

CABINET	AGENDA ITEM No. 6
12 FEBRUARY 2024	PUBLIC REPORT

Report of:	Stephen Taylor, Executive Director: Adult Social Care & Commissioning	
Cabinet Member(s) responsible:	Cllr Bisby - Cabinet Member for Children's Services	
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AWARD OF PSEUDO DYNAMIC PURCHASING SYSTEM (PDPS) AGREEMENT FOR SUPPORTED ACCOMMODATION SERVICES FOR YOUNG PEOPLE IN CARE AGED 16 – 18 AND FOR SEPARATED MIGRANT CHILDREN AND/OR FORMALLY SEPARATED MIGRANT CHILDREN WITH NO RECOURSE TO PUBLIC FUNDS

RECOMMENDATIONS	
FROM: <i>Executive Director Adult Social Care & Commissioning</i>	Deadline date: <i>12 February 2024</i>
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> Approve the award of the Pseudo Dynamic Purchasing System (PDPS) to each of the successful bidders who tendered for the PDPS for Supported Accommodation Services for young people in care aged 16 – 18 and for separated migrant children and /or formally separated migrant children with no recourse to public funds The PDPS Agreement will commence on 1st April 2024 and run for an initial period of 2 years with the option to extend twice in increments of 12 months, with a total contract value of £16,000,000 over a four-year contract period. The list of approved providers is outlined in Appendix 1. Delegate approval to the Executive Director of Adult Social Care & Commissioning to extend the Contract Term up to 2 years (x2 periods of 12 months) in accordance with the contract provisions. Delegate approval to the Executive Director of Adult Social Care & Commissioning to agree fee uplifts, (per annum) on the hourly rate and weekly core accommodation costs, subject to internal governance arrangements and the value given in the published Contract Notice. Delegate approval to the Executive Director of Adult Social Care & Commissioning for future awards, to successful bidders to join the PDPS, as and when the PDPS has been reopened, throughout the duration of the Contract Term, within the contract provisions. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following a competitive tendering process for a contract value of over £500k.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to seek approval through Cabinet to award the Supported Accommodation Services for young people in care aged 16-18 and for separated migrant children

and /or formally separated migrant children with no recourse to public funds via the Pseudo Dynamic Purchasing System to successful providers. Approval to award is sought from Peterborough City Council Cabinet as this constitutes a key decision for Peterborough as the expenditure will be in excess of £500,000. This is not new expenditure as finances are already budgeted for these services; approval is being sought for the successful providers to deliver the services through these new commissioning arrangements in line with the newly introduced Supported Accommodation (England) Regulations 2023.

- 2.2 This report is for Cabinet to consider under its Terms of Reference No. 3.2.5: To make decisions on actions relating to the awarding, assigning and termination of contracts over £500k, and waiving or granting exemptions to Contract Regulations where contracts are over £500k, with the exception any time-critical, operational, or routine decision, which may be determined by the relevant portfolio holder.

3. **TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

4.1 **Context**

- 4.1.1 Supported accommodation services enable young people to prepare for independent living, utilising support (rather than care) to aid young people to achieve positive outcomes and successfully transition into adulthood.

Supported accommodation services will enable young people to become more independent whilst living in the service, through developing the knowledge, skills, attitudes, and behaviours required to sustain independent living and make a smooth and successful transition to adulthood. The service is required to build resilience and strength in young people’s skills to live in the community whilst ensuring young people are fully involved in the development and delivery of their support plans. The services will support young people in care to engage in Education, Employment and Training opportunities.

- 4.1.2 Peterborough City Council is commissioning supported accommodation services for young people in care aged 16 – 18 years, for whom the Council has statutory responsibility as Corporate Parent, in line with the new [Ofsted requirements and Regulations](#) for this sector; and for separated migrant children and /or formally separated migrant children with no recourse to public funds (NRPFs). The Department for Education has published a Guide to the Supported Accommodation Regulations including Quality Standards, available [here](#). This PDPS is compliant with these regulatory and quality requirements.

In accordance with the [Sufficiency Duty](#) placed upon local authorities, wherever it is safe and appropriate to do so, Peterborough intend to support young people to remain living in their local area (ie Peterborough); to maintain contact with, and access to, family and friends, education services, health and wellbeing services and local communities. Supported accommodation services enable the Council to meet its duty to provide sufficient accommodation for children and young people in care in their local area.

4.2 **Current Arrangements**

- 4.2.1 Peterborough City Council currently commissions supported accommodation provision via a Framework held by Cambridgeshire County Council and was jointly commissioned by both Local Authorities under the previous shared services arrangement.

