated annual value of £300,000 for a 1-year period commencing 1 October 2018, with an option to extend for a further 1-year period making a total period of 2 years and a £600,000 estimated value.

BACKGROUND INFORMATION

2. On 9 May 2017, Cabinet agreed the report *gaining independence: transforming support and housing for Southwark looked after children/care leavers and young people at risk of homelessness aged over 16 years*. The report set out a new approach in how the council will support both children leaving the care system and also those young people who are at risk of homelessness, through a new integrated approach across health, support, housing and care services.
3. The 9 May 2017 Cabinet report also highlighted how the council will maintain a council managed and operated "front door" to services, and that there will continue to be an important in-house element to provision for young people requiring support and care.
4. The move to independent living is a formative time in many young people's lives. For many people, finding a home is a challenging experience and for care leavers and young people at risk of homelessness, this task can be particularly daunting. The options faced can appear unclear and at the same time require numerous decisions, including where to live and whether to live with friends or to move in on ones own. All of these options are important and each may play a role in setting the direction of a person's life.

5. Given the importance of services which provide crucial help to young people in need, it is of particular concern that 16+ support and housing schemes are coming under increasing pressure. In part due to the context of the housing crisis but also with the unprecedented reduction in local authority funding, services have begun to report that it is becoming more difficult to help young people both prepare for and then move onto their own home, with an impact that valuable places in 16+ schemes are silting up. In consequence, more young people are having to be placed in emergency and residential settings. At the same time, there has been an increase in the number of young people with complex and challenging behaviour entering services. For individual 16+ support and housing schemes, the need to adapt to these unprecedented circumstances can often lie beyond their means to meet alone.
6. It was in this context that the council established the Southwark 16+ support and housing project with a primary objective to review current service pathways and to bring forward a refreshed, sustainable approach to helping care leavers and other young people to prepare for and move onto independent living. The result of this project was the 9 May 2017 Cabinet report in which the council set out a whole-system change of the current model of delivery.
7. The new model being put in place requires a transformation, not only of commissioned services, including semi-independent and supported housing provision, but of the current support pathway – including how care and housing together support young people to overcome challenges, to develop skills and foster resilience and to live and flourish independently outside of services. This change further requires the establishment of new services to replace current provision, with services called Southwark Young People’s 16+ Support and Resettlement Services.
8. At the 9 May 2017 Cabinet Meeting, the Leader of the Council delegated authority to the Cabinet Member for Children and Schools to, in consultation with the Deputy Leader and Cabinet Member for Housing, approve procurement decisions for Southwark Young People’s 16+ Support and Resettlement Services, including any award of contracts.
9. In 2016/17, the cost of 16+ support and housing services to the council was £7.7m. This included £608,000 on supported housing and floating support block contracts, and £2.2m on the “spot” purchasing of semi-independent accommodation for looked after children and young people at risk of homelessness.

16+ SUPPORT AND RESETTLEMENT - INTRODUCTION

10. Southwark Council takes its different but overlapping duties to children leaving the care system and to those young people who are at risk of homelessness extremely seriously. The Council’s statutory duties in this area are set out below:

Legislation	Responsible Body	Duties
Children’s Act 1989	Local Authority	To provide looked after children with accommodation that, in so far as is practically

(s20/22G)¹		reasonable, is (a) within the authority's area and (b) meets the needs of those children.
Housing Act 1996 (s1891c)	Local Authority	To provide housing to people who are statutory homeless, including those who are in priority need due to (a) being aged 16 or 17 years old ² or (b) aged under or over 21 years who are vulnerable as a result of being in local authority care.
Children (Leaving Care) Act 2000 [s23B⁸]	Local Authority	To safeguard and promote the child's welfare and, unless they are satisfied that child's welfare does not require it, support them by (a) maintaining them (b) providing them with or maintaining them in suitable accommodation and (c) providing support of such other descriptions as may be prescribed.
Homelessness Reduction Act 2007	Local Authority	To prevent homelessness for all eligible applicants threatened with homelessness, regardless of priority need. This extends the help available to people not in priority need, with local housing authorities supporting them to either stay in their accommodation or help them find somewhere to live and should mean fewer households reach a crisis situation. There is also a new duty to support care leavers who have resided in Southwark for 2 years.

11. In order to meet these important duties, Southwark Council engages the expertise and knowledge of different local and independent providers. The services that these provide ensures that Looked After Children (LAC), those on the edge of care and those at risk of homelessness are able to access support and housing, to overcome challenges and to successfully move into their own homes within a targeted period of 2 years.
12. Southwark Council currently has block contractual arrangements for support and housing services for young people aged over 16 years with Look Ahead Housing and Care Ltd, Oasis Aquila Housing and The Salvation Army. These services operate under the Council's *Prevention and Inclusion Framework 2015-2019* which was jointly commissioned with Lewisham Council and expires in June 2019. The Council is in discussion with these services about their future direction, and many of these will continue to be provided beyond the end of the current framework in agreement with current providers.
13. Additional 16+ support and housing services were purchased from a further 28 providers in 2016/17 under the *Semi Independent Living Service 2013-2018* which expires in March 2018. The Council aims to continue to utilise semi-independent services where it is right to do so, and where these meet the needs of young people. These services will continue to be purchased after March 2018 in agreement with current providers.
14. The new Southwark Young People's 16+ Support and Resettlement Services being procured will commence within an already-rich and diverse market of

¹ Section 31A of the Children's Act 1989 sets out that the local authority, as a corporate parent, must assess the child's needs and draw up a care plan.

