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For General Release

REPORT TO:	Cabinet 6 December 2021
SUBJECT:	CAYSH Young People and Care Leaver's Service – Extension of Contract
LEAD OFFICER:	Rachel Soni, Interim Director of Commissioning and Procurement
CABINET MEMBER:	Cllr Patricia Hay-Justice – Cabinet Member for Homes
WARDS:	ALL

COUNCIL PRIORITY

A change in the way we deliver social care in order to reduce spend and live within our available resources is underway. This aligns to the following Croydon Renewal Plan priorities:

- We will live within our means, balance the books and provide value for money for our residents.
- We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy. And to keep our streets clean and safe.

FINANCIAL IMPACT

The proposal is to extend the existing service contract for 12 months to 30th September 2022 at a cost of £567,240 for a maximum aggregated contract value of £5,386,703.00. The Contract will be paid for by £51,233.50 from Children's Social Care and £516,006.50 from C13720 (The Gateway Contracts budget).

The effect of the decision includes a £102,467 saving target against C13720.

FORWARD PLAN KEY DECISION REFERENCE NO.

This is not a Key Decision as defined in the Council's Constitution.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

1.1 The Cabinet is recommended to:

1.1.1 Approve (in accordance with Regulation 30 of the Council's Tenders and Contracts Regulations) an extension by way of variation of 'The Young Person & Care Leavers Service' contract awarded to CAYSH for an extension period of 12 months to 30th September 2022 at an additional cost of £567,240 for a maximum aggregated contract value of £5,386,703.00

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1.1.2 Note that the Contracts and Commissioning Board has endorsed the above recommendation.

2. EXECUTIVE SUMMARY

- 2.1 The below report will look to demonstrate that extending the Young Person & Care Leavers Service for a further 12 months to 30th September 2021 at a cost of £567,240 for a maximum aggregated contract value of £5,386,703.00 is needed to enable a review and a re-commissioning of this service provision.
- 2.2 The content of this report has been recommended by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1704/21-22	04/11/2021

3. DETAIL

BACKGROUND AND OVERVIEW

- 3.1 The Council has a statutory duty to support a wide range of Croydon residents who are either homeless or at risk of homelessness as outlined in the Homelessness Reduction Act 2017. To meet this requirement the council uses a number of supported housing services. 'Supported housing' is defined as any housing scheme where housing, support and sometimes care services are provided as an integrated package. This can include support with health needs, including mental health, drug and alcohol use, managing benefits and debt, developing daily living skills and accessing education, training and employment.
- 3.2 Specifically to the contract in question, 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.
- 3.3 The Young Person & Care Leavers Service 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. There are a number of key reasons why this particular cohort becomes homeless or at risk of homelessness within Croydon:
- Conflicts with the family

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- Parents facing financial difficulties
- Parental evictions
- Parental support needs
- Care Leavers, who have no supportive family and are in need of more intense support post-18

Original procurement and previous extensions

- 3.4 The service was a call off from the framework for Supporting People Services on the 1/10/13 until the 31st of March 2020 which set an aggregated value of £3,974,175.00. It has not been possible to source the Key Decision Notice for this decision.
- 3.5 A further extension for £709,038, was completed by way of variation and was taken through all appropriate governance in November 2020, for a total extension 15 months on Key Decision notice 5620HGS and CCB number CCB1614/20-21. This extension increase the aggregated value to £4,683,213.00 and changed the end date from 31st of March 2020 to the 30th of June 2021.
- 3.6 An extension by way of variation for 3 months on Key Decision Notice 1020H and CCB Reference CCB1686/21-22 was then granted at a cost of £136,250.00 and an aggregated spend of £4,819,463.00 to complete an original plan of a rapid re-procurement of the same service on the recently established Dynamic Purchasing System (DPS 3 lot 3).
- 3.7 Senior staff changes, a significant reorganisation of the Gateway service into Housing has meant that staffing resource is no longer available to advance the original interim plan to re-procure these contracts for a short period. It also seems, rather than re-procurement, what is really needed is a full re-commissioning of this service. This is now being led by CFE Commissioning.

