

Record of operational decision

Decision title:	To award a contract for the delivery of two x two-bed in-county residential children's homes for children and young people aged 11-18.
Date of decision:	30 April 2024
Decision maker:	Interim Corporate Director for Children and Young People (Corporate Director Community Wellbeing)
Authority for delegated decision:	<p>On 23 November 2023, Cabinet took the key decision to:</p> <ol style="list-style-type: none"> a) Approve the commissioning of two, two bedroomed children`s residential homes within Herefordshire, through a procurement exercise up the maximum projected value of £1.3 million annually and £6.3million over a maximum of five years (3yrs with potential extension of 1 year + 1 year) which will provide local placements to four children aged 11-18); b) Delegate authority to the Corporate Director - Children and Young People to approve all tender documentation; c) Delegate authority to the Corporate Director – Children and Young People, in consultation with the Cabinet Member Children and Young People, to enter into a contract with the preferred Supplier following the tender exercise; d) Following Political Group Consultation, approve officers to undertake work to also consider the option to develop an in house provision to further increase local sufficiency for children's placements. This will require sourcing accommodation via a capital bid, a report will come back to Cabinet at a later date.
Ward:	Countywide
Consultation:	<p>Care experienced young people have been engaged in the development of the service specification and have set and evaluated their own question as part of the tender process. They told us that:</p> <ul style="list-style-type: none"> • it would be really important that the home's frontline staff were able to provider consistency and continuity to develop long-term positive relationships with young people while they lived in the home and after they moved-on • they wanted staff to treat things young people said about themselves and other information about them confidentially, so that young people could feel supported and be able to trust staff • ensuring that young people's voices were heard in planning their individual support and the overall service was essential • they looked forward to the contract being awarded and the new homes being opened • they were keen that young people should be involved in the mobilisation of the new service, particularly around the look and feel of the new homes, even offering to help with the decorating, and they hoped that there might be some opportunities for young people to develop DIY skills or potential for work experience during the mobilisation phase. <p>The Cabinet Member for Children and Young People, in consultation with the Corporate Director, supports the award of this contract.</p> <p>Political group consultation was undertaken in respect of the November 2023 key decision and feedback was incorporated into the service specification as tendered. Members also suggested that a further option for consideration would be delivery of in in-house provision with a Council-owned property and staff as stage two.</p>

	<p>Members wanted to explore opportunities for capital funding 2024-25 and agreed that this should be a separate and distinct business case. They supported progression with a procured option in the first instance to avoid delay.</p>										
<p>Decision made:</p>	<p>To award a contract for the provision of two x two-bed in-county residential children's homes services for 11-18 year olds to Family Care Associates Ltd for a period of up to 5-years at a maximum cost of £6,235,770.</p>										
<p>Reasons for decision:</p>	<p>The reasons for procuring in-county residential children's home services are set-out in the Key Decision Report to Cabinet on 23 November 2023.</p> <p>The subsequent tender process has been conducted in line with the Council's Contract Procedure Rules.</p> <p>An Invitation to Tender (ITT) was issued to all suppliers via the council's e-tendering portal on 17th January 2024, with a closing date of 19th February 2024 at 12noon.</p> <p>An assessment of the mandatory information provided by the bidders was undertaken by the procurement lead. Compliant tenders were evaluated in line with the criteria set out within the tender documentation, with a percentage weighting of 20% price, 68% quality and 12% social value, applied to evaluators' scores to determine a final moderated overall score.</p> <p>Due diligence checks were then undertaken on the highest ranked tenderer. This included a search on the government's Companies House database, an assessment of the completed financial workbook, a recent credit report on the organisation, a recent assessment of fraud. The results of the due diligence checks did not identify any issues with the highest ranked tenderer.</p> <p>Nine second-stage quality evaluation panels took place over four days in mid-March. Each panel looked at a different aspect of the service requirements, covering:</p> <table border="0" data-bbox="454 1144 1268 1317"> <tr> <td>1. Outcomes</td> <td>6. Quality of Service</td> </tr> <tr> <td>2. Engaging Young People</td> <td>7. Safeguarding & Training</td> </tr> <tr> <td>3. Young person's question</td> <td>8. Education</td> </tr> <tr> <td>4. Delivery Plan & Experience</td> <td>9. Social Value</td> </tr> <tr> <td>5. Ethos & Approach</td> <td></td> </tr> </table> <p>Panel membership was specific to each question as appropriate and broadly included Senior Commissioning Manager, Head of Fostering & Adoption, Head of Corporate Parenting, Virtual Head Teacher, Head of Additional Needs, Housing Development Officer Management Accountant, Commercial Services Social Value Lead, and Participation Worker. Health were invited to participate in some panels but were unable to attend. Question 3 was written and evaluated by care experienced young people with the support of the Council's Participation Worker.</p> <p>References have been sought from two other Local Authorities that have contracted with the highest ranked tenderer. One response has been received, which was positive.</p>	1. Outcomes	6. Quality of Service	2. Engaging Young People	7. Safeguarding & Training	3. Young person's question	8. Education	4. Delivery Plan & Experience	9. Social Value	5. Ethos & Approach	
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<p>Equality Considerations</p>	<p>The November 2023 Key Decision Report provided an Equality Impact Assessment of the proposals to deliver local residential children's homes. Briefly, the assessment noted that:</p> <ul style="list-style-type: none"> • Children and young people aged 11-18 will have increased options available to them if their assessed need is for residential care. Their education will be less disrupted and they will maintain local connection to access services such as housing post 18. Living locally will maintain friendship group and contact with family where appropriate. • There is no requirement to source additional residential care for disabled children and young people, as there is sufficient provision of quality and value locally. • Recent permanency work has identified a number of children who are 										