² Priority need for 16 and 17 year olds was introduced in England by the 2002 Homelessness (Priority Need for Accommodation) (England) Order.

support and housing services in the local area. The services will be used by children aged 16-18 and young people aged 18+ leaving care and those at risk of homelessness. The services will offer interim accommodation and support for a targeted period of 2 years, including tapered support after a young person has moved on from services where there is an ongoing need.

15. The proposed new model, as detailed in paragraph 18, will shift the approach in Southwark to one where larger-scale provision is put in place, covering an increased share of the total support pathway.
16. Over the duration of the contract, the successful providers of these contracts will work with the Council to identify and secure new buildings inside and outside of the borough to provide interim accommodation and support services for young people in need.
17. By commissioning and managing providers on a larger scale, the Council will be able to put in place a clear partnership at a strategic level with a number of key services. This will help enable the Council to reduce its reliance and expenditure on emergency and residential services.
18. As set out in the 9 May 2017 Cabinet report, Southwark Young People's 16+ Support and Resettlement Services will bring together the models employed across current semi-independent, supported housing and floating support into a small number of holistic services. The model of new service delivery is set out below:

	16+ Support and Resettlement Services – service model
Safe and Well	<p>Provide pre-tenancy training and training flats.</p> <p>Provide support and housing to young people referred into services.</p> <p>Link young people into local health and wellbeing services.</p> <p>Provide some specialist provision (for example, post-custodial and mother and baby services), reducing the need for young people to be placed in emergency or specialist residential care.</p>
Independent	<p>Support the safe and successful resettlement of young people into a home outside of services.</p> <p>Deliver a tailored support plan to help prepare young people for independent living.</p> <p>Link young people into education, employment and training.</p> <p>Ensure young people aged over 18 are accessing Universal Credit (UC) [Housing Benefit] which will fund the housing element of their service, except where otherwise agreed by the Council.</p>

Resilient	<p>Provide a peer mentoring service, enabling both people who have moved on from services as well as other community leaders to share their knowledge and experience with young people in services.</p> <p>Provide ongoing tapered support to young people in need after they have left services.</p> <p>Provide support to a number of other young people living outside of services in need and to young people with no fixed abode (“sofa surfing”).</p>
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19. It is recognised that for the new 16+ Support and Resettlement services will not be able to commence providing services at scale from the first day of their contract, and that services are likely to need to start on a smaller basis initially. A transition period will then follow in which services will be expected to expand, taking on additional buildings and staff, in order to reach the final anticipated size of the service as set out in pgh 39.
20. To support this transition, contracts will start with a smaller funding envelope which will then increase to support expansion, and will only reach the total level of funding for the contract when the services reach their maximum potential. Further details of this approach will be set out in the Gateway 2 report.

SUMMARY OF THE BUSINESS CASE/JUSTIFICATION FOR THE PROCUREMENT

Business case

21. The business case for this procurement is set out in the 9 May 2017 Cabinet Report *gaining independence: transforming support and housing for Southwark looked after children/care leavers and young people at risk of homelessness aged over 16 years*. The key findings in the report are as follows;
 - The council has a statutory duty of care under the Children’s Act 1989, the Housing Act 1996 and the Children Leaving Care Act 2000 to provide accommodation and housing to looked after children, those on the edge of care and those who are at risk of homelessness.
 - Given the importance of 16+ services to the life chances of care leavers and other young people, it is of particular concern that these schemes are coming under increasing pressure. In part due to the context of the housing crisis but also with the unprecedented reduction in local authority funding, services have begun to report that it is becoming more difficult to help young people both to prepare for and then move onto their own home.
 - The council provides a diverse range of different services, providing help for care leavers and young people who are at risk of homelessness. The pathway for young people to prepare for independence is however complex and, in some cases, requires young people to undergo the disruption of moving services in order to get to the next stage in their journey to independence. The dual pathways for care leavers and young people at risk of homelessness adds further complexity and inhibits a total-system approach to delivering outcomes. For the young people in services, their journey to independent living can often seem arbitrarily and confusing.

- It is recognised that valuable places in 16+ schemes are “silting up” and, in consequence, more young people are having to be placed in emergency and residential settings. At the same time, there has been an increase in the number of young people with complex and challenging behaviour entering services. For individual 16+ support and housing schemes, the need to adapt to these unprecedented circumstances can often lie beyond the means of individual services. Rather the change needed may lie with the Southwark 16+ support and housing system as a whole. In light of these issues, the current delivery model for Southwark 16+ support and housing services is not sustainable in the medium term.
- In order for the Southwark 16+ support and housing services to meet the challenges identified in this report and to continue to support young people on their journey to independence, it is recommended that there is a whole-system transformation of the current model of delivery. This change would be underpinned by a common approach across care, health, housing and support, and would ensure at all times that the young people who use services are at the heart of the delivery model, leading the design of their own support services.
- This new model would require a transformation, not only of commissioned services, including semi-independent and supported housing provision, but of the current support pathway – including how care and housing together support young people to overcome challenges, to develop skills and foster resilience and to live and flourish independently outside of services. This change will require the establishment of new services which will be called Southwark Young People’s 16+ Support and Resettlement Services.