The Provider

- 3.8 Established in 1981, Croydon Association for Young Single Homeless (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

- 3.9 The accommodation based service discharges the Council's duty to relieve homelessness and is provided to children and young people aged 16-24. The service has 56 units for accommodation based housing related support and

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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.

- 3.10 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.

Recommissioning Work

- 3.11 The contract meets a lot of our statutory obligations at minimum cost, however are also solutions that were conceived and designed nearly a decade ago. A lot has changed in terms of resident's needs, the Council's resources and also the national policy landscape. In this light, a needs assessment and redesign is required.
- 3.12 It is important to note that work has already begun to fully redesign this service to better meet the needs of our residents in 2022 and beyond. Utilising data from Children's Social Care and housing; the views of young people accessing these services and other stakeholders around them; input from providers working in the borough and combined funding from Children's and Housing, we aim to build a model of Supported Housing that is more sufficient for the needs of Croydon's 16-24 year olds.
- 3.13 The model will have the benefit of providing more strategically commissioned services, while also working across various needs in housing and Children's Social Care; which – if successful – will prove cost neutral to the housing budget and deliver a saving to the Children's Social Care budget as it will reduce the need for expensive spot purchased Semi-Independent Accommodation (SIA) for 16+ Children Looked After and Care Leavers. These models have already been adopted in Islington, Southwark and Camden with general success, and savings achieved.
- 3.14 The project group spanning housing and children's has met several times, and consultation work is already underway with Children Looked After, it is due to begin in the next month with residents of Supported Housing, reference groups of staff and foster carers are also in line to be consulted.

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- 3.15 The results of these consultations, and data from the last three years will be used to build a needs assessment that will inform our model going forward. We are however confident that we have a timeline that will deliver a new service by September 2022.
- 3.16 Summary Project Plan:

Activity	Start Date	End Date
Needs and Gap Analysis (Inc. Consultation)	18/10/21	6/12/21
Firm decision on whether or not to progress with procurement, in-housing or decommissioning – further plan is dependent on commissioning being the decision	6/12/21	20/12/21
Market Warming	6/12/21	31/1/22
Tender Paperwork Finalisation	11/10/21	31/1/22
Procurement Strategy Report Draft and Sign off at Lead Member Level	31/1/22	12/3/22
Mini Competition on DPS 3 lot 3 (Two weeks minimum)	28/3/22	12/4/22
Evaluation and Moderation	12/4/22	31/5/22
Award Report Draft and Sign off at Lead Member Level	31/5/22	26/7/22
Notification, Standstill and Formal Award	26/7/22	19/8/22
Mobilisation and Go Live	19/8/22	23/9/22

Rationale for Contract Extension

- 3.17 *Service Stability*: Extending the current contracts for a period of 12 months will provide stability for service users whilst allowing the commissioning teams to fully re-design and commission a new service.
- 3.18 *Fulfil the Statutory requirement*: 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
- 3.19 *Strive towards outstanding*: During the last 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 and re-designed together with the aim of ensuring care leavers are supported while the service provides value for money.

4. CONSULTATION

- 4.1 The extension of the service is being recommended on the basis of there being no change to the care and support offer to residents and tenants in the service for the duration of the contract. Therefore there it is not a requirement to formally consult service users on the proposal to extend.

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- 4.2 The future service, as detailed above will feature a full consultation of service users and stakeholders about their experiences of the service, what needs to be the same, and what needs to change in the new commissioned service.

