

Divisions Affected – All

DELEGATED DECISION BY CABINET MEMBER FOR CHILDREN, EDUCATION & YOUNG PEOPLE'S SERVICES

12 February 2025

Homes 2 Inspire - Contract Extension and Amendments

Report by the Director of Children's Services

RECOMMENDATION

- 1. The Cabinet Member for Children's Social Care is RECOMMENDED to:**
 - a) agree the extension of the Residential Children's Homes Contract with Homes to Inspire for a term of 2 years from 1 April 2025 to the value of £7.024m; and**
 - b) delegate authority to the Corporate Director for Children's Services, in consultation with the Head of Procurement and Contract Management, to finalise the required Contract documentation for that extension.**

Executive Summary

- 2. Oxfordshire County Council procured a block contract of originally 15 residential children's homes beds as a call-off contract from the South Central Residential Framework (led by Southampton City Council). The contract was awarded to Homes To Inspire (part of the Shaw Trust) and the contract went live on the 1st April 2020. The contract expires on 31st March 2025 and there is up to 5 years in aggregate options to extend the contract. During the life of the contract the have been variations to shape the services according to the varying needs of children accessing these provisions. The latest variation in November 2024 resulted in an overall decrease in numbers of placements for children from 15 to 11 to reduce the capacity in the 5 bedroom houses to support 3 children. This was due to the higher presenting needs of the children accessing residential provision and the difficulties in matching five children to live together within a household. The variation was mutually agreed between the Council and Homes to Inspire.**

Quality of services

- 3. Current OFSTED inspection outcomes of all homes within the contract:**
 - a) Magnolia House (3 Children): 6th September 2023 – Good**
 - b) Parker House (3 Children): 3rd July 2023 – Good**
 - c) Salmons House (3 Children): 7th November 2023 – Good**
 - d) Harris House (2 Children): 12th August 2024 – Good**

Corporate Policies and Priorities

4. Priorities of the Start Well Commissioning Team
 - To increase number of children placed in county.
 - Improve access to services to reduce inequalities.
5. Priorities of the Corporate Plan.
 - *Priority 3 - Prioritise the health and wellbeing of residents.*
 - *Priority 7 - Create opportunities for children and young people to reach their full potential.*
 - *Priority 9 - Work with local businesses and partners for environmental, economic, and social benefits.*
6. To achieve the priorities set out above, the council are carrying out the following activities:

Children's Needs & Placements

To achieve our strategic objectives for children to:

<p>Be Successful</p> <p>To ensure children have the best start in life; ensure they have access to high quality education, employment, and motivational training; go to school feeling inspired to stay and learn; and have good self-esteem and faith in themselves.</p>	<p>Be Happy and Healthy</p> <p>Services are available to promote good health and prevent ill health; learn the importance of healthy, secure relationships and having a support network; have access to services to improve overall wellbeing, and easy ways to get active.</p>
<p>Be Safe</p> <p>Ensure children are protected from all types of abuse and neglect; have a place to feel safe and a sense of belonging; access education and support about how to stay safe; and have access to appropriate housing.</p>	<p>Be Supported</p> <p>Children are empowered to know who to speak to when they need support and know that they will be listened to and believed; can access information in a way that suits them; have inspiring role models; and can talk to staff who are experienced and caring.</p>

7. In addition to the corporate and Start Well priorities this service supports the objective of increasing the number of in-county residential children's homes in the Sufficiency Strategy.

Procurement and Contract Overview

8. Contract C6967, BLOCK CONTRACT CALLED-OFF pursuant to the Children's Residential Care Framework Agreement EC09/01/2457 allows for an extension of 5 years in aggregate see following clause:

'The Purchaser may extend the period the Block Contract is in force on the same terms upon written notice to the Provider provided always that unless otherwise agreed with the Provider, no less than six (6) months' prior notice will be given on each occasion. The maximum period for which the Block Contract may be extended is five (5) years in aggregate.'

9. The extension will enable Officers to undertake robust contract management against the recent contract variation and allows time to conduct a full strategic review to confirm future demand and commission services to meet identified need whilst allowing the children placed to continue to live in their homes.
10. If an extension is not awarded, it will not be possible to procure an alternative before the contract end 31st March 2025.

Financial Implications

11. The proposed budget for the 2 year extension period is £7,024,549.07
12. The proposed annual budget for 2025/26 financial year is £3,426,609.30 per year – this takes into account an uplift of 3.4%. The contract states that the provider can receive an uplift of the average rate of CPIH inflation for the proceeding 12 months this has been calculated as 3.4% based on the UK CPIH Inflation Rate. The second year uplift has been calculated at 5%, although this is subject to change which is dependent on interest rates.
13. Breakdown of the 2025/26 and 2026/27 budget required:

	£'s	No Beds
Contract cost '2025/26	3,426,609.30	11
Contract cost '2026/27	3,597,939.77	11
Cost for 2 year extension	7,024,549.07	

Comments checked by:

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Legal Implications

14. The Council's power to procure these services derives from its duties to care for looked after children under the Children Act 2004.
15. Although the Council has a unilateral right to extend the contract by giving 6 months' notice this unilateral right is subject to the terms and conditions remaining unchanged. Any extension to the contract on varied terms will require agreement

of both parties and so a deed of variation executed by both parties will need to be put in place.

16. This contract has been subject to a previous modification in 2023 which had negative effect on the overall contract value. The proposed variation also has a negative effect on the contract value and the cumulative value of both variations relative to the overall contract value estimated at the start of the contract is not substantial (less than 4%).

17. Regulation 72 paragraph (1) (e) of the Public Contracts Regulations 2015 permit contract modifications in certain circumstances. The proposed variation: does not make the contract materially different in character; would not have affected the outcome of the original procurement; does not change the economic balance in favour of the provider; and does not extend the scope of the contract considerably. The Council therefore has a very strong argument that the circumstances permitting the proposed modification are met and the modification is lawful under procurement law.

Jonathan Pool, Solicitor (contracts), jonathan.pool@oxfordshire.gov.uk (Legal Services)

Equality & Inclusion Implications

18. This is a current service therefore there are no changes that will affect Equality and Inclusion

Risk Management

19. As this paper seeks to extend a service already in operation the risks are considered low. Should the Council not extend the risk would be that all 11 children would need to find alternative placements which would most likely be outside of Oxfordshire due to the availability of suitable placements for children we care for.

LISA LYONS

Director of Children's Services

Annex: Nil

Background papers: Nil

Other Documents: Nil

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