

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 25 September 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval Semi-Independent Living Service	
<b>Ward(s) or groups affected:</b>		All Wards	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Children's Services	

## **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN'S SERVICES**

This report asks cabinet to approve the procurement strategy for the future procurement of semi independent living services. As corporate parents we are committed to securing placement services at good value for the taxpayer which are within the council's boundaries, keeping families closer wherever we are able and working to continuously improve the outcomes for the children and young people in our care. In continuing to strive for these children to become successful members of the community our proposals for supporting independence skills fully address the recommendations in the recent OFSTED inspection report. The delivery plan for the project provides for the voice of the children and young people being heard.

I am satisfied that in agreeing this report the cabinet will be endorsing its determination to secure the most cost effective and efficient provision for the most vulnerable children and young people in our borough.

### **RECOMMENDATION**

1. That the Cabinet approve the procurement strategy outlined in this report for the semi-independent living service, specifically to undertake a competitive tender process for a four year framework contract commencing on 10 June 2013 at an estimated maximum sum of £6.8m.

### **BACKGROUND INFORMATION**

2. There are approximately 550 children in care. Children come into care for a variety of reasons; some enter at birth whilst others enter as either young children or teenagers. Children's Services work hard to ensure as many children as possible are adopted or placed with extended family members, but a significant majority remain in care for most of their childhood and adolescence.
3. In almost all cases, the council's looked after children have experienced significant levels of abuse and neglect within their families prior to entering care. As a result, some children in care have very complex needs including behavioural and learning difficulties and mental health problems.
4. As corporate parents we do all we can to ensure looked after children live in a stable, family environment. Giving children the best start in life through providing stable, long term living arrangements helps to improve wellbeing and life chances.

5. Sometimes children's needs can be met through foster carers, recruited trained and supported by the council. In circumstances where it is not possible to meet a child's needs through our own resource, we also commission foster carers through independent agencies which can provide more specialist support. The semi-independent living service is provided when young people aged 16 or over are unable to remain settled in a fostering environment. This may be for a variety of reasons; including the fact that for some young people do not want an alternative family to their birth family. There are also a number of late entrants into the care system (aged 16 and 17) who come into care as a result of chaotic family lifestyles who simply will not settle or accept a fostering placement.
6. Ofsted reported in June 2012 that looked after children and young people's economic well-being outcomes are adequate. Southwark Council is determined to improve this assessment and the Children and Young People's Plan, the Corporate Parenting Committee and the children in care commissioning strategy have identified this as a priority area for development.
7. Strong partnerships with the housing department are well established ensuring priority for care leavers through Supporting People arrangements and providing secure tenancies. The majority of responses to a perception survey show that most care leavers live in good or very good accommodation, however, almost one third do not feel they are living in the right location and some care leavers who spoke to inspectors had variable views on the suitability of their accommodation.
8. Southwark's commissioning strategy for children in care aims to provide good quality accommodation to improve outcomes for this vulnerable group. It is intended that by making the proposed changes to the service these aspirations will be achieved.
9. The council meets their responsibilities by providing four categories of care:
  - (i). Independent fostering services (ages 0 -18)
  - (ii). Semi-independent living services (ages 16 -18)
  - (iii). Residential care (ages 0 – 18)
  - (iv). In house fostering services (ages 0 – 18)

This report relates only to semi-independent living services.

10. Semi Independent provision is an accommodation-based support service provided by the private and voluntary sector which enables young people in care from 16 to 18 years to achieve independence at 18. The support for looked after children by the semi independent service is not regulated by OFSTED, however the commissioning team take a robust approach to contract monitoring to ensure that providers meet and maintain the service quality and safeguarding standards required by the 1989 Children's Act and essential to the best possible outcomes for the children. This was identified as strength in the recent Ofsted inspection.
11. Each semi independent agency is a free standing registered business which leases properties (various sizes to meet placement type) and employs key workers to support these older looked after children. Semi independent 24/7 units or houses of multiple occupation can also be approved for up to three or

