

| | |
|-------------------------|--|
| Meeting: | Cabinet |
| Meeting date: | Thursday 28 May 2020 |
| Title of report: | Housing-Related Support for Vulnerable Young People |
| Report by: | Cabinet member health and adult wellbeing |

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

To seek approval to commission, by means of a competitive tender process, a housing-related support service for vulnerable young people, complimented by an offer of targeted and universal prevention services specifically developed for vulnerable young people aged 16 to 25. New premises have been sourced through a local registered housing provider and a specialist provider is sought to offer varying levels of support to young people with different needs.

This service will not accommodate children in care under the age of 16.

The proposed new model will form part of Herefordshire's growing offer of accommodation to young people and ensure flexible responses to people accessing services via multiple routes.

The service will improve outcomes for vulnerable young people in Herefordshire and focus on meeting their individual needs through the provision of good quality accommodation, a clear pathway and flexible support options. The housing itself will be provided in Hereford by a local registered housing provider. The accommodation based, outreach and mediation support will be commissioned from a specialist support provider via a competitive procurement process. The support services will operate from the accommodation in Hereford and outreach and mediation services will support young people throughout the county.

It is proposed that a procurement will commence in June 2020, and mobilisation will align with the completion of building works and the end of an existing supported accommodation contract for young people on 31 October 2020. That contracted service no longer meets the changing and diverse needs of Herefordshire's vulnerable young people. The proposed new service would therefore commence on 1 November 2020.

Recommendation(s)

That:

- (a) **the commissioning by way of an open procurement process of an accommodation support service, along with floating support and mediation services for vulnerable young people, aged 16 to 25 years, be approved.**
- (b) **authority be delegated to the director of adults and communities, following consultation with the director for children and families and cabinet members, to award a contract for housing related support services for a period of up to five years and maximum cost of £3.1m.**

Alternative options

1. Not to identify and secure accommodation before the procurement. Provider engagement has identified challenges to sourcing suitable accommodation for the use of supported housing provision, in a high demand and high value housing market. This could exclude providers who identified the sourcing of accommodation as a potential barrier to tendering for an accommodation based support service.
2. To continue with the existing foyer based model of supported housing for young people. This option is not recommended as the model is felt to no longer meet the needs of vulnerable young people. A new focus on prevention and early intervention is required, including support to build and develop links in the community to establish successful independent living. The new model will offer a flexible service to young people with different circumstances and levels of need. The contract for the support service will allow for variation should there be a significant change in the predicted needs of the young people.
3. To deliver the service in-house through the council's operational services. This is not recommended because currently, the council does not have the expertise available to

operate and manage such a service and recruiting such expertise would be challenging. In addition, the council would have to invest significantly to create the infrastructure and systems to support the service, leading to disproportionate costs and reduced value of any cost avoidance.

