



Decision Ref. No.
B060/17

DECISION RECORD ¹

Officer Key Decisions are subject to the Council's Call-In Procedure (Annex 9 of the Council's Constitution <https://www.hertfordshire.gov.uk/about-the-council/freedom-of-information-and-council-data/open-data-statistics-about-hertfordshire/who-we-are-and-what-we-do/who-we-are-and-what-we-do.aspx>)

Subject: To re-commission the Cross Regional Partnership Contract for the Provision of Residential and Educational Services for Children and Young People with Complex Needs via competitive tender.

Staff Contact: Simon Bldgood / Lynn Knowles

Executive Member: Teresa Heritage

Tel: 01438 844650 / 07740 918847

Portfolio: Children's Services

1. Decision

To award the contract for the Provision of Residential and Educational Services for Children and Young People with Complex Needs to Keys Care Ltd and approve the signing of the contract.

The current Cross Regional contract for twenty bed spaces (HCC currently has 5 bed spaces allocated) ends on the 31 July 2019. Oxfordshire County Council (OCC) has been the lead authority for the procurement phase of the recommissioning, supported by a project group which includes representatives from each authority.

A single stage procurement process advertised in OJEU under the 'Light Touch Regime' of the new Public Procurement Regulations has been carried out, based on the most economically advantageous tender.

OCC (on behalf of the Regional Partnership) issued an Invitation to Tender following a Contract Notice being placed in the OJEU on 24th January 2018. Following a number of clarifications raised by bidders, and addressed by the Councils, one tender was submitted by the deadline of 5th April 2018 from sixty providers who expressed an interest¹.

The contract will be let on a five year plus three-year extension option basis, using the Council's standard terms and conditions for this type of service, including the Council's right to terminate with a six month notice period. This new contract also increases the number of bed spaces to 26 including 16+ education provision.

The tenderer, as part of their response, submitted an implementation plan, which detailed a dedicated team and clear milestones leading up to the service being operational on 1 August 2019. Implementation meetings will take place following notification of contract award.

¹ see page 8 of the Cross Regional Project Gate 3 document for a further breakdown
Decision Record 170321

DECISION RECORD

2. Reasons for the decision

Hertfordshire County Council has a statutory responsibility to 'take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority's area which meets the needs of children that the local authority are looking after...' (Sufficiency Duty). The Council, together with 5 other local authorities (Oxfordshire, Buckinghamshire, Reading, Bracknell Forest and Milton Keynes) currently commission a service for residential and educational provision for Looked After Children with complex social, behavioural and educational needs.

The tender bid received met the mandatory criteria.

The compliant tender bid went on to be evaluated against the evaluation criteria for price and quality.

Price **40%**
Quality **60%**

The tender bid was evaluated by the Cross Regional Partnership against a pre-disclosed robust set of evaluation criteria.

The successful tenderer (the incumbent provider) achieved a satisfactory score when evaluated against the agreed criteria.

Unit Costs (per bed)

HCC has 5 beds, but can purchase from other LAs if voids occur; alternatively if HCC has voids, we are able to let other LAs utilise them and be reimbursed.

	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Unit Cost Per Bed	£4,212.81	£4,343.45	£4,473.76	£4,607.97	£4,746.21	£30,263,436

The contract value over the first 5 years of the contract is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Total Contract	£5,695,726	£5,872,347	£6,048,518	£6,229,973	£6,416,872	£30,263,436
HCC Share	£1,095,331	£1,129,297	£1,163,176	£1,198,071	£1,234,013	£5,819,888

In addition, the contract could be extended by 3 years, however the prices would need to be agreed at the extension. For this purpose, it has been assumed they stay at the year 5 price.

	Total	Year 6	Year 7	Year 8	Total
Total Contract	£30,263,436	£6,416,872	£6,416,872	£6,416,872	£49,514,052
HCC Share	£5,819,888	£1,234,013	£1,234,013	£1,234,013	£9,521,927

The cross regional commissioning of a service across local authorities has, to date, offered flexibility, value and quality which would otherwise be difficult to arrange through individual spot purchasing or commissioning. The costs for commissioning, procurement and contract management of a new service have been shared between the partner authorities.

In addition, there is greater power and influence with the provider; collective negotiating power through cross regional commissioning has allowed the local authorities to drive up standards. All of the existing homes have an Ofsted rating of Good.

Finally, there is a positive impact on reputation from successful regional commissioning. The current cross regional arrangements have received positive comments from Sir Martin Narey who is leading the Children's Residential Care Review for the DfE. On a very recent visit to the service he commented that the service "provided a beacon of hope in a disappointing commissioning landscape".

3. Alternative options considered and rejected ²

Without this provision, children and young people would be likely to be placed further from home and this is known to contribute to reduced outcomes for children. Looked After Children consistently tell us that staying close to home is what they would strongly prefer. Local placements increase opportunities for children to return home or to an extended family placement as soon as possible, where it is safe to do so.

Children and young people can be matched with a wider range of children than would be the case if we commissioned spot contracts as Individual authorities. A young person may not be compatible with the needs of other young people in one home, but can be moved to another home within the project and continue to use the same school, therapeutic model and key staff.

The alternative to this contract would to be to purchase all of these beds through a more costly framework agreement. The current weekly cost through the cross regional contract is comparable to the average weekly residential cost outside of the cross regional contract (but with the inclusion of 16+ education provision).

4. Consultation

(a) Comments of Executive Member ^{3 4}

(b) Comments of other consultees ⁵

DECISION RECORD

5. **Following consultation with, and the concurrence of the Executive Member, I am proceeding with the proposed decision.**

Signed:

Title: Date:

6. **Copies of agreed document to:**

- All consultees
- Chairman, and Vice-Chairmen of the Overview and Scrutiny Committee
- hard & electronic copy (for public inspection both at County Hall and on Hertsdirect) Democratic Services Manager - Room 213 County Hall.

¹ for guidance see Chief Legal Officer's note "Taking Decisions"

² details of any alternative options considered and rejected by the officer at the time the decision was made

³ record any conflict of interest declared by any Executive Member consulted. If an Executive Member declares a conflict of interest DO NOT PROCEED without seeking advice from the Chief Legal Officer

⁴ If the matter has general significance for the Council and/or is, or is likely to be, controversial, then the officer shall consult the appropriate Executive Member before proceeding. In some cases it will be necessary to consult more than one Executive Member, and in some cases the Leader of the Council will need to be consulted

⁵ If the matter has local significance, but no general significance for the Council and no controversial aspects, the officer shall consult or inform the local member in writing (or by e mail) and proceed. It is essential that all officers responsible for delivering services ensure that local members are kept well briefed on issues affecting their areas.