Market considerations

22. The market for 16+ support and housing providers is stable, competitive and robust. There are 1,758 registered social housing providers in the United Kingdom (according to the August 2017 national registered database). It is recognised that a high proportion of these providers supply some degree of supported housing, with many specialising in young people and children’s services. This level of robustness was demonstrated in the procurement undertaken in 2015 to establish the Council’s *Prevention and Inclusion Framework*, in which there were 84 submissions at Standard Questionnaire (SQ) stage. The supported housing and floating support market is very competitive and it is not expected that there will be an issue in terms of attracting interest in these contracts.
23. The innovative model and scale of Southwark Young People’s 16+ Support and Resettlement Services is expected to receive a strong reception from the market and this has been tested in early engagement with potential bidders. The council ran two engagement workshops in July and September 2017 with providers to discuss the aims and outcomes of the procurement. Both were well attended and generated significant interest in the procurement. A third and final ‘16+ Provider Engagement Workshop’ was organised for 28th September 2017 to discuss the procurement in more detail. There was keen provider engagement and particular interest in Lots 1 and 2.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

24. The following options have been considered in relation to the procurement of this service:

Option 1. Do nothing

This is not an option as the council has a responsibility to provide support and housing services for young people under The Sufficiency Duty in the Children's Act 1989 which places a duty on the council to provide support and housing within the local authority to meet the needs of Looked After Children and those on the edge of care. This procurement is also timely in light of the introduction of the Homelessness Reduction Act 2017, which will come into law in April 2018, increasing the Council's homelessness responsibilities including for care leavers and young people at risk of homelessness.

The current model of support is not financially sustainable and would be under further pressure without this procurement.

Option 2. EU restricted procedure to manage services [RECOMMENDED]

As this procurement is above the EU Threshold for services, it is recommended that the council undertake an EU restricted procedure in line with Southwark Council's Contract Standing Orders (CSOs). Running a competitive tender will maximise supplier engagement and achieve best price and service quality in order to manage this new service model.

Option 3. Bring the service in-house

The council does not have the infrastructure or expertise to deliver these services in-house and the improvements needed are better realised from accessing knowledge and skills in the independent sector. It would be prohibitively costly for the council to develop these services in-house.

Option 4. Purchasing demand-led single supplier arrangements across London

This is anti-competitive and is likely to lead to an increase in complexity. There is a risk of an increase in operating costs as key workers take on responsibilities across a wider area within the city.

This approach would not deliver the outcomes set out in the 9th May Cabinet report.

Option 5. Dual borough approach, merging with other local services

This approach would not deliver the outcomes set out in the 9th May Cabinet report. Other boroughs are interested in learning from the innovative and broader approach than the council has taken. However the strategy is specifically designed to be borough-specific and therefore, at this stage, would not be something that could be adopted across multiple areas.

Option 6: Use of existing frameworks

No other frameworks in operation in Southwark meet the requirements of this new approach. 16+ Support & Resettlement Services is a departure from the status quo and an innovative solution.

25. Following a detailed options appraisal exercise, the council decided to follow option 2 – that being a EU restricted procedure.
26. In response to the OJEU notice, organisations interested in tendering will be required to formally express an interest via the Due North/ProContract e-procurement portal, in order to receive a Standard Questionnaire (SQ).
27. The SQ and tender evaluation will set out minimum quality and financial thresholds as detailed in paragraphs 72-73.

Proposed procurement approach

28. This procurement has the aim of delivering two core changes. The first is to help reduce complexity in the current 16+ support and housing market in order to better enable young people to overcome challenges and to make the shift to independent living. The second element is to shift to more planned, block contracts and to reduce the use and cost of spot, emergency and residential services.
29. Currently, services for children aged 16-18 and 18+ young people are provided under two existing frameworks: the *Semi-Independent Living Service 2016-18* (which expires on 31/03/18) and the *Prevention and Inclusion Framework 2015-2019*, which is commissioned jointly with Lewisham Council and expires in June 2019. Where there is an ongoing need for services delivered under these frameworks, the Council will consider how best to provide these beyond the end of the current frameworks.
30. This procurement will be offered in three 'lots'. The Council will welcome bids from single providers or from a consortium of providers. All bids will need to demonstrate robust governance and management of the model that will be applied.
31. All providers of 16+ Support and Resettlement Services across the three lots will need to develop a support and move-on plan for each of the young people that the service supports. This plan will need to be kept under ongoing review. For children in or leaving the care system, this plan will need to be informed by the input of professional assessments undertaken by children's social care.
32. Over the contracted four year period, the council expects the successful providers of these services to have the operational experience, staff and investment capability to:
 - support young people in 16+ support and housing services to overcome challenges and to successfully make the shift to independent living.
 - deliver services in appropriate buildings inside and outside the borough to reduce the cost of semi-independent housing schemes.
 - reduce operating costs through a reduction in complexity and by delivering at scale.

33. Successful providers are expected and will be encouraged to set out an appropriate name for their services and not to be restricted by the contract terms (ie 16+ Support and Resettlement Services).