4.2.2 The current Supported Accommodation Framework commenced in 2018, initially for a period of 3 years (with extensions available of up to 2+2+2+1). The first extension period was enacted in 2021, and in 2023, a revised extension enacted to 31 March 2024. In addition, a variation was issued to ensure that providers were, as of 28 October 2023, compliant with the Supported Accommodation (England) Regulations 2023.

4.2.3 The below table outlines Peterborough’s current use of Supported Accommodation Services for young people in Care (as of 31st December 2023):

	Current placements	Total placements active in current year	Projected spend to year end
Supported Accommodation placements (non-Separated Migrant Children)	15	38	£1,274,162
Supported Accommodation Placements (Separated Migrant Children)	48	76	£1,375,158 (Grant funded from central government)
Total	63	114	£2,649,320

Please note, some young people will have experienced more than one placement in this reporting period.

4.3 **Recommissioning of Supported Accommodation Services**

4.3.1 Peterborough City Council & Cambridgeshire County Council Joint Commissioning Board approved a recommendation in March 2023 for Peterborough and Cambridgeshire to retender separately; acknowledging the developing needs of young people for each Council respectively and to respond to the newly introduced regulations. By Peterborough City Council having its own PDPS it gives the Council the autonomy to shape the PDPS to enable the Council to meet its statutory duty

4.3.2 Peterborough’s Supported Accommodation PDPS supports the Council in its statutory duty to support children in care (wherever it is safe and appropriate to do so) to live within the local area, and to receive good quality support in good quality homes. In accordance with this, providers joining the Supported Accommodation PDPS are required to demonstrate that they have, or will have before the contract commencement, accommodation provision within a 20miles radius of PE2 8TY; supporting the development and sufficiency of provision within our local area.

4.3.3 The Supported Accommodation PDPS has been separated into three lots –

- Lot 1 – Supported accommodation and support for eligible and relevant young people in care, aged 16-18.
- Lot 2 – Supported accommodation and support for separated migrant children, and / or formerly Separated Migrant Children with No Recourse to Public Funds (NRPF)
- Lot 3 – Block contract call offs (i.e. the purchase of a block of 10 placements within a specified location, for children in care, facilitating a competitive process to deliver good quality, local provision, guaranteeing local sufficiency and providing value for money) for accommodation and support, in accordance with individual call offs. These block provisions will be awarded through a mini competition with the providers identified in Appendix 1 and the services might be for separated migrant children, NRPFs, or eligible and relevant young people in care aged 16+.

The accommodation standards are the same across the three Lots. The differences between Lots 1 and 2 apply to individual and specific support expectations that providers must follow to meet the needs of Separated Migrant Children (particularly those young people who are newly arrived into the UK). This is in addition to all other requirements detailed in the specification.

There is no requirement for placements made under Lot 1 and 2 to be in separate provisions; young people are placed with providers according to their individual needs and support requirements and taking into consideration matching.

- 4.3.4 Following contract award, the Council will commence a period of implementation with successful providers which will include completion of the Safeguarding Toolkit, Autism Toolkits, and initial due diligence of providers; these elements were included within the tendering requirements.

All providers will be subject to an initial quality assurance visit, conducted by Children's Commissioning, prior to a placement commencing, and annual quality assurance visits (as a minimum) thereafter. These measures are in addition to compliance and quality inspections conducted by Ofsted as part of the Regulatory framework.

- 4.3.5 The PDPS will commence on 1st April 2024, for an initial period of two (2) years, with a contractual extension available at the Local Authority's discretion of two further one (1) year periods (to give a maximum end date of 31st March 2028). The initial term will allow sufficient time for the Supported Accommodation Regulations 2023 to be fully embedded within provisions and aligns with the commencement of Ofsted's inspection of provisions (scheduled to commence from 1st April 2024).

4.4 Procurement process

- 4.4.1 The procurement was completed under a competitive, open procedure in accordance with Regulation 27 of the Public Contracts Regulations 2015 (PCR). However, the Council is able to deviate from the formalities of the open procedure given the flexibilities permitted by Regulation 76 of the PCR (as amended) in the conduct of procurements for "Social and Other Specific Services", otherwise referred to as "Light Touch Regime" procurement.

The PDPS is a "pseudo DPS", which looks and feels similar to a Dynamic Purchasing System set up under Regulation 34 of the PCR. This means that the Council can re-open after the PDPS start date at intervals at the Council's discretion for new providers to apply or previously unsuccessful providers to re-apply. Reopening of the PDPS is solely at the discretion of the Council.