- four young people in care within the household, with each child potentially being placed by a different local authority at a differing cost according to need. It may be difficult in these circumstances for the providers to accurately attribute semi independent staff support and management staff time to any specific spot purchased placement or local authority framework.
12. Southwark will not use a semi independent placement for any young person under 16.5 years old, unless in exceptional circumstances. A semi independent placement is usually provided after 17 years of age. Allocated key workers assist young people to develop independent living skills, link them to appropriate community-based and/or statutory services, promote employment/education and provide support to help them live independently within the community.
  13. Young people in care already placed with providers who are unsuccessful in subsequent procurement rounds will not be moved/transferred to agencies who are in the framework.
  14. Of the current 550 looked after children in Southwark 41 are with the semi independent living services. 404 are with foster carers; 17 have been placed for adoption; 45 are with extended family placements in the community; 38 are in specialist residential settings including those with profound disabilities; and 5 are subject to court ordered parent and child assessment placements. The total cost of the semi-independent service in 2011/12 was £1.7m.
  15. Following the implementation of more formal commissioning arrangements in 2010/11 the council now uses twelve preferred providers. The key outcomes of this interim approach have been:
    - Improved management and competitive selection of providers leading to a reduction in providers from an average of 29 per annum to 10.
    - Improved service levels following the introduction of specifications.
    - Improved contract management enabling greater partnership working with providers.
    - The establishment of seven placement categories delivering a targeted approach to better meet young people's needs.
    - Agreement that providers will allow young people to stay after their 18<sup>th</sup> birthday at housing benefit rates until they are able to transfer to their permanent post 18 home.
    - An annual saving in excess of £150k.

### **Summary of the business case/justification for the procurement initiative**

16. The semi independent providers play an important role by providing flexible and supported accommodation for young people who cannot remain in foster care or residential care. In June 2012 to build on the success of the interim arrangements a service review was undertaken in consultation with young people in care, care leavers, staff, providers and partner agencies to inform the commissioning strategy. Below is a summary of the main findings and recommendations.

## The Service

- Southwark Council has new mandatory requirement to comply with the Crime and Disorder Act 1998 which places a general duty on local authorities to act in partnership to prevent offending by young people. The Youth Justice Board will require local authorities to have a range of placement options available as an alternative to remands into custody.
- The Legal Aid Sentencing and Punishment of Offenders Act 2010-12 to be implemented from November 2012 introduces some key changes including a new remand framework for young people. Changes to the law on bail and remand are aimed at reducing the number of those who are unnecessarily remanded into custody. Under the new “no real prospect” test, offenders would be released on bail if they would be unlikely to receive a custodial sentence. These statutory requirements will be included in the new framework.
- Currently there are 41 placements with 35 placements within a 7 miles radius. It is proposed that a new requirement is introduced to ask providers to increase the percentage placements within Southwark’s boundaries or within 7 miles of Southwark from 85% to a new target of at least 95%. This will support young people being able to maintain contact with family and friends.
- OFSTED inspection recommendations in June 2012 identified the need to improve the preparation of looked after children for independence. A range of services are being reviewed and developed as a response. However, semi independent agencies play a key role in delivering the necessary skills/learning. The specification and new framework will address this more explicitly.
- A stronger partnership is required between the children looked after service and commissioned agencies to ensure that key workers support and encourage young people to access key services in Southwark including the newly established resource centre for children looked after.
- Emphasis should be placed on early recognition/safeguarding for young people who may be vulnerable to crime, substance misuse and teenage pregnancy.

## Semi-independent service providers

- Semi independent agencies must be able to work effectively with young people with challenging behaviour to improve placement stability.
- A need for improved communication and information to facilitate providers working more closely with the council.
- Improved information and intelligence flows between the providers and young people’s social workers to ensure the best possible placements are made, and then maintained. This will also enable providers to further develop their services.
- Placement types and discounts could be simplified and pricing reviewed.
- A two tier system of providers should be introduced based on quality and price to incentivise the market.
- To further improve outcomes and better hold providers to account for their contribution to these a stronger monitoring and performance framework is required, utilising measurable performance indicators and the voice of young people.