Lots 1 and 2

34. The first two 'lots', with an estimated annual value of £780,000 will be contracted for a period of 4 years (with an option to extend for a further 2 years) and will be split into two geographical areas: Southwark North (Lot 1) and Southwark South (Lot 2).
35. Under the *Prevention and Inclusion Framework 2015-2019*, Look Ahead Housing and Care Ltd currently manage 90 supported housing places for young people across 20 buildings within the borough. The service also provides between 120-150 places of floating support for young people in need. The buildings that the organisation operate from are owned by various housing associations including Hyde, L&Q, London Metropolitan, Hexagon and Centrepoint. Southwark Council is provided use of these buildings for young people support and housing services.
36. Under the plan for Lots 1 and 2, the housing association buildings identified for the new services will be split geographically into Southwark North and Southwark South (with a dividing line in the vicinity of Peckham Road, although with the area around Queens Road Peckham in the south). This will be the initial base from which Lots 1 and 2 will operate, prior to expanding to a larger scale over a transition period lasting no more than one and a half years. The council will require distinct and different providers to manage Lots 1 and 2 and, by doing so, hopes to reduce any risk from provider failure and to ensure both services perform to the standard the council requires.
37. At the commencement of the new services, Lots 1 and 2 will take on both the management of a set of buildings in the borough, as well as a requirement to support existing service users in these services and who have been receiving floating support in the area. The transition period that follows will then see these services expand by a further 55 places to take on more buildings whether inside or outside of Southwark.
38. The council will not require the services to maintain use of the initial buildings which these contracts will start with, and it will be for providers to determine their own shape and geographical locations over the total course of the contracts – whilst at all times maintaining a base within Southwark. The council will set out what it expects from the contracts; it will be for providers to determine where and how.
39. Rather than the council contracting a separate floating service, the new providers will incorporate this activity as part of their overall service package. Service users will be offered tapered support to help them settle into their new accommodation, as well as to support those individuals at home who require a level of help to prevent them from becoming homeless.
40. During the transition period the services will also need to expand their floating support offer, which will cover both individuals who have left services and

requiring ongoing support, as well as individuals at risk of homelessness (including those “sofa surfing”).

41. The anticipated scale of services provided by each of Lots 1 and 2 is set out below:

Type of support	Anticipated initial size of service-user population at “contract let”	Anticipated final size of service-user population following expansion period
Accommodation-based support	45	100
Floating support	60	120

42. In the course of the procurement, providers will need to be able to demonstrate that they can put in place an approach to deliver housing management (whether themselves or through another body). In order to take on management of existing buildings the providers may also need to meet criteria set out by housing associations.
43. In the course of the expansion of services from their initial base, providers will be expected to increase the number of appropriate buildings out of which these contracts operate. These buildings may be located both within or outside of Southwark - but within a reasonable travel distance of the borough. The additional buildings are anticipated to be located by:
- buildings sourced by providers.
 - buildings sourced by providers working with the council and/or local housing associations.
 - buildings sourced through the council’s temporary accommodation procurement team or other mechanisms in the council.
44. The council is taking into account the number of buildings, places and other operational factors when demarcating the exact areas for Lots 1 and 2.
45. The buildings sourced will need to be provided at Local Housing Allowance (LHA) level unless otherwise agreed with the council.
46. The successful providers for Lots 1 and 2 will be expected to manage approximately 45 existing places each for young people aged 16+ at risk of homelessness, care leavers and also mothers and babies, as well as provide an element of floating support to clients who have moved into independent accommodation and need on-going advice from trusted key workers.
47. The council will also heavily factor-in the ability of providers to support young people to overcome challenges and to move into independent accommodation as part of the procurement.
48. Within the procurement, providers will be able to bid for a single lot, or both lots, but can only be awarded one lot. It is recognised that there are benefits and risks to both geographical areas. For example, whilst the North (Lot 1) has

better transport connections than Lot 2 (South), it may be harder for a young person to move into independent living within the north of Southwark - potentially inhibiting resettlement.

49. Where two or more providers receive equal overall marks on price/quality for either Lot 1 or Lot 2, the council will award the contract to the provider which scores the highest marks on price.
50. Where two or more providers have tendered for both Lots 1 and 2, and receive equal overall marks on price/quality, the council will allow the provider with the highest score on price to state its first preference for either Lot 1 or Lot 2. The next provider with the highest price score will then be offered the remaining Lot. Should that provider not wish to accept the contract for the remaining Lot, the council will offer the Lot to the next tenderer with the highest price score, and so on until the Lot is awarded.
51. The council recognises that the providers will need a sufficient amount of time to takeover and restructure existing services and this is reflected in the 4-year duration of these contracts.
52. Lots 1 and 2 will form the core of the council's new model of support and resettlement, delivering key services for care leavers and young people at risk of homelessness. Over the course of the contracts, these services will provide the majority of housing and support services to young people in need in Southwark.