Provider tender submissions were required to meet mandatory requirements by submitting a response in the form of the standard selection questionnaire (SQ), which included the below requirements as an addition to standard corporate measures.

1. Confirmation of Ofsted Registration for the Supported Accommodation (England) Regulations 2023.
2. Confirmation that providers have or will have provision active within the prescribed geographical location (20 miles from PE2 8TY) on or before the 1st of April 2024. Note, it is a requirement that properties are recorded within the Organisation's Ofsted Registration.

In addition to mandatory requirements, providers were required to meet or exceed a quality criteria of 65%; this score was based upon provider responses to four questions, one of which was collated by a panel of Care Experienced Young People and evaluated on their behalf, with their evaluation criteria.

- 4.4.2 19 providers who tendered for Lot 1 passed the selection criteria threshold and progressed through to evaluation; of these 13 were successful.

15 providers who tendered for Lot 2 passed the selection criteria threshold and progressed through to evaluation; of these 8 were successful.

A provider will only be awarded a place on the PDPS for Lot 3 where it has been successfully awarded a place on Lot 1 or 2 (or both).

- 4.4.3 Providers were required to submit pricing schedules within tender submissions; these were not evaluated as part of the tendering process. Due to the varied nature of supported accommodation services, and the requirement that providers will respond to young people's individual needs, no ceiling price was set. Providers were required to submit costs based around core support offers, which can vary from 10 – 50+ hours support.

Pricing is evaluated within the referral / call off process; placements are made based on the provider most able to meet the young person's needs, where two or more providers are equally able to meet the needs of a young person, the most economically advantageous placement will be agreed.

For an award of a Call Off Contract under Lot 3 a mini competition will be carried out and the successful bidder will be awarded a block contract under Lot 3 if it submits a successful bid.

4.4.4 The PDPS will go live on 1st April 2024, with a brief implementation period beforehand. As this tender is for existing services, across a series of providers, and there is no implication for current placements, it is not expected that a prolonged implementation period is warranted.

4.4.5 The PDPS will open periodically throughout the lifetime of the contract, to allow access to the PDPS for successful new entrants who can demonstrate compliance with the mandatory requirements and the specified quality criteria.

It is acknowledged that when the tender for the PDPS was live, many providers were also submitting their Ofsted registration and some providers were still awaiting confirmation of their applications being approved; this could have impacted on the number of providers who submitted their bid for the PDPS. As a result, it is proposed that the PDPS will reopen within 3 months of the contract going live and thereafter at the discretion of the Council (ie as and when the need arises).

5. CORPORATE PRIORITIES

5.1 Introduction of the Supported Accommodation Services PDPS will not have significant environment or climate change implications as the way in which the service will be delivered will remain the same. However, expectations in terms of limiting environment and carbon impact were considered within the tender. Considerations to environmental and climate change will also be included within contractual documentation and within monitoring arrangements for the life of the contracts.

The Carbon Impact Assessment has determined that the carbon impact of this proposal is neutral as this is a continuation of spend via an existing service and this has been approved by Environment and Climate Change.

With regard to the Economy & Inclusive Growth this tendering exercise provides a level of financial security and therefore sustainability to the awarded providers; providing them the opportunity to develop their services within Peterborough, supporting economic growth and job opportunities for those within Peterborough.

Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)

6. CONSULTATION

6.1 Market engagement was carried out to inform this commissioning exercise and Children's Commissioning undertook a series of engagement activities with Providers to ensure preparedness for the introductions of the Regulations, and to engage with providers about the supported accommodation upcoming tendering opportunities. These included:

- April 2023: Children's Commissioning hosted a market engagement event where information about the newly published regulations was shared with providers (including a PowerPoint presentation which was made available afterwards).
- July 2023: Peterborough & Cambridgeshire's (then shared service) Children's Commissioning team hosted a provider engagement event to outline the new regulatory framework; this event was attended by Ofsted and was well attended and positively received by providers.
- October 2023: Provider event for Peterborough's tendering opportunity for a Supported Accommodation Pseudo-Dynamic Purchasing System, compliant with Regulatory requirements.

In addition to the above measures, Children's Commissioning has shared resources with providers, including links to the National Children's Bureau 'Provider Readiness Tool,' to support preparedness for the Supported Accommodation (England) Regulations 2023.

On 18th October 2023, Children's Commissioning engaged in consultation with a number of Care Experienced Young People.

