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REPORT TO:	Cabinet Member for Homes and Gateway Services
SUBJECT:	The Young Person & Care Leavers Service – Contract Extension
LEAD OFFICER:	Guy Van Dichele, Executive Director of Health, Well Being and Adults Julia Pitt Director of Gateway
CABINET MEMBER:	Councillor Alison Butler, Cabinet Member for Homes and Gateway Services Councillor Simon Hall, Cabinet Member for Finance and Resources
WARDS:	ALL

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON

[Corporate Plan for Croydon 2018-2022](#)

This approach supports the following corporate priorities as set out in the Corporate Plan 2018-2022:

Our Children and Young People thrive and reach their full potential – relieving homelessness and supporting young people to be aspirational, maximizing their independence and making sure they are safe, healthy and happy.

Everybody has the opportunity to work and build their career - delivering services which provide holistic support for young people and help them into employment, education and support.

Everyone feels safer in their street, neighborhood and home – providing specialist support for young offenders.

Locality Matters: Develop services that are place based and integrated within their local community and tailored to local needs.

FINANCIAL IMPACT

Extending the CAYSH: The Young Person & Care Leavers Service contract by variation of 15 months to 30/06/21 will add an additional cost of: £709,037

The extension of the contract will be made under existing terms and conditions, and financial provision is available within the budgets.

FORWARD PLAN KEY DECISION REFERENCE NO.: 5620HGS

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet Member for Homes and Gateway Services in consultation with the Cabinet Member for Finance and Resources the power to make the decision to extend by way of variation in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations:

- 1.1 The 'The Young Person & Care Leavers Service' contract in accordance with the Regulation 30 of the Council's Tenders and Contracts Regulations awarded to CAYSH for an extension period of 15 months to 30th June 2021 at a cost of £709,037 for a maximum aggregated contract value of £4,683,213.00.
- 1.2 To note a report detailing commissioning intentions, procurement strategy and any specific arrangements to end the current contract will be presented to Cabinet Member for Families, Health and Social Care, Cabinet Member for Children's, Young People and Learning, Cabinet Member Homes and Gateway Services and the Cabinet Member for Finance and Resources in November.

2. EXECUTIVE SUMMARY

- 2.1 The Council has a statutory duty to support a wide range of Croydon residents who are either homeless or at risk of homelessness from the ages of 16 to 24 as outlined in the Homelessness Reduction Act 2017. In order to fulfil this duty, the Council has commissioned 'The Young Person & Care Leavers Service' currently provided by CAYSH. A service providing accommodation based support, floating housing related and restoring families' support for young people aged 16 – 24, commissioned by Gateway Services.
- 2.2 During the recent Ofsted inspection (February 2020) it was identified that services for homeless 16-17 year olds are significantly underdeveloped and result in poor experiences for young people. By extending the current arrangements, it will allow time to appropriately plan and implement new strategic arrangements in order to address the identified issues. An extension will also enable the Council to fulfil the statutory obligation (prevent and relieve homelessness) whilst minimising service disruption. Ratification of this extension has been delayed by a contract backlog during COVID, with resources concentrated and supporting the care provider market as much as possible during the first peak.
- 2.3 The original service was procured in 2013 for an original term of 4 years (3+1) at an original value of £2,493,600. There have been subsequent extensions outside of this term with the latest ending on 31 March 2020. The annual cost decreased by £77,925.00 in 2017 as a result of an agreed 12.5% reduction in contract value and services. The current aggregated value of the contract (excluding the proposed 15 month extension) is £3,974,175.00.

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- 2.4 CAYSH has provided a satisfactory Young Person and Care Leavers Service over the last few years, sustaining tenancies but struggling to move service users on to less intensive support. It must be noted a contributory reason for the lack of move on has been general issues with a lack of affordable housing supply in Croydon for young people under the age of 25.
- 2.5 This contract has breached Public Contract Regulations by extending beyond the original agreed extension period. There has been insufficient oversight of this contract which has allowed us to reach a point where there was not option other than extend the contract.
- 2.6 More contract management resource has now been allocated to undertake a strategic commissioning review across all related contracted provision. Extending the current arrangements will allow full consultation with stakeholders as part of the review. Recommissioning next year will give an opportunity to revisit the service delivered, guarantee the best value for money outcome as well as ensure we are compliant with contract regulations. Extending the current arrangements will allow full consultation with service users to ensure that services remain fit for purpose and can be redesigned as required and appropriate. If procurement can happen before June 2021 notice will be served early on this contract.
- 2.7 There is budgetary provision within the services for the current contract to continue. This report provides detail on the existing services, outlines the rationale and seeks approval for extending the current contract arrangements by variation until 30 June 2021. The commissioning work on these contracts is urgent and every effort will be made to complete recommissioning work before the recommended extension end date of 30 June 2021 and exit these agreements early. Any housing related support can be commissioned very quickly via the Dynamic Purchasing System set up earlier this year. A commissioning intentions report will go to Contracts and Commissioning Board and be discussed with relevant Cabinet Members by the end of November.
- 2.8 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1614/20-21	01/10/2020

3. DETAIL

- 3.1 The current contract supports a wide range of Croydon residents who are homeless from the ages of 16 to 24. Support can either be directly provided through, for example, sourcing new accommodation or indirectly provided via information, advice and support.