Lot 3

53. Lot 3 of £300,000 will be awarded for a 1-year period (with the option to extend for a further 1-year) for a specialised service for 8 vulnerable medium-to-high need young people including those exhibiting challenging behaviour, aggression, disability, mental health issues or trauma.
54. Lot 3 will be mutually exclusive of Lots 1 and 2. All tenders received for Lot 3 will be marked and awarded in isolation of any tender received for other lots.
55. In the event that two or more providers receive equal overall marks on price/quality for Lot 3, the council will award to the provider with the highest score for price.
56. There is no existing service which the successful provider of Lot 3 will take on. Rather the service will need to work with the council to develop a new service model around an identified group of 8 young people with complex needs. As with Lots 1 and 2 the provider will need to demonstrate an approach to source appropriate housing, either from their own resources or in partnership with the council or a housing association.
57. This service will be based in a building within a reasonable travel distance from Southwark. The building must cater to a mixed gender cohort and also accommodate live-in 24-hour key staff as required.
58. The council and winning provider for Lot 3 will work closely between the period of contract award and contract start (approximately 15 weeks) to develop the

scheme and agree robust pathways to help manage positive outcomes for this group of young people.

59. The council will accept bids for Lot 3 from providers bidding for Lots 1 and 2, and also from providers who are not bidding for Lots 1 or 2.
60. The council reserves the right to award Lot 3 to the same provider as Lots 1 or 2 if that provider can demonstrate best price/quality scoring.
61. The provider for Lot 3 will be expected to have proven experience in supporting this group of young people and have the staff, resources and expertise to successfully manage positive outcomes for this cohort.
62. This is an innovative pilot project and, as such, the council will offer a 1-year contract during which time the effectiveness of the project will be keenly monitored.

Identified risks for the procurement

63. The table below identifies a number of risks associated with this procurement, the likelihood of occurrence and controls in place to mitigate the risks:

No.	Risk	Risk Level	Mitigating Action
1	The Council is unable to successfully complete a procurement of these services.	Low	<ul style="list-style-type: none"> • The Council has undertaken significant early market testing work on these services, gaining strong feedback from existing providers and other market elements. • The procurement project officer will ensure that a risk log is updated throughout the procurement, ensuring that all issues are appropriately managed and risks mitigated.
2	There is provider failure in existing 16+ support and housing services in light of the procurement.	Low	<ul style="list-style-type: none"> • The Council's contract monitoring team will ensure performance across the current providers of 16+ support and housing is kept under review and that all issues are managed in a timely manner. • There has been ongoing involvement and communication with current providers through the change process, and this will continue in the coming period.
3	Children's and Adults' Services and Housing and Modernisation cannot come to a common view on specific elements of	Low	<ul style="list-style-type: none"> • The two departments have already agreed on key elements of the new service model as part of the 16+ support and housing project. • The newly-established Children's and

	the tender.		Adults' and Housing and Modernisation Programme Board has taken on an oversight role for the delivery of the total 16+ project, including the procurement of new services.
4	Existing landlords may terminate services if unsuccessful in the procurement. Service users might need to be re-housed.	Medium	<ul style="list-style-type: none"> • There has been ongoing dialogue with current landlords of services, and there will be ongoing dialogue with these through the course of the procurement. • Service users would be decanted as a matter of priority into new accommodation available.
5.	Financial stability and investment capability are needed to manage different properties over the 6-year period.	Medium	<ul style="list-style-type: none"> • The successful provider will need to show P&L accounts for the last 3 years, pass credit scoring and have appropriate liability insurance to cover any default or claim. Also parent company guarantees (where applicable).
6.	Young people currently living in semi-independent schemes will be decanted.	Medium	<ul style="list-style-type: none"> • The council's brokerage team will nominate those individuals who would welcome the opportunity to move into new accommodation.

64. Parent company guarantees will be required should the successful contractors have a parent company.

Key /Non Key decisions

65. This is a key decision on the basis that this is a strategic procurement in line with the council's contract standing orders. The cost of the new services will be over £4 million and this requires an OJEU compliant restricted tender process.

Procurement project plan - Lots 1 and 2

Activity	Complete by:
DCRB Review Gateway 1:	09/08/2017
Brief Cabinet Member for Children and Schools and Deputy Leader and Cabinet Member for Housing	11/08/2017
CCRB Review Gateway 1:	19/10/2017
Approval of Gateway 1: Procurement strategy report	23/11/2017
Completion of tender documentation	30/11/2017

Activity	Complete by:
Publication of OJEU Notice	04/12/2017
Publication of Opportunity on Contracts Finder	06/12/2017
Closing date for receipt of expressions of interest	05/01/2018
Completion of short-listing of applicants	19/01/2018
Invitation to tender	25/01/2018
Closing date for return of tenders	09/03/2018
Forward Plan for Gateway 2 Decision	10/03/2018
Completion of clarification meetings/presentations/evaluation interviews	30/03/2018
Completion of evaluation of tenders	20/04/2018
DCRB Review Gateway 2: contract award report	27/04/2018
CCRB Review Gateway 2: contract award report	04/05/2018
Brief Cabinet Member for Children and Schools and Deputy Leader and Cabinet Member for Housing – for information	11/05/2018
Notification of forthcoming decision	11/05/2018
Approval of Gateway 2: Contract Award Report	18/05/2018
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	01/06/2018
Debrief Notice and Standstill Period (if applicable)	08/06/2018
Contract award	15/06/2018
Add to Contract Register	15/06/2018
TUPE Consultation period (if applicable)	22/06/2018
Place award notice in Official Journal of European (OJEU)	22/06/2018
Place award notice on Contracts Finder	22/06/2018
Contract start	01/07/2018
Initial Contract completion date	30/06/2022
Contract completion date – if extension(s) exercised	30/06/2024

