

## Appendix 2 - Supplementary Market Engagement October 2023

Further to the request by CLT (Corporate Leadership Team) to undertake further market engagement and test the viability of our working assumptions, an open invite to engage in 1:1 conversations was published on the procurement portal. Meetings were set up with all interested parties (9) and a series of questions were provided. Questions covered implementation, expectations around costing, length of contract, barriers to effective procurement and appetite to work with Herefordshire. Feedback from 7 Suppliers who attended meetings below: -

- That they were impressed by the clarity of our vision and the partnership approach being taken. Suppliers were keen to develop a partnership approach from day 1.
- That they were actively targeting Herefordshire as it either complimented their current business portfolio or they had a local connection.
- That they shared our ethos and values and that this would encourage them to bid
- That their biggest concern was having conflict over referrals and being required to accept them. All wanted a robust approach towards risk management.
- That effective communication, named contacts, regular meetings and detailed planning for any referral in/transition out is the difference between a successful contract and failure
- They were confident that they could source properties, undertake refurbishment, recruit staff and register in a timescale of approximately 9-12 months from award however delays with Ofsted were muted as the biggest risk
- Suppliers were comfortable in principle to model having 1 registered manager across both homes subject to homes being in close proximity
- Whilst happy to provide 2 bed homes, Suppliers supported the model of 3 bed homes and felt that this offered both better value for money but also increased potential for matching. This does not align to Operational feedback. Further modelling will be undertaken to establish need, risk and opportunity.
- Suppliers were confident to meet a minimum occupancy of 80% in a two bed home and potentially more in a 3 bed home
- Suppliers were comfortable with a 3+1+1 contract length as they would keep ownership of the property at the end. They would consider longer i.e. 5+1+1 but all mentioned the requirement to add in uplifts
- Suppliers had a mixed view of waking night/sleep in but no firm views. They requested some guidance as to what needs a child or young person may have so they could tailor their model accordingly. This will be provided within tender guidance documents
- Most Suppliers supported a core price with additional costs for staffing that exceeded 1:1. Some Suppliers had options for therapeutic support that could be costed as core or additional. This will be managed through the specification and ITT questions.
- Most Suppliers felt that implementation costs could either be modelled and charged for a period prior to the first child moving in or added into the core cost. Preference was for the former as it was more transparent and staff could be used to support preparation and engagement. Proposed period for payment ranged from 6 months to 2 months.
- Barriers to procurement included tenders that required excessive and repetitive detail and specifications that were not outcome focused. Some suppliers also said that they would write their own bid and felt they were disadvantaged against national organisations.

The market engagement feedback indicated that Suppliers felt that a period of 9-12 months for mobilisation was reasonable, from contract award date, however unknowns include delay in purchase of properties, identification of registered managers and Ofsted registration. All Suppliers will submit a detailed project plan as part of their bid and will be required to engage in regular meetings to report progress. Herefordshire Council intend to support the successful Supplier and have a strong working group to include strategic housing within its membership. Many Suppliers evidenced robust approaches towards implementation and were highly experienced at mitigating delay. Given the small home size it is expected that there will only be a small delay between the first and second child moving in circa two weeks. Timely preparation of young people will ensure that they are identified and supported to move avoiding delay.