## Key Workers

- New standards and expectations are required for key workers as staff quality was seen as variable by young people.

- Increased emphasis on support for young people's transition to independence. Life skills sessions should include cooking, basic do-it-yourself, managing money, managing your home, domestics and financial planning, understanding the benefits system.

### Proposed Framework

17. Currently placements are divided into seven levels of care and specialist parent and child specification. The following placement types are proposed, Appendix 2 provides a detailed breakdown of the placements:

Level 1	High Support	
Level 2a	Medium Support	
Level 2b	Low Support	
Level 3	Parent and child placements	Specialist service
Level 4	Placements subject to alternative secure remand (court) status (16-18 yrs)	

18. Providers will be asked to submit separate prices for Levels 1, 2a and 2b. Submitting prices for Level 3 and Level 4 provisional is optional.
19. Providers who express an interest in Level 3, parent and child, will be asked to quote an inclusive price for both parent and child. Providers who express an interest in Level 4, alternatives to secure remand semi independent provision shall refer to those children aged 16+ who are subject to a court remand order under revised youth justice board regulations being introduced in the autumn 2012.
20. Contracts will be awarded for standard and specialist services. The estimated number of providers for each service is in the process of being developed and will be finalised before the procurement commences.
21. This framework arrangement will be incentivised by creating a tiered structure. Providers will be ranked according to their price.
22. Clear referral procedures will be in place as part of the contracting framework to ensure that the best possible placement fit is selected to respond to child's bespoke needs - for example this will include if the placement is within a 7 miles radius. The matching of a placement will involve the child's allocated social worker and be able to deliver appropriate responses in both planned and emergency situations.
23. The placement allocation will be as follows:
- (i) Request first sent to tier 1 providers with a response timeline of 48 hours.
  - (ii) If no match is made the request will then be sent to tier 2 providers to run concurrently with the tier 1 request.
  - (iii) If a suitable match is received from tier 1 and tier 2, priority will be given to the tier 1 response
24. An annual performance review will be carried out to assess performance concerning outcomes for children and to ensure providers are fit to remain in tier one, to include for example:

- Their capacity to provide placements within a 7 mile radius of the borough.
  - Outcomes for children and young people including success in supporting independence skills.
  - Feedback from young people
  - Unplanned endings of placements.
  - Approaches to safeguarding.
  - The specific requirements of the service specification.
25. At the end of year two (contract mid point) a pricing review will be undertaken to ensure on-going best value. It will be made clear to providers that to remain or move to tier one their pricing must be competitive. Failure to do so will result in the more expensive agencies risking demotion to tier two whilst also providing an opportunity for providers in tier two (who have met all the quality standards) to be promoted to tier one.
26. In response to the service review of the council's internal commissioning processes and procedures further efficiencies are expected through process and system integration.
27. A framework operational manual will be produced for staff and the providers detailing the framework, how the tiers will be managed, and contract monitoring/management.

### **Market considerations**

28. Based on evidence collated last year from London Care Services (LCS) which is a pan London agency there are a number of factors influencing the market. LCS has reported from 139 residential providers in 2012/13 five have closed and thirteen have temporarily closed.
29. The council has reduced its use of residential provision through more effective procurement of IFA. The number of young people in residential care has been reduced from an average of 35 to 30. This has produced a budget saving of £500k from the financial years 2010/11 to 2011/12.
30. With the contraction in the economy over the last three years, and ongoing financial constraints it is anticipated that proposals will be highly competitive and a good response is expected.
31. However it should also be noted that property prices in inner London have continued to rise significantly which is making it increasingly difficult for semi independent providers to find properties within Southwark's boundaries as freeholders/landlords are clear that they can obtain higher returns in the open market and not experience as many 'management' issues which flow from accommodating young people in care in their properties.
32. Recent government changes to the housing benefit system (lower caps introduced) has also had a significant impact upon this sector as care leavers reaching 18 are unable to have their rental costs met by their local housing benefit service. Landlords are therefore increasingly reluctant to lease their properties to semi independent providers in Southwark and neighbouring boroughs.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement including procurement approach

33. The following procurement options were considered.

- i. Do nothing
- ii. Participate in an existing framework arrangement.
- iii. Undertake a joint tender with other local authorities.
- iv. Expand the in-house service.
- v. Undertake a Southwark only competitive process.