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3.2 There are a number of key reasons why this particular cohort becomes homeless or at risk of homelessness within Croydon:

- Parental evictions
- Conflicts with the family
- Parents facing financial difficulties
- Parental support needs
- Care Leavers, who have no supportive family

3.3 The numbers of people supported/at risk in 2019/20 are in the table below:

Overall cohort numbers	
Number of new service users	148
Number of open or repeat service users	211
Number of users at risk of homelessness	293
Number of users receiving advice/support (not homeless/at risk)	60
Current Care Leavers (age 17) who may require support in the future	163

3.4 In 2019/20 the 74 units of accommodation based support had 96.5% availability though the floating support service had lower availability averaging 71%. There were 18 evictions last a year mainly for rent arrears or violence/aggression. 46 people moved on in a planned way to less supported accommodation.

3.5 In summary, the service performs well in terms of sustaining tenancies. It does not consistently meet KPIs in terms of 'move-on' of service users though this is not unique for providers delivering this service because of Local Housing Allowance restrictions.

3.6 The Local Authority has a statutory duty to support these residents as outlined within the Homelessness Reduction Act 2017 so not delivering a service is not an option and continuing this contract with CAYSH represents the best short term option.

The Provider

3.7 Established in 1981, CAYSH is a London-based charity delivering accommodation, advice and support services for young people facing homelessness. They deliver a number of contracts in Croydon including Turnaround Centre Drop-in Zone, 1st Base and Supported Accommodation and the Young Offender Housing Support Service. These contracts have been operating for a similar length of time and the intention is to also extend till June 2021. CAYSH provides a safe place to stay for more than 250 young people who would otherwise be homeless every night. They also provide advice and guidance to thousands more facing homelessness and other challenges.

The Service

3.8 The accommodation based service discharges the Council's duty to relieve homelessness and is provided to children and young people aged 16-24. The

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service has 74 units for accommodation based housing related support and 35 units of housing related floating support. Floating support assists young people to sustain independent tenancies. The accommodation provided by the service is not council owned, but is provided by the service provider. The service works with families and carers to enable young people to remain in, or return to the family home and is commissioned to carry a caseload of 29 young people at any one time.

- 3.9 The overall aim of the Young People and Care Leavers' service is to:
- Prevent and relieve youth homelessness
 - Assess and refer to suitable alternative housing, including returning to families
 - Support young people to live independently
 - Ensure young people are engaged in meaningful daytime activities
 - Work in partnership with statutory and non-statutory organisations, families and key persons to maintain the wellbeing of the young person
 - Enable young person to move on from the service in a planned way, within two years.

Original procurement and extensions

- 3.10 The Young Person & Care Leavers Service was procured in 2013 via the Supporting People Framework with start date of 1 October 2013. The original term was 3 years, with the option to extend for a further year and this permitted extension was exercised. The value of the 3 + 1 year contract was £2,493,600. There have been subsequent extensions outside of this term with the latest ending on 31 March 2020 (Decision reference is unable to be located at this time). The extensions outside of the framework agreement terms were managed directly with CAYSH. The current aggregated value of the contract (excluding the proposed 15 month extension) is £4,541,405.

Rationale for the contract extension and future commissioning intentions

- 3.11 **Service Stability:** Extending the current contracts for a period of 15 months will provide stability for service users whilst future commissioning intentions are fully discussed and explored. The Council currently commissions a number of services from CAYSH, therefore, there is also a responsibility to ensure stability of the local supplier during the exit and transition period.
- 3.12 **Fulfil the Statutory requirement:** The current contracts have expired. There is a statutory requirement to ensure Croydon residents have access to the services that are provided. Extending the current contracts will enable the council to continue to contract with CAYSH to fulfil the statutory obligation.
- 3.13 **Undertake an options appraisal:** Extending the current arrangements will enable sufficient time to undertake a full options appraisal with regards to the future commissioning intentions.