5. PRE-DECISION SCRUTINY

- 5.1 This report was not presented to the Council's Scrutiny and Overview Committee prior to being brought to Cabinet but is subject to referral by the requisite number of Councillors.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

Costs of original procurement and previous extensions

Details	Revenue	Period of Funding
Original Contract Value	£2,493,600.00	01 April 2013 – 31 March 2020
Cost of contract after extension in 2020	£4,683,213.00	01 April 2020 - 30 June 2021
Cost of contract after extension in 2021	£4,819,463.00	1 July 2021 – 30 Sept 2021
Cost of Proposed Variation	£5,386,703.00	30 Sept 2021 – 30 Sept 2022

The effect of the decision

- 6.1 As stated above, the proposal is to extend 'The Young Person & Care Leavers Service' contract awarded to CAYSH by 12 months to 30th September 2022 at a cost of £567,240 for a maximum aggregated contract value of £5,386,703.00.

- 6.2 Due to cuts made against the Gateway/Housing Contracts Budget, the proposed 12 month extension will be paid out of the following budgets:

Provider	Total contract value	Annual Cost	Annual Budget	Cost centre	Service
CAYSH - Young People & Care Leavers Service	£5,386,703	£516,006.50	£2,334,000	C13720	Housing
		£51,233.50	£2,690,000	C10348	Children's Social Care

Section 114 Essential Spend

- 6.3 The requirement is considered to meet the essential spend criteria:
- *Expenditure to prevent the financial situation getting worse*
 - *Expenditure required to deliver the councils statutory services at a minimum possible level*
 - *Urgent expenditure to safeguard vulnerable residents*

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6.4 Risks

The risks to extending the contract is minimal, due mainly to there being no local provider who is likely to challenge until we have completed the significant recommissioning work. The risk to the young people resident in the project if we cut the service however, is significant – with possible risk of serious harm coming to them if a similar service is not available for them to access.

CAYSH have agreed to continue delivering the service for a further 12 months, subject to agreement by Cabinet.

The extension may be considered a permitted modification pursuant to Regulation 72 (1)(c) PCR 2015, the criteria for which are:

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

While the 'external circumstances' criteria was used for the last extension, we also have had a significant loss of staffing resource, and a reorganisation which has included deleting an entire directorate. We are also still within the 50% rule, and the nature of the service has not changed.

It is noted that the framework under which the contract was called off has expired. It is not considered that in itself increases the procurement risk significantly since the extension is temporary pending recommissioning work outlined in the report.

6.5 Options

Several options have been considered for this service as detailed below:-

Option Summary	Pros	Cons
Extend the contract for 12 months PREFERRED OPTION	Service already in place and no need to change current contractual arrangements Allows for the commissioning work to be carried out. Holds the fee at the current level – a re-procurement would likely increase the fee.	TUPE staff will effectively be in "limbo" until a new service can be commissioned.
Rapid Re-procurement	Would produce a compliant contract that has been subject to a full re-tender Gives a chance to tweak the service specification slightly	Will result in a fee increase of (it is estimated) around 20%. Would expend significant resource which would take away focus from the new commissioned service. If we

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	which may slightly improve the service	want a solution that is more effective, it is better we focus our efforts on building this.
Extend the contract for a longer period of time- 12/18 months	<p>Would allow for longer transition period</p> <p>Would allow for a more detailed review of the current service to be carried out</p>	<p>Just delaying the inevitable. Prolonging the end of the contract would not lead to more stable service.</p> <p>The longer the extension the higher the risk of challenge.</p> <p>The service does need a re-design.</p>
Do nothing (i.e. – Decommission the service)	The contract fee is reduced	<p>The service helps the Council to meet one of its statutory responsibilities (reducing homelessness) and there is significant need for this in Croydon.</p> <p>It would put significant pressure on other, more expensive, services (i.e. spot purchased semi-independent, residential and clinical services).</p> <p>Any short term financial benefit would quickly see increased costs in other areas of the Council, specifically the Temporary Accommodation budget, and the Children’s Placement Budget. It would only take eight young people in semi-independent accommodation at £50,000+ a year to wipe out any savings made.</p>

6.6 Future savings/efficiencies

The proposed service is the minimum spend that could be negotiated with the provider while still maintaining the level of service to young people. The re-commissioned service will utilise information about available resource across children’s and housing to ensure that the service is the best fit for our needs and our budget.

Approved by: Matthew Davis, Interim Director of Finance, on behalf of Richard Ennis, Interim S151 Officer & Corporate Director of Resources

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7. LEGAL CONSIDERATIONS

- 7.1 The Interim Head of Commercial & Property Law comments on behalf of the Acting Director of Law that the Cabinet is empowered to take the decision on the recommendations in this report by virtue of Regulation 30 of the Tenders and Contracts Regulations.
- 7.2 The legal considerations are as set out within this report (with procurement risk set out at paragraph 7).

Approved by: Nigel Channer, Interim Head of Commercial & Property Law on behalf of the Acting Director of Law

8. HUMAN RESOURCES IMPACT

- 8.1 The staffing for this Contract are employed directly by CAYSH. As this report recommends an extension to the current Contract of 12 months there are no staffing or human resources impact from the proposed report.

9. EQUALITIES IMPACT

- 9.1 A full Equalities Impact Assessment was carried out as part of the original award. An additional Equality Analysis will not be required for this report as this is an extension to the contract for an existing service – no change is being made to the current service and as such there will be no impact on groups that share protected characteristics.
- 9.2 The Council will take steps to ensure equality clauses/requirements are monitored as part of the contract monitoring process and the provide supports the Council to meet its Public Sector Equality Duty via its Equality policy, collecting equality information and providing appropriate training
- 9.3 An Equalities Impact Assessment will be undertaken as part of the recommissioning process to ascertain the potential impact on groups that share a protected characteristic.

10. ENVIRONMENTAL IMPACT

- 10.1 An environmental and design impact assessment is not required for this report

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11. CRIME AND DISORDER REDUCTION IMPACT

11.1 There are no crime and disorder considerations arising from this report

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

12.1 It is recommended to extend the current contract in accordance with the recommendations.

12.2 The reasons for this recommendation are:-

- That the only option upon ending this contract would be to place young people with expensive spot purchased supported housing and semi-independent providers that will prove far more expensive than this current contract value.
- That this approach would mean that the Contract price will remain the same as the 20/21 values.
- That this will allow the Council a full review of future support demands with a recommendation to bring an updated strategy back to CCB in February 2022.
- That the current quality of support and contract performance is at a reasonable standard

13. OPTIONS CONSIDERED AND REJECTED

See 9.1 above

14. DATA PROTECTION IMPLICATIONS

14.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

The provider will be classified as a joint "Data Controller" as defined in the Data Protection Act (2018) and the General Data Protection Regulation (*Regulation (EU) 2016/679*)

The following categories will apply

Description	Details
Subject matter of the processing	Individuals receiving support from our service.
Duration of the processing	For the duration of the contract period

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Nature and purposes of the processing	To provide services to the data subject To store and backup data to protect against data loss
Type of Personal Data	Name, DOB, gender, address and contact information, employment status
Categories of Data Subject	Data relating to children (either who are directly receiving a service from us or indirectly via a parent, guardian or adult in contact with them) is processed as well as the following sensitive data: ethnicity, religion, sexual orientation
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data	CAYSH's policy states that they will keep to the General Data Protection Regulations and ensure that data may only be kept in a form that permits identification of the individual for no longer than is necessary for the purposes for which it was processed.

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

No

The contract already contains safeguards around the management of personal data and as there is no change being requested to the way personal data is to be used or the service is delivered.

Approved by: Stephen Hopkins, Head of Children's & Adults Placement & Brokerage on behalf of the Director of Operations, Adult Social Care

CONTACT OFFICER: Paulo Borges – Category Manager, Independent Living,
Tel 07732 073069

BACKGROUND PAPERS: None