A summary of the advantages and disadvantages of each option are included in Appendix 1.

### Proposed procurement route

34. The proposed procurement route is to undertake a competitive tendering process following a Part B non EU restricted procedure.

### Identified risks for the procurement

35. A risk register has been produced and will be monitored by the project manager. Updates and alerts will be escalated to the programme commissioning board in accordance with the agreed project governance. Table 1 below summaries the main risks.

No.	Risk	Likelihood	Risk Control
1.	<ul style="list-style-type: none"><li>That TUPE applies to providers leading to increased costs and providers requiring indemnity from the council against transferring liabilities.</li></ul>	Low	<ul style="list-style-type: none"><li>Legal has advised that the risk of TUPE applying is low but have recommended precautionary paragraphs in the pre-qualification questionnaire and invitation to tender documentation.</li></ul>
2	<ul style="list-style-type: none"><li>That the need to ensure quality services means fewer applicants pass the necessary quality threshold.</li></ul>	Medium	<ul style="list-style-type: none"><li>Threshold will be set to balance quality whilst maximising interest.</li></ul>
3	<ul style="list-style-type: none"><li>Slippage in procurement process results in desired deadlines not being met.</li></ul>	Medium	<ul style="list-style-type: none"><li>Project timeline will be monitored by the project manager and issues escalated accordingly.</li></ul>
4	<ul style="list-style-type: none"><li>The range of providers does not have sufficient capacity to meet service needs meaning that a high level of spot purchasing continues.</li></ul>	Medium	<ul style="list-style-type: none"><li>The evaluation will include an assessment of capacity capability.</li></ul>

### Key / Non key decisions

36. This report relates to a key decision.

## **Policy implications**

37. The sufficiency duty under section 22G of the 1989 Act requires Children's Services to secure sufficient accommodation for looked after children. This requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority's area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area ('the sufficiency duty').
38. The council must have regard to the benefits of securing a range of accommodation through a number of providers. The accommodation must also meet the assessed needs of children.
39. This means having the right placement in the right place, at the right time which is a vital factor in improving placement stability. Stability is known as the critical success factor in relation to better outcomes for looked after children.

<b>Activity</b>	<b>Complete by:</b>
Place GW1 and GW2 on Forward Plan	15 August 2012
DCRB Review Gateway 1: Procurement strategy report	15 August 2012
CCRB Review Gateway 1: Procurement strategy report	30 August 2012
Notification of forthcoming decision – despatch of Cabinet agenda papers	3 September 2012
Cabinet Review Gateway 1: Procurement strategy report	11 September 2012
Approval of Gateway 1: Procurement strategy report	25 September 2012
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	5 October 2012
Completion of tender documentation	5 October 2012
Advertise the contract	5 October 2012
Closing date for expressions of interest (25 days)	30 October 2012
Completion of short-listing of applicants	12 December 2012
Invitation to tender	14 December 201
Closing date for return of tenders (45 days)	28 January 2013
Completion of evaluation of tenders	22 March 2013
DCRB Review Gateway 2: Contract award report	10 April 2013
CCRB Review Gateway 2: Contract award report	18 April 2013
Notification of forthcoming decision – despatch of Cabinet agenda papers	22 April 2013
Cabinet Review of GW2: Contract award report	29 April 2013
Approval of Gateway 2: Contract Award Report	14 May 2013
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	24 May 2013
Contract award	27 May 2013
Contract start (subject to TUPE)	10 June 2013
Contract completion date	9 June 2017

### **TUPE/Pension implications**

40. Legal has advised that the engagement of providers on spot contracts supports an argument that the conditions to TUPE applying are not met, although this may be weakened if, as is the case, the council has consistently awarded a succession of contracts to the same provider. However as it not the intention to remove a child from an existing placement if the relevant provider is unsuccessful then there will also be a good argument on this basis that there will be no transferring activity.
41. The nature of the current arrangements together with the understanding that existing providers also deliver similar services to other local authorities

suggests that there will be no organised groupings of employees whose principal purpose is to carry out the activities for the council.