Procurement project plan - Lot 3

Activity	Complete by:
DCRB Review Gateway 1:	09/08/2017
Brief Cabinet Member for Children and Schools and Deputy Leader and Cabinet Member for Housing	11/08/2017
CCRB Review Gateway 1:	19/10/2017
Approval of Gateway 1: Procurement strategy report	23/11/2017

Activity	Complete by:
Completion of tender documentation	30/11/2017
Publication of OJEU Notice	04/12/2017
Publication of Opportunity on Contracts Finder	06/12/2017
Closing date for receipt of expressions of interest	05/01/2018
Completion of short-listing of applicants	19/01/2018
Invitation to tender	25/01/2018
Closing date for return of tenders	09/03/2018
Forward Plan for Gateway 2 Decision	10/03/2018
Completion of clarification meetings/presentations/evaluation interviews	30/03/2018
Completion of evaluation of tenders	20/04/2018
DCRB Review Gateway 2: contract award report	27/04/2018
CCRB Review Gateway 2: contract award report	04/05/2018
Brief Cabinet Member for Children and Schools and Deputy Leader and Cabinet Member for Housing – for information	11/05/2018
Notification of forthcoming decision	11/05/2018
Approval of Gateway 2: Contract Award Report	18/05/2018
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision (If GW2 is key decision)	01/06/2018
Debrief Notice and Standstill Period (if applicable)	08/06/2018
Contract award with mobilisation period	15/06/2018
Add to Contract Register	15/06/2018
TUPE Consultation period (if applicable)	22/06/2018
Place award notice in Official Journal of European (OJEU)	22/06/2018
Place award notice on Contracts Finder	22/06/2018
End of mobilisation period	12/10/2018
Contract start	15/10/2018
Initial Contract completion date	12/10/2019
Contract completion date – if extension(s) exercised	12/10/2020

TUPE/Pensions implications

66. TUPE will apply to the current 16+ support and housing contracts and advice is being sought from the council's legal services department so that all relevant provisions are included in the tender documentation.

Development of the tender documentation

67. A lead procurement project manager will be responsible for producing the tender documentation and the Joint Children's and Adults' and Housing and Modernisation Programme Board will provide governance. A lead commissioning manager in Children's and Adults' Services will be overall accountable for this procurement.
68. Advise on the form of contract to be used is being sought directed by the council's legal services department.

Advertising the contract

69. The contracts will be advertised by way of an official notice that will be published in the official Journal of the European Union (OJEU).
70. In addition, the contracts will also be advertised in relevant social care and housing journals and on the council's website.
71. After publication of the OJEU notice, an advert will also be placed on the council's website as well as the Contract Finder website.

Evaluation

72. The Standard Questionnaire's (SQ) returned will be evaluated by officers from across the Children's and Adults' and Housing and Modernisation Departments. The selection process will be an evaluation of each organisation's capacity and knowledge in the areas of 16+ support and housing services, as well as their economic and financial standing, experience and their ability to do the work. There will be a particular focus on care, safeguarding, homelessness, public health, young people and youth justice.
73. Tenders will be evaluated on the basis of quality as well as with regards the most economically advantageous tender using a weighted model of 70:30 price:quality. This will achieve a balance between cost and the quality of service delivery.
74. Price evaluation will be undertaken by officers in the Council's corporate finance team. The lowest tender on price will achieve the highest weighted marks which may not necessarily be the full marks available.
75. Quality evaluation will be undertaken by officers in the council's Children's and Adults' and Housing and Modernisation Departments, as well as invited managers from NHS Southwark Clinical Commissioning Group (CCG). Young people who use these services may also be invited to participate in the evaluation.
76. Shortlisted tenderers may be invited to a final interview stage with Council Directors across the Children's and Adults' and Housing and Modernisation Departments.
77. Quality is likely to be evaluated based on the following areas;
 - service delivery in achieving specification, customer care, health and safety and key performance indicators.
 - mobilisation and quality of resources available.

- responses to a scenario.
78. Providers will further need to demonstrate an approach to governance and housing management which meet criteria set out in the tender documentation.
79. The full evaluation methodology will be agreed by a project team led by the Children's and Adults' commissioning team and approved by the Children's and Adults' and Housing and Modernisation joint programme board.