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- 3.14 **Strive towards outstanding:** During the recent Ofsted inspection (February 2020) it was identified that services for homeless 16-17 years olds are significantly underdeveloped and results in poor experiences for young people. Whilst steps have been taken to address individual issues there is work to be done to ensure greater oversight and strategic direction. Extending the current arrangements will allow time to appropriately plan and implement new arrangements to address these issues as we continue the journey to become outstanding. This service is one of a number of services being reviewed together with the aim of insuring care leavers are supported while the service provides value for money. Of particular note for this service is the need for any supported housing services to interface effectively with our offer to 16 and 17 year old homeless young people, and care leavers aged 16-25 who need further support at various levels before moving on to long-term tenancies with less support, or full independence if they are ready. While the current contract here does this to an extent, it is felt that more holistic commissioning would result in a more integrated service.

Future Proposal

- 3.15 Should it be agreed to extend the current contract until 30 June 2021, it will allow sufficient time to undertake the following:
- **By November 2020:** Undertaking of full options appraisal and review of services. Options include open procurement of existing service model, developing a new service model amalgamating existing individual specifications and delivering more service in-house. The commissioning intentions will go to Contracts and Commissioning Board by the end of November. This report will include details about the end of the current contract and how transition arrangements will be managed.
 - **January to March 2021:** Tender process (if applicable) undertaken
 - **March/April 2021:** Appropriate exit and step down arrangements to be put in place for existing contracts
 - **April/May 2021:** Relevant service structures to be in place to manage the proposed in house service and out-sources provision
 - **1 July 2021:** New service(s) go live.
- 3.16 This timetable is indicative and attempts will be made to progress recommissioning quickly and end current contracts early if possible.

4. CONSULTATION

- 4.1 Consultation with key senior stakeholders has taken place including the Head of Homelessness and Housing Need, Single Homeless Service manager, Gateway Leader Co-ordinator for Rough Sleeping, Executive Director for Children, Families and Education, Head of SPOC and Assessments and Head of Adolescent Services. Stakeholders are in agreement that service delivery needs to be maintained in order to meet statutory duties to accommodate vulnerable young people whilst these implications are clarified.

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- 4.2 The current service provider, CAYSH has been consulted and they are agreeable to the 15-month extension.
- 4.3 Further consultation will form part of the re-commissioning of the contracts in the future. This will include market engagement and consultation with all stakeholders.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2020/21	2021/22	2022/3	2023/24
	£'000	£'000	£'000	£'000
Revenue Budget available				
Expenditure	567	141	na	na
Income				
Effect of decision from report				
Expenditure	567	141		
Income	na	na		
Remaining budget	0	0		

The effect of the decision

- 5.1 The proposal is for the YPCL to be extended for 15 months by way of variation. This will be in line with the original terms and conditions that are currently in place for this service. The 15 month extension will add an additional cost of £709,037 and increase the current value from £3,974,175.00 to £4,683,213.00.
- 5.2 CAYSH is a London Living Wage Supplier, however when the contract was first procured, the requirement was not present. CAYSH have subsequently, met the requirement for London Living Wage, and their contract costs were uplifted accordingly to the amount currently quoted. The cost is included within the proposed extension values highlighted within this report:

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Contract title	Original Contract Values (2013)	% increase from original value	Current uplifted Contract Cost	Cost for the 15 month extension
Young Person & Care Leavers Service	£545,475	3.98	£567,230	£709,037

- 5.3 The service has budget available for the continuation of the current contract within the Service Improvement department in Gateway and the proposed increase. There is no impact upon service delivery as a result of implementing the proposed extension. CAYSH support the proposed extension for a period of up to 15 months.

Risks

- 5.4 The following risks have been identified and are being actively managed within the service:

Risk	Mitigation
Risk that the services do not deliver	<p>The contract is monitored with standards, targets and performance indicators that should mitigate against non-delivery. Performance will continue to be monitored during the extension period and the potential exit process.</p> <p>A 3 month break clause is already included within the contract, which will allow the Council to terminate services prior to the expiry of the requested extension should this be required.</p>
Risk of challenge from another supplier	<p>Officers recognise that the current proposals are not compliant with the Public Contracts Regulations 2015 and the multiple extensions are unlikely to be in line with the original framework agreement. There is therefore a potential risk of challenge from suppliers, however, this is deemed relatively low given the duration and value of the proposed extension.</p> <p>In any event, following the expiry of the proposed extension period the aim is to either bring the service in house, or to retender via an open procurement exercise that will help mitigate any potential risk.</p> <p>Should the service be retendered then there is a current DPS that could potentially have an additional lot added. Should this be the case then services can be recommissioned quickly via this approach.</p> <p>The service will begin engaging with the market in the coming months and options will be fully explored in subsequent RP1 & RP2 reports.</p>

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Council staffing & resources	There is some risk to completing the options appraisal, review and insourcing proposals within the extended timeframe as this will impact two statutory services. There is currently insufficient resource within Gateway to deliver future proposals. This will require project management, alignment, a clear strategic direction and a commitment from both services to resource the project appropriately.
Slippage in timescales, leading to a further extension being required	There is now an identified officer who will oversee the re-procurement of the services required to meet the needs of adults. This will be managed within the Commissioning and Procurement division.