42. The procurement documentation will advise that the council do not consider TUPE to apply but that all applicants must seek their own independent advice and that no warranty is given to this effect.

### **Development of the tender documentation**

43. The project team will work with service leads, corporate procurement, legal, departmental children's services finance, contract and performance improvement team and health and safety services to develop the tender documentation including the service specification, PQQ and the quality and pricing evaluation methodologies.

### **Advertising the contract**

44. As a Part B service, there is no formal need to issue an OJEU notice. However in order to ensure all market areas are covered, a voluntary notice will be issued. In addition adverts will be placed on the council's website, community action Southwark website, in community care and other similar trade journals. Existing providers and other known providers will also be alerted to the advert placed on the council's website.

### **Evaluation**

45. Contracts will be awarded on the basis of MEAT (most economically advantageous tender) using a price/quality ratio of 70/30 in line with council guidelines. As per the restricted protocol, the process will consist of two stages.

#### Stage One – Pre-Qualification Questionnaire (PQQ)

46. The purpose of the PQQ is to create a short list of organisations who have demonstrated that they have sufficient technical capacity and financial and economic standing and ability to be invited to tender. In order to determine sufficient financial and economic standing, and technical capacity and ability PQQs will be evaluated in accordance with the criteria as set out in Articles 29-35 of Directive 92/50/EEC (as amended or replaced).
47. Method statements will be used to assess the technical section, for which there will be a minimum pass mark. The short listing process will include an assessment of capacity. The financial, health and safety and qualities sections will be assessed as pass or fail. For the financial assessment, a minimum financial operating threshold will be set.
48. The final PQQ evaluation methodology will be signed off by the commissioning board and advised to applicants.

#### Stage Two - Invitation to Tender

49. The council is looking for responses from agencies having experience of providing standard and enhanced services. The number of providers will be dependent on the capacity of the available placement types. Providers will need to pass the quality threshold before they are assessed on price.

Allocation onto tier one or tier two will then be based solely upon price as all agencies will have met the quality level.

#### Quality Assessment (30%)

50. Method statements will be used to evaluate applicants against the key quality criteria, using the scoring system. To pass, they will have to achieve a minimum score for each question.

#### Price Assessment (70%)

51. Applicants will be asked to complete a pricing schedule which requires them to separately cost the various aspects of the service including setting weekly fees for the low/medium and high levels, services for young parents and placements subject to remand (court) status. The council will expect discounts of between 1% and 2% for the total value spend. An evaluation matrix has been developed with finance colleagues.
52. The evaluation panel will be made up of representatives from finance, health and safety, policy and equalities, commissioning and assessment, children looked after service and the young people in care. Officers from legal and corporate procurement will be consulted as required throughout the process. Up to two clarifications will be undertaken as required.

#### **Community impact statement**

53. All potential providers are required by the council to proactively demonstrate their commitment to diversity and equal opportunities. As will be highlighted within the contract specification all contracted arrangements will need to meet specific cultural and language needs where applicable.
54. It is crucial services that the council provides for children and young people are accessible and support their needs by promoting equality and responding to diversity – including issues with respect to age, disability, faith, gender, ethnicity and sexuality.
55. The children looked after service has an equality impact assessment for 2012/14 which recognises the diverse needs for looked after children and the range of supports required for them to become positive members of the community. This procurement is supporting both the 2012/14 children looked after equality action plan and 2012/13 children looked after-business plan. If following advice, any further checks or assessments are required, these will be undertaken.

#### **Economic considerations**

56. The details of the contract will be put on the council website, it is anticipated that this will attract the interest of local providers and afford them the opportunity to participate in the procurement

#### **Social considerations**

57. By seeking to place children within Southwark wherever possible this supports contact with their families and supports families which are the foundation of a

strong and stable society and to ensuring children develop into healthy, happy and successful adults.