Key considerations

4. Young people require safe and affordable accommodation, underpinned by opportunities for learning and work. The current young person accommodation service contract ends in October 2020 and the model is no longer appropriate to meet the current diversity of needs of all vulnerable young people locally. The lack of suitable provision aligned to needs has resulted in 19 young people being placed out of county in January 2020 at significant cost to this council.
5. The proposed new model will enable the council to continue to meet its various statutory duties towards vulnerable young people, ensuring that care leavers and those who are homeless or at risk of homelessness are safely and appropriately accommodated within the county. Premises have been sourced in Hereford city through a registered housing provider. The premises offers six units of one bedroom and six units of two bedroom accommodation (18 places).
6. The proposal is to acquire, through negotiation with a registered housing provider, a long term arrangement for the use of the premises, likely to be a licence, supported by a service level agreement (SLA). The rents will be affordable at 80% of market value and a rental charge will be levied for each of the individual units. The two bed unit reserved for service provision will be available at market rent to comply with Homes England restrictions on grant funding.
7. It is proposed to utilise a two bed unit for service provision and the delivery of a 24 hour support service. Overall, the accommodation will deliver a supported housing provision of 11 units offering up to 16 places to vulnerable young people, with priority given to those owed a statutory duty by children's services and young people who are homeless or at risk of homelessness. This will support a clear pathway into supported accommodation for people who need it on a transitional basis and remove some of the current barriers that exist due to lack of appropriate provision for all needs locally. Pathways detailed in Appendix 3.
8. The accommodation will be provided on a single site in Hereford City Centre, with 24 hour staffing presence and also acting as a base for the outreach/floating and mediation services. There will be a service level agreement between the council, the landlord/housing provider and the commissioned support provider governing the operation of services on the site. A single support provider is required to enable integration of support and staffing resources across different areas of need and recognising that individuals may use different elements of service as they transition and become more independent.
9. A local offer of appropriate accommodation will allow vulnerable young people to remain close to their local connections and ensure they receive the support and opportunities to successfully transition into adulthood, whilst providing a cost effect service in county. The new model will continue to increase the variety of housing options in Herefordshire, available to young people and tailored support as advised by the national advisor for care leavers during a visit in autumn 2018. Whilst the service will prioritise those who are young people in care or care leavers and young people who are homeless or at risk of homelessness, the units will be able to accommodate and support a wide range of young

people. This service is complimentary to a new provision that will be available from June 2020 to accommodate care leavers with complex needs.

10. Those benefiting from the new model will include new or expectant young mothers. Currently there is a limited supported accommodation option for this cohort in Herefordshire and young people are placed locally or out of county at significant cost. Current accommodation offers for single mothers requiring support costing up to £2,600 per week and this has been included in the calculation of potential cost avoidance. There is also the opportunity for young people requiring support with dependants to be accommodated locally. The benefits could improve housing stability, assist with life skills and support with education, training and employment. In a 12 month period 2018/19, 85 households under the age of 25 were placed in temporary accommodation in Herefordshire. The households included 13 single pregnant young people, 17 young people with dependants and 17 couples. The current needs data for accommodation and support among young people reflects a recent trend of decline in numbers of young people with moderate support needs. The data for the next two years shows a need to focus on those with light touch on the one hand and/or those with complex/very complex support needs. The contract for the support service will allow for variation should there be a significant change in the predicted needs of young people. The increased trend for those with complex or very complex needs is reflected nationally by other authorities and providers of supported accommodation. The Department of Education published national data for care leavers in 2018/19 that indicated that 6% of those aged 19 to 21 years were in unsuitable accommodation with 360 homeless or of no fixed abode and 200 residing in emergency or bed and breakfast accommodation. Nationally 20% of all newly looked after children were 16 to 17 year olds, up from 18% in the previous year, this includes those accommodated under Section 20 Children Act 1989 due to homelessness and unaccompanied asylum seeking children (UASC).
11. The service will support a variety of needs, including those care leavers requiring light touch support or those identified as having complex needs, requiring 24 hour support. There are up to 17 care leavers at any time with complex or very complex needs including substance misuse, anti-social or challenging behaviour, vulnerability to exploitation and mental health needs. They are frequently very difficult to house and typically not living in settled accommodation where they can receive appropriate support. There is a larger group of care leavers who are moving towards independent living and will benefit from targeted accommodation with only light touch support. There will be opportunities for linking with the re-commissioning of drug and alcohol services, with a request to create a new drop in service at the accommodation unique to young people.
12. A realistic first tenure option for young people is shared accommodation. The promotion of this will support the management of young people's first tenure expectations. The premises will promote opportunities for young people to share in a supported accommodation provision, building their resilience to successfully move on to reside in shared accommodation in the private or public sector.
13. The proposed mediation service will offer targeted prevention for young people at risk of homelessness but not requiring supported accommodation. It will contribute to the development of an early help approach, offering assistance for children and families and reduce the demand on formal care services.
14. It is recognised that over several years, local services for young people have made good use of visual and performance media to develop skills, confidence