

CABINET

8 JUNE 2021

GATEWAY 3 CONTRACT AWARD: MEDWAY CHILDREN'S RESIDENTIAL ASSESSMENT UNIT

Portfolio Holder: Councillor Mrs Josie Iles, Portfolio Holder for Children's Services (Lead Member)

Report from: Lee-Anne Farach, Director of People – Children and Adult Services

Author: James Harman, Head of Children's Partnership Commissioning

Summary

This report seeks permission to award a contract to the supplier as highlighted within Section 2.4 of the Exempt Appendix in respect of the Medway Children's Residential Assessment Unit following consideration at the Procurement Board on 19 May 2021 as a high-risk procurement.

The Outline Sufficiency Report issued in October 2020 set out the challenges and trends affecting our children in and leaving care (CIC and CL). One of the report's recommendations was to develop an assessment unit and consider the remodelling of existing council premises to support with the reunification of children back with families or into a more suitable and longer-term arrangements.

This report seeks to outline the options available to Medway Council in implementing that recommendation and recommends an option to utilise the Old Vicarage property with a commissioned service to a partner/provider for a period of a year and a half, thereafter moving to two more suitable smaller units. This option meets the requirement to deliver an Assessment Unit at pace and offers the greatest savings whilst improving outcomes for the greatest number of young people.

1. Budget and policy framework

1.1. This report sits within the following budget and policy framework:

1.1.1. The Medway Council Plan 2016/17 to 2020/21 includes the objective that children and young people have the best start in life in Medway, including the commitment to work with partners to ensure the most vulnerable children and young people are safe.

- 1.1.2. The Joint Health and Wellbeing Strategy for Medway 2018-23 sets out five strategic themes, including working together to give every child a good start (theme 1) improving physical and mental health and wellbeing (theme 4) and reducing health inequalities (theme 5).
- 1.1.3. Priorities in relation to the health and wellbeing of children and young people are set out in the Medway Improvement Plan, Early Help Strategy, the Looked After Children Strategy, the Young People's Homelessness Strategy, and Medway Council's Offer to Care Leavers.
- 1.1.4. The Council has a statutory duty and responsibility to ensure sufficiency of provision of accommodation and care of children and young people and must ensure that they are placed in an environment likely to promote and safeguard their welfare and development.
- 1.1.5. The Council has a statutory duty as a Corporate Parent. The role of the Corporate Parent is to act as the best possible parent for each child they look after and to advocate on his/her behalf to secure the best possible outcomes.

2. Background

- 2.1. The Outline Sufficiency Report issued in October 2020 set out the challenges and trends affecting our children in and leaving care (CiC and CL). As at end of October 2020, there were 459 children in care (age 0-25). The current rate of children in care in August 2020 was the highest that Medway has seen (73.5 per 10,000 0-17 year olds).
- 2.2. The Outline Report described our priorities to address those challenges and recommended proposed programmes of work to deliver on those priorities. One of the recommendations was to develop an assessment unit and consider the remodelling of existing council premises to support with the reunification of children back with families or into a more suitable and longer-term arrangements.
- 2.3. The Children and Young People Overview and Scrutiny Committee recommended to Cabinet that a provision be developed that ensures a greater number of children and young people receive the right intervention at the right time, a need highlighted during the ILACS inspection (Committee meeting of 9 January 2020).
- 2.4. This reflects the Sufficiency priorities to:
 - Provide specialist high intensity support for complex CiC within Medway
 - Create time and space to assess the needs of CiC and ensure that placements and support meet those needs to avoid repeated breakdowns and escalating need
- 2.5. The Children's Commissioning team therefore conducted a tender exercise following presentation of a Gateway 1 report to Procurement Board in January this year. This Gateway 3 report informs Cabinet of the outcome of that

tendering process and makes a recommendation to award the contract as identified in the Exempt appendix.

- 2.6. Following due governance process, the successful provider will then mobilise to deliver the service from the Old Vicarage for a period of a year and a half to two years thereafter moving to two smaller units.
- 2.7. There will be no funding/engagement from external sources at this time.
- 2.8. A parent company guarantee/performance bond will be required.

3. Procurement process

Procurement process undertaken

- 3.1. Prior to the procurement process a market event was held. A positive turnout was achieved at the event with 20 organisations represented by 42 people across the country.
- 3.2. Due to the innovative nature of the project a competitive dialogue process was undertaken. Also due to the need for rapid mobilisation of the service the dialogue was shortened in timescale to allow time for the rest of the procurement process to be run. The dialogue did allow for iterative discussions with providers to finalise the specification prior to inviting bids and to ensure bids were received.