58. The successful contractors are also expected to meet the London Living Wage (LLW) requirements. For this service it is considered that best value will be achieved by including this requirement as it will enable contractors to employ suitably qualified professional social work staff who are able to provide a quality service. As part of the tender process, bidders will be required to confirm how productivity will be improved by payment of LLW. On award, the associated quality improvements and cost implications will be monitored as part of the annual review of the contract.

### **Environmental considerations**

59. Southwark council supports keeping families and communities together. This also reduces the need for excessive car journeys and public transport thus contributing to the reduction in carbon emissions.

### **Plans for the monitoring and management of the contract**

60. The contract will be performance managed by the contract monitoring and performance improvement team in Children's Services. Managing and monitoring of the contract will include:

- Compliance with the specification
- Performance indicator measurement including stability
- Best value
- Service user outcomes
- Service user satisfaction
- Risk management
- Health and safety
- Social care assessment

61. If a provider fails to achieve the required performance standard they will be temporarily suspended meaning they will not receive further placement referrals until they have made the required improvement(s).

62. Quarterly monitoring will include: Information about the numbers of placements and those within 7 miles of Southwark; allegations of misconduct and child protection enquiries; planned and unplanned endings of placements; referrals received and placements made; status of each young person with employment, education and training; the health of the young person; general feedback from providers.

63. Annual monitoring will include KPIs which cover:  
The number of young people working effectively towards independence and attending a 6 week course with a preparation for life programme in place; number of young people who are not in education, employment or training, who attend Southwark "drop in" service to meet connexions and employment advisor once a month; number of young people with a fusion card and accessing sport (gym, swimming, classes or organised sport once a week)

64. The annual performance assessment will be led by the Children's Services commissioning service with input from social work staff and independent

reviewing officers. The meeting will review performance over the preceding year, including progress and areas for improvement and will result in an overall assessment rating of 'excellent', 'good', 'average' or 'poor' for each provider.

### **Staffing/procurement implications**

65. There will be limited impact on council staff caused by the tendering of this contract.

### **Financial implications**

66. The objective of this proposal is to deliver an efficient and effective service. It is also intended to deliver savings over the 4 year life of the contract. The profile of the savings will rise from a low base in the first year and over the life of the contract it is estimated to deliver savings of up to £120k. The assumption behind the savings is that the volume of the placements will remain roughly as they are now. An increase in the volume may produce large discounts although this would be counter balanced by the increased base cost. There is a complex relationship between volumes and percentage, sibling groups and mechanisms whereby agencies maintain tier one status which will become clearer as the contract progresses.
67. Approved budget of £1.7m is available to deliver the existing service for the year 2012/13. The proposal has a similar budget profile, and subject to the annual council budget setting process there will be sufficient budget for the term of the proposal.

### **Legal implications**

68. Legal implications are included in the advice from the Director of Legal Services at paragraph 80 onwards.

### **Consultation**

69. Consultations have been with young people in care, care leavers, children in care council (speaker box) staff, providers and partner agencies including other local authorities, health, youth offending service and connexions and the feedback used to produce the new service specification and framework documentation.

### **Other implications or issues**

70. None.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

71. This is a gateway one report seeking cabinet approval for the procurement strategy for the semi independent living service.
72. With an advised maximum value of £6.8m, there is a requirement to take all reasonable steps to obtain at least five tenders following a publicly advertised

- competitive tendering process. Whilst this service is classified as Part B under the EU Procurement Regulations and therefore does not require that a formal OJEU notice is issued, paragraph 44 confirms that a voluntary notice will be issued, in addition to local advertisements in compliance with the council's contract standing orders.
73. Paragraph 15 advises that following a recent review of the interim service provision put in place during the latter part of 2010/11, a number of findings and recommendations were made pertaining to future service needs, the main ones of which are summarised in the report. The result is that it is now proposed to put a framework contract in place to deliver the redefined placement types summarised at paragraph 17, and expanded upon in Appendix 2.
  74. Paragraphs 21 - 25 detail the proposal to operate the framework using a two tier structure as a means of ensuring service providers are continuously incentivised to maintain both quality standards and competitive pricing, the latter of which will be via a price review at the end of the second year.
  75. Appendix 1 summarises the procurement options considered which have resulted in the proposed recommendation, and paragraph 30 confirms that a high level of competitive responses is expected despite the impact of the continuing rise in property prices in London.
  76. Paragraph 34 confirms that the procurement will follow the EU Restricted protocol, and the evaluation methodology is summarised at paragraphs 45 - 52, including confirmation that the council's standard 70/30 price quality ratio will be used; that only those applicants who successfully pass the PQQ stage will be invited to tender; that they will then need to reach a minimum quality level in order to have their pricing evaluated; and how it is the latter that will determine allocation to tier one or two. It is noted that at this time it is not possible to anticipate the number of providers that will be appointed to the framework as this depends on capacity requirements, but work is on-going so as to include relevant information in the final tender documentation. Paragraph 48 advised that the final evaluation methodology will be approved by the Commissioning Board.
  77. Paragraphs 40 - 42 advise that following legal advice TUPE is not expected to apply, however applicants will be advised to seek their own independent advice.
  78. The project plan is deemed achievable as long as assigned resources are maintained and the on-going monitoring of the plan has been built into the risk register, a summary of which is given at paragraph 39.
  79. Paragraphs 60 - 64 detail the contract monitoring and management arrangements that will be put in place.

### **Director of Legal Services**

80. This report seeks the cabinet's approval to the procurement strategy for the semi-independent living service by establishing a framework contract as detailed in paragraph 1. As the value of the services exceeds £4 million, and is therefore a Strategic Procurement, then this decision is reserved to the cabinet.

81. Whilst these services are not subject to the full EU tendering requirements (being classed as Part B services), they are subject to the general EU principles regarding transparency and non-discrimination. It is also necessary for the services to be procured in accordance with the council's tendering requirements under Contract Standing Orders, which requires at this value that at least 5 tenders are sought following a publicly advertised competitive tendering process. As noted in paragraph 44, the council intends to follow such a process, and in order to reach all parts of the market will be issuing a voluntary OJEU notice'

#### **Strategic Director of Finance and Corporate Services (NR/FCS/31/8/12)**

82. This gateway one report recommends that the cabinet approve the procurement strategy for the semi-independent living service, specifically to undertake a competitive tender process for a four year framework contract commencing on 10 June 2013.
83. The strategic director notes the financial implications contained within the report. Officer time to effect the recommendation will be contained within existing budgeted revenue resources.

#### **BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
Update report on the Provision of Semi-Independent Living Services, Independent Fostering Agencies and Residential Services.	Children's Services	Shenis Hassan 020 7525 1552
Children in Care, Commissioning Strategy - 2010/11 to 2013/14	Children's Services	Shenis Hassan 020 7525 1552
Children Looked After: Equality Impact Assessment - 2012/14	Children's Services	Shenis Hassan 020 7525 1552

#### **APPENDICES**

<b>No.</b>	<b>Title of appendix</b>
Appendix 1	Summary of procurement options
Appendix 2	Proposed placement types

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon Fyle, Children's Services		
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's Services		
<b>Report Author</b>	Shenis Hassan, Interim Senior Manager, Commissioning and Business Modernisation		
<b>Version</b>	Final		
<b>Dated</b>	13 September 2012		
<b>Key Decision?</b>	Yes	<b>If yes, date appeared on forward plan</b>	June 2012
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>			
	<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
	Head of Procurement	Yes	Yes
	Director of Legal Services	Yes	Yes
	Strategic Director of Finance and Corporate Services	Yes	Yes
	<b>Contract Review Boards</b>		
	Departmental Contracts Review Board	Yes	Yes
	Corporate Contracts Review Board	Yes	Yes
	<b>Cabinet Member</b>	Yes	Yes
	<b>Date final report sent to Constitutional Team</b>		13 September 2012