Care experienced young people reflected on their experiences of living in a Supported Accommodation home and gave feedback about the following areas:

- What could have provided us with a more positive experience.
- What is important
- Things for providers to consider and think about
- What makes us feel valued, respected, and cared about

Full feedback has been incorporated into the service specification (Appendix 5) for the PDPS.

As part of this consultation care experienced young people who have had direct experience of living in a supported accommodation service designed a method statement question about how providers manage concerns and complaints which outlined a key priority for service delivery.

Evaluation of the quality criteria (2 of 4 questions) was supported by an Officer from the Safeguarding & Quality Assurance Service; acting as an advocate for young people in care.

- 6.2 Once contracts have commenced, there will be ongoing consultation with young people, providers, and professionals to inform service development.

It is a requirement in the service specification for providers to have a mechanism for young people and professionals to provide feedback about the service.

7. ANTICIPATED OUTCOMES OR IMPACT

- 7.1 The overarching outcome is that young people in care aged 16 – 17, in care will have access to good quality, local provision and are supported appropriately in accordance with the [new Ofsted requirements and regulations](#). Supported accommodation services will enable young people to prepare for independent living, utilising support to aid them to achieve positive outcomes in preparation for when they turn 18.

8. REASON FOR THE RECOMMENDATION

- 8.1 This recommendation will:
- In accordance with the Sufficiency Duty placed upon local authorities, ensure that where it is safe and appropriate to do so, young people are supported to remain living in their local area. This enables them to maintain contact with, and access to, families and friends, support networks, education services, health and wellbeing services and local communities.
 - Enable the Council to meet its statutory duties under The Children (Leaving Care) Act 2000
 - Ensure that supported accommodation provision for 16- and 17-year-olds in care is operating in accordance with regulatory requirements.
 - Enable the Access to Resources Team to have access to quality provisions for young people in an effective and timely way.
 - Ensure the supply of quality provision in Peterborough through formally commissioned services.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 A number of options were considered throughout the Supported Accommodation commissioning exercise. In not proceeding with the award of these contracts, the alternative option would be to spot purchase these services from Providers. This option was rejected due to not being compliant with Procurement regulations and the Authority's Contract Procedure Rules.

10. IMPLICATIONS

Financial Implications

- 10.1 The Supported Accommodation PDPS has a total contract value of £16,000,000 over the four-year contract term (inclusive of extension periods). All of this spend is attributed to Peterborough City Council and is funded from the Children's Placement Budget [including grant funding for SMC young people], held by Children's Commissioning.

There is no guarantee of spend under the PDPS, Peterborough is not compelled to award call off contract / placements to providers. Call off contracts / placements will be sourced via this PDPS, in accordance with the care plans of individual young people, having consideration to their needs and preferences.

Fee uplifts are not guaranteed under this PDPS, and requests from providers for uplifts to pricing will be subject to review under internal processes, and subject to the Budget Holder's agreement. Finance Business Partners are involved in the review of provider requests and advise accordingly.

Legal Implications

- 10.2 The award of a place on the pseudo Dynamic Purchasing Systems (PDPS), as set out in this report is lawful under the Public Contract Regulations 2015 to deliver the required support.

The procurement for the PDPS was conducted following a procedure similar to the open procedure described in Regulation 27 of the Public Contracts Regulations 2015, however, this type of service is contained within Schedule 3 of the PCR and therefore, a light touch regime was followed. This means the Council reserves the right to deviate from the formalities of the open procedure given the flexibilities permitted by Regulation 76 of the Public Contracts Regulations 2015. The PDPS Agreement is a "pseudo PDPS" and will look and feel similar to a Dynamic Purchasing System agreement set up under Regulation 34 of the PCR.

The contract provides for the extension periods, as set out in the report. Also, the providers may request uplifts to pricing, subject to agreement. Where the Council grants approval of an uplift, it must be in accordance with the contract provisions, the Council's uplift strategy and any spend, via the Call Off Contracts, cannot exceed the maximum value of £16,000,000 over the maximum term of 4 years for the PDPS.

Equalities Implications

- 10.3 An Equality Impact Assessment was completed at the start of the commissioning process which outlined a positive impact on particular individuals and groups. This assessment can be found in Appendix 3.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 Supported Accommodation Paper February 2023 and Children in Care and Care Leavers Sufficiency Statement 2021 – 2024

12. APPENDICES

- 12.1 Appendix 1 - List of successful PDPS providers
Appendix 2 - Equality Impact Assessment
Appendix 3 - Carbon Impact Assessment
Appendix 4 – Service Specification

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