Evaluation criteria

- 3.3. The award criteria for the tender were Quality (70%) and Cost (30%). Quality was evaluated on based on proposed staffing, methodology, education, mobilisation, identification of risks and a draft Statement of Purpose.

4. Business case

Delivery of procurement project outputs/outcomes

- 4.1. The following procurement outcomes/outputs identified as important at Gateway 1 to the delivery of this procurement requirement have been appraised in the table below to demonstrate how the recommended procurement contract award will deliver said outcomes/outputs.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?	How will recommended procurement contract award deliver outputs/outcomes?
1. Clear and agreed service specification, contract and terms & conditions.	Documents agreed through tender process	Service and providers tendering	End of tender process	Mainly delivered following competitive dialogue process. Full terms and conditions still need to incorporate the KPIs once finalised.
2. Clear referral pathways into and out of the AU	Identified through mobilisation process	Service, key stakeholders and providers tendering	Mobilisation period	Work with provider and partners during mobilisation
3. Identified provider contracted to deliver service	Successful evaluation of bids	Project Evaluation team	Evaluation period	Achieved
4. Identified indicators for monitoring service outcomes and performance	Identified through mobilisation process	Service, key stakeholders and providers tendering	End of tender process	These are what remain to be finalised as per point 1 above.

5. Risk management

1. Risk Category: Procurement Process	Likelihood: C	Impact: 2
Outline Description: There is a risk that not enough providers may submit bids		
Plans to Mitigate: Advertise & conduct market engagement exercise through tendering portals		
This risk did not materialise		

2. Risk Category: Procurement Process	Likelihood: C	Impact: 3
Outline Description: There is a risk that the tender process may take a longer time than anticipated		
Plans to Mitigate: Dedicated staff and clear, realistic project management, high internal priority This risk did not materialise		
3. Risk Category: Financial	Likelihood: C	Impact: 3
Outline Description: There is a risk that the bids may be costed higher than estimated		
Plans to Mitigate: Use competitive dialogue process to break costs down and understand where mark up occurs This risk did not materialise		
4. Risk Category: Procurement Process	Likelihood: D	Impact: 2
Outline Description: There is a risk that the pandemic may disrupt the procurement process		
Plans to Mitigate: All procurement activity will be undertaken virtually This risk did not materialise		
5. Risk Category: Service delivery	Likelihood: C	Impact: 2
Outline Description: There is a risk that the lack of qualified workforce in the industry may impact on the ability of providers to put in quality bids		
Plans to Mitigate: Ensure that the offer to providers is attractive This risk did not materialise however this remains a risk to mobilisation of the service		
6. Risk Category: Service delivery	Likelihood: B	Impact: 2
Outline Description: The timeline of the project is so tight that it may present a risk to the provider's ability to recruit the required qualified workforce within identified timescales. It may also be difficult to get the works needed to the property completed within the allocated timeframe so there may be a risk that this delays the opening of the home.		
Plans to Mitigate: work with provider to support recruitment process, keep strict contract management of works being done to property		

6. Procurement Board

- 6.1. The Procurement Board considered this report on 19 May 2021 and supported the recommendation as set out in section 9 of the report. A comment was made that an information sharing agreement will need to be provided.

7. Financial implications

- 7.1. The procurement requirement and its associated delivery (as per the recommendations at Section 8), will be funded from the existing Capital Programme.
- 7.2. Further detail is contained within Section 2.1 Financial Analysis of the Exempt Appendix.

8. Legal implications

- 8.1. Medway Council has a statutory duty care for Children in need within its area. The Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions. From the information provided, it appears that the process to be followed is appropriate as the value of this contract is significantly over the procurement threshold value for contracts for services.
- 8.2. This report recommends that this procurement should be considered high risk. Level 4 (High Risk) Procurement Processes are prescribed by the Monitoring Officer, in consultation with the Procurement Board with recommendations for the decision-making associated with the initial Gateway 1 Report with this subsequent Gateway 3 being made to the Cabinet.

9. Recommendations

- 9.1. The Cabinet is requested to approve the appointment of the provider outlined within Section 3.2 of the Exempt Appendix.

10. Suggested reasons for decision

- 10.1. The preferred provider meets the criteria set out within the tender and is also the best value for money.

Lead officer contact

James Harman, Head of Children's Partnership Commissioning
Tel: (01634) 331384 Email: james.harman@medway.gov.uk

Appendices

Exempt Appendix

Background papers

None