Options

- 5.5 The following options have been considered and rejected. Please refer to section 12 within this report for further detail.
- Don't extend the current contract: **Rejected**
 - Immediately re procure the services : **Rejected**
 - Extend the contract with the incumbent provider: **Recommended**

Future savings/efficiencies

- 5.6 The extension will allow for a review of the service and a re-alignment to meet statutory obligations. It will also allow the Council to adjust to changing need, as well as address the issues highlighted by Ofsted. The review will take into account opportunities for future savings/efficiencies.
- 5.7 The most sever extent of homelessness or rough sleeping can cost up to £20,000 per person per year (At What Cost, Crisis 2015).Whilst the cost of homelessness is difficult to quantify (as it is dependent upon the length of time the homeless household is homeless, occupies temporary accommodation, and their support needs) it is envisaged that reviewing current services and/or bringing all or parts of the service in house will generate longer term savings and efficiencies for the Council. Future savings and/or efficiencies will be considered fully as part of the commissioning process for the future service provision from the expiry of the current contracts.
- 5.8 The Commissioning Intentions report at that stage will explore the options to secure the future provision to ensure that the Council is achieving best value for money from a new service to be in place from the expiration of these proposed extensions.

Approved by: Josephine Lyseight, Head of Finance HWA

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6. LEGAL CONSIDERATIONS

- 6.1 The legal considerations are as set out in this report.

Approved by Kiri Bailey, on behalf of Sean Murphy, Director of Law and Governance.

7. HUMAN RESOURCES IMPACT

- 7.1 There is no Human Resources impact as a result of this report as the current services will be awarded on existing terms and conditions to the incumbent providers for 15 months. If any issues arise these will be managed under the Council's policies and procedures.

Approved by: Debbie Calliste, Head of HR for Health, Wellbeing and Adults on behalf of the Director for Human Resources

8. EQUALITIES IMPACT

- 8.1 A full EIA for the supporting people framework was previously carried out prior to the tender in 2014. At the time, the award of this contract was deemed to enable service users to live more fulfilling independent lives and would incorporate an outcomes based approach so that providers are focused on the achievement of goals for service users rather than creating dependency.
- 8.2 As a full equalities impact assessment was completed in 2014 prior to tender and as any call off or extension would be a continuation of the same T&C's with the same providers, no new assessment is required.
- 8.3 A revised EA will be completed as part of the project to re-procure the same contracts at the later date referenced in the report. Renewed/re-procured contracts will include equalities clauses/requirements to ensure providers are supporting the council to meet the public sector equality duty.
- 8.4 We will ensure further consultation is accessible and includes all service users to ensure that services remain fit for purpose and can be redesigned as required and appropriate for all. Any equality and inclusion issues and findings will be incorporated and addressed in the revised EA.

Approved by: Yvonne Okiyo, Equalities Manager

9. ENVIRONMENTAL IMPACT

- 9.1 It is considered that there are no increased or decreased environmental sustainability impacts, from the proposed contract extension contained in this report.

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10. CRIME AND DISORDER REDUCTION IMPACT

- 10.1 It is considered that there are no increased or decreased crime & disorder impacts, from the proposed contract extension contained in this report.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1 The proposed recommendation seeks to continue the Council's statutory duties to prevent and relieve homelessness and to ensure that the future service is fit for purpose. The recommendations in this report allow for stability of current service delivery whilst commissioning intentions are developed.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1 Options considered for the contract are as follows:
- **'Do Nothing'**: The current contract would come to their natural conclusion, and there would be no future contract costs. The Council will retain a statutory duty to provide advice on the prevention of homelessness, and to assess its statutory duties within children's and homelessness legislation. The short timescale to manage this transition risks delivery of a reduced service to vulnerable children and young people, a risk of failure to meet the Council's statutory duties and failure to safeguard vulnerable young people
 - **Re-procuring the services for 15 months**: The process of re-procuring the service through a competitive tender exercise would extend the service beyond the existing contract end date. Given the time constraints this will have a similar impact as described in Option 1.
 - **Extend the contract with the incumbent provider for 15 months via contract variation**: This is the recommended option which would allow for the continuation of the service, the discharge of statutory duties, and a period of time to consider recommendations/re-align services to better meet the needs of Croydon residents.

13. DATA PROTECTION IMPLICATIONS

13.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

Yes

13.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

Yes

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Approved by Julia Pitt – Director for Gateway Services

CONTACT OFFICER:	Rebecca Clews, Lead Coordinator ext. 62411
APPENDICES TO THIS REPORT:	None
BACKGROUND DOCUMENTS:	None