POLICY IMPLICATIONS

80. A number of local and national drivers underpin the services which support young people leaving care services and young people (16+) at risk of homelessness. The key local policy drivers are set out below:
- The 2017 Ofsted inspection of Southwark's children's services set out that the borough's services are good. However the inspection highlighted challenges for the experience and progress of care leavers. Ofsted noted that "many care leavers live in safe, suitable housing and achieve good outcomes in their education, employment and training. Some young people are not fully informed about the support and entitlements that would help them, even if they are doing well at college or university." Ofsted also noted that, whilst there are many strengths across children's social care provision "the support that care leavers receive is too inconsistent". An action plan to deliver changes to meet the challenges set out in the Ofsted inspection will include the contribution of Southwark Young People's Support and Resettlement Services in improving outcomes for care leavers.
 - In 2012, the council endorsed the Department for Education's Care Leavers Charter. The national principles, listed below, are applied to all young people that the council supports:
 - to respect and honour your identity.
 - to believe in you.
 - to listen to you.
 - to inform you.
 - to support you.
 - to find a home.
 - to be a lifelong champion.
 - At a local level, the Southwark Children and Young People's Plan (2013-18) sets out the Council's vision for children, young people and families in the borough so that "every child, young person and family in Southwark thrives and is **empowered to lead a safe and healthy life.**" The plan was developed following consultation with more than 1,300 children, young people, parents, carers, staff and practitioners. The plan includes a specific approach to service delivery for care leavers, which will be guided by a number of local principles to:
 - listen and act on concerns raised.
 - keep young people actively involved in plans and decision making for their future.
 - ensure care leavers have safe and stable accommodation, are able to live independently and sustain tenancies.

- advise care leavers about their entitlements and provide financial support.
 - support them to continue in education, access training that meets their career plans and find suitable jobs.
 - help them to access health provision where this is required.
 - provide continued support through a dedicated personal adviser.
- The Council Plan 2014-2018 further set out a commitment to give children and young people the best start in life by ensuring that every child, young person and family in Southwark thrives and is empowered to lead a safe and healthy life.
 - The Sufficiency Duty in the Children's Act 1989 places a duty on the Council to take such steps, so far as is practically possible, to ensure that there is sufficient high quality support and housing within the local authority area to meet the needs of the local LAC population and those on the edge of care. The Council is currently reviewing its sufficiency strategy to meet these needs which include the provision of 16+ support and housing services.
 - The Southwark Children in Care and Care Leavers Strategy 2016-19 further outlined the need to improve the resilience of children and young people and prepare them for a successful adult life where they can live independently. The document sets out the council's key work in addressing a number of challenges for this cohort including the need for young people to 'feel safe and secure in their placements, to live closer to home in housing that meets their needs' and to ensure that young people are cared for and prepared for adulthood.
 - The Southwark Five Year Forward View 2016/17-2020/21 for Health and Social Care additionally sets out a shared vision for health and social care across the NHS Southwark Clinical Commissioning Group (CCG) and Southwark Council. The shared local ambition is to create a stronger emphasis on prevention and early action as well as deeper integration across health and social care, and wider council services, so that every possible step is taken to tackle the social as well as the physical determinants of health and wellbeing.
 - In 2016-17 Southwark was successful, with its partner, Catch 22, in winning an Innovation Bid to work in new ways to support young people leaving care. Catch 22 is a national charity with expertise in working with care leavers and innovation, as well as challenging social issues around young people. The timing of this work is well suited to working together on the transformation of support and housing for looked after children leaving care. The approach is also consistent with Southwark's Looked After Children and Care Leavers Strategy.

COMMUNITY IMPACT STATEMENT

81. Details of the population affected by any changes to these services are set out in section 5 of the 9 May 2017 Cabinet Report *gaining independence: transforming support and housing for Southwark looked after children/care leavers and young people at risk of homelessness aged over 16 years*.

82. The 9 May 2017 Cabinet report set out how the council will work with young people and communities to ensure that any changes to services are equitable and led by service users. Any service change will be considered with regard to its impact on age; disability; faith/religion; gender; race; ethnicity; sexual orientation; gender reassignment; marriage and civil partnership; pregnancy and maternity.

Social Value considerations

83. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

84. 16+ Support & Resettlement Services aim to not only help young people secure independence but also prepare young people for entry into education, employment or training, increasing social value within the borough.

Social considerations

85. It is envisaged that expressions of interest will be submitted by interested parties inside the EU in response to the published OJEU advertisement.
86. Work experience and apprenticeship opportunities will be available as part of the new 16+ Support and Resettlement Services, and will be encouraged for care leavers and other young people.
87. Providers will be expected to offer at least one traineeship and also one apprenticeship per year to a young person aged between 16-24.
88. The council expects each successful provider to offer one apprenticeship per year to a young person, preferably a service user, lasting between 1-5 years. The provider must give the apprentice suitable tasks to learn valuable workplace skills. The apprentice must be paid the National Minimum Wage for an apprentice and they will also be entitled to at least 20 paid days of holiday per year.
89. Providers will be required to demonstrate that they operate an Equal Opportunities Policy.
90. The successful provider will be expected to meet the London Living Wage (LLW) requirements. Given the need to recruit and retain high quality staff, it is considered that best value will be achieved by including this requirement. As part of the tender process, bidders will be required to confirm that they will be paying LLW and the benefits that this will provide to the council. On award, the quality improvements will be monitored as part of ongoing reviews of each contract.

Environmental/Sustainability considerations

91. Providers will be required to operate in a way which meets the borough's commitments to a clean environment and to working in a sustainable manner.

Plans for the monitoring and management of the contract

92. The contracts will be managed by the Children's and Adults' contract monitoring team in line with their normal activities in this area.

Staffing/procurement implications

93. There will be no impact on staff in the council, beyond a need to meet the requirements of the procurement.

Financial implications

94. The 16+ Support and Resettlement Service will accommodate new and existing users from 16 to 18+ in a more cost-efficient way to reduce the council's use of semi-independent schemes. Over the 5 year April 2012 to March 2017 the cost to the council stands at 15.2m which averages 3m per year this excludes 2017/18 forecast which currently stands at £3.9m which is a 30% increase on 2016/17.
95. Without this procurement, the council will continue to spend £3m annually. Over 6 years this will amount to approximately £18 million. The Children's Care Leaver Service has recently started working with Catch 22 and with the use of the innovation grant of £1.5m over two years to March 2019 there will be some natural reductions to the forecast as Catch 22 will work with our 18+ clients in order to support them moving on into Adulthood and their own tenancies.
96. The 16+ Support and Resettlement Service will cost approx. £9.96 million over 6 years, and will contribute to £2.5m of cost avoidance from these services across the totality of the 16+ programme.

Investment implications

97. None.

Consultation

98. Young people who use 16+ support and housing services have been involved at every stage in helping to shape and design their own services. Young people may be involved in the evaluation of tenders, and there may be a requirement on providers to ensure that young people are involved in the design of new service models.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

99. This report seeks the approval of the cabinet member for the procurement strategy relating to Southwark Young People's 16+ Support and Resettlement Services, namely to undertake an OJEU compliant restricted tender process.
100. The procurement will be split into three lots, two of which will be for four years with the option to extend for a further two years at an estimated value of

£9.36mil, the third will be for one year with the option to extend for an additional one year at a total estimated value of £600k. This gives a total contract value across all lots of £9.96mil.

101. Paragraphs 94 through 96 lay out predicted savings associated with the procurement of this service related to delivering the service in a more efficient and cost effective way.
102. Paragraph 22 confirms that the market for 16+ support and housing providers is stable, robust and competitive with 1,758 providers currently registered throughout the UK. It is expected that the service model outlined within this report will elicit a strong response from providers during the tender stage, paragraph 23 explains how market engagement supports this assumption.
103. Paragraphs 72 through 79 explain the approach to be taken with regards to the evaluation of tender submissions.
104. Paragraph 98 confirms that service users have been consulted regarding this procurement, and will continue to be involved in the process including at evaluation stage.

Director of Law and Democracy

105. This report seeks the approval of the procurement strategy for Southwark Young People's 16+ Support and Resettlement Services as more particularly described from paragraph 24.
106. The nature and estimated value of the services required are such that the procurement process will be subject to the application of the Public Contracts Regulations 2015 (European procurement regulations). Paragraphs 24-25 confirm that an EU compliant restricted procedure is to be followed, involving the publication of appropriate notices in the Official Journal (OJEU) and Contracts Finder. This process will also satisfy the tendering requirements of the council's Contract Standing Orders.
107. The report notes that the decision to approve the procurement strategy in this instance has been expressly delegated by the Leader of the council to the Cabinet Member for Children and Schools, following consultation with the Deputy Leader and Cabinet Member for Housing.
108. Pursuant to section 149 of the Equality Act 2010 (which prescribes the Public Sector Equality Duty/PSED) the council must have due regard to the need to:
 - a. Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b. Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c. Foster good relations between person who share a relevant protected characteristic and those who do not share it.

109. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
110. Paragraphs 81 and 82 of the report which note the community impact statement (and the equalities issues which had been set out in the report considered by Cabinet during its meeting on 9 May 2017) demonstrate how the council has had due regard to the PSED in this procurement and the decision maker should satisfy herself that this duty has been complied with when considering these recommendations.
111. Paragraph 98 of this report explains how consultation is to be carried out in connection with the procurement of the new service. The council must conscientiously take into account the outcome of consultation when taking a decision on the recommendation for award in the Gateway 2 report.
112. As noted in the report legal advice will continue to be provided to officers in relation to the application of the TUPE Regulations to the procurement and the award of the contract and also in relation to the tender and contract documentation required.

Strategic Director of Finance and Governance (CAS17/028)

113. The strategic director of finance and governance notes the recommendation in this report to establish a framework for Young People's 16+ Support and Resettlement Services. The contracts are planned to commence in 2018-19 and to run for up to six years.
114. The cost of 16+ support and housing services is met by the council through the general fund. It is noted that the proposed procurement will seek to provide the services in a more cost-efficient way.
115. The proposed route uses a weighted model of 70:30 price and quality. It is noted that the lowest tenderer on price will achieve the highest weighted marks which may not necessarily be the full marks available, to reflect the cost pressure on the council.
116. The procurement contract award report will have more detail about the proposed pricing structure and estimated costs of the contracts. However this will not be fully known until after the council has agreed the 2018-19 general fund budget in February 2018.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Gaining Independence: transforming support and housing for Southwark looked after children/care leavers and young people at risk of homelessness aged over 16 years	Children's and Adults' Services 160 Tooley Street SE1 2TZ	James Postgate Tel: 020 7575 7627
Link: http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6154		

APPENDICES

No	Title
None	N/A

AUDIT TRAIL

Lead Officer	Genette Laws, Director of Commissioning, Children's and Adults' Services	
Report Author	James Postgate, Commissioning Manager, Children's and Adults' Services	
Version	Final	
Dated	16 November 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member for Children and Schools	Yes	Yes
Deputy Leader and Cabinet Member for Housing	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	No	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		16 November 2017