	<p>identifying as gay, lesbian, non-binary or transgender. As such, this provision would enable Herefordshire to meet their needs and provide support more effectively through clear expectations, specification and monitoring.</p> <ul style="list-style-type: none"> • The Council is seeking to develop sufficient provision in area to meet the assessed needs of children and young people who are in care. The Council will work with its Provider to ensure that Services are developed appropriately and training is in place to reflect cultural and religious diversity. Provision will allow transition into, through and between services according to care plans • The delivery of local homes will enable young people to access consistent support i.e. from Child & Adolescent Mental Health Services avoiding cross boundary challenges. • Children with Education Health & Care Plans will have oversight locally and will be able to access the range of educational arrangements including additional resource provision where appropriate.
<p>Highlight any associated Risks / finance / legal / equality considerations:</p>	<p>The contract price is within the budget envelope agreed in the earlier Key Decision. The mobilisation period will incur costs of £140,477, which will add additional pressure to the 2024/25 budget and savings target for children’s residential care. Operational delivery will begin upon completion of the mobilisation phase with contractual years starting at that point. The cost of the first three years of delivery will be £3,461,112. The remaining optional extension will cost £2,634,181 if the maximum extension period is applied. The total contract lifetime cost will, therefore, be £6,235,770.</p> <p>It is intended that the new services will be operational from February 2025, or earlier. There is a risk that the mobilisation timetable could slip for a variety of reasons, including acquisition or properties, planning permission (if required), property conversion and the recruitment, induction and training of a high-quality staff team. The preferred provider has experience in these areas and will be supported by a Council-led mobilisation team with input from across council departments and from key partner agencies.</p> <p>The preferred location of the new homes will be determined by the ability to meet the needs of children and young people in care and the availability of appropriate properties. The homes will ideally be located near to public transport to facilitate access to school, family time and for other appointments. Depending on the activities undertaken within the homes planning permission may not be required, the planning department will be consulted during the mobilisation phase. Once preferred properties have been identified, the Council and the Provider will work to communicate with the local community to address any concerns that may arise.</p> <p>Beyond the mobilisation phase, the day-to-day operational and leadership relationships between the homes and children’s social care will be critical to the success of the new services in delivering positive outcomes for the children and young people that live there. There will be ongoing health and safety and safeguarding risks regarding the children and young people placed into the homes by the Council. Children Services and the Provider will work together to ensure that these risks are robustly assessed and planned for on an individual basis. The homes are required to be registered with Ofsted and will be regularly inspected, in addition to routine Quality Assurance activities undertaken by the Council and the Provider.</p>
<p>Details of any alternative options considered and rejected:</p>	<p>The alternative options are set-out in the Key Decision Report to Cabinet on 23 November 2023.</p> <p>Stage two of securing sufficient accommodation to meet demand will be considering the option of developing an in-house residential service and potential expansion of the block contract arrangement.</p>
<p>Details of any declarations</p>	<p>None.</p>

of interest made:	
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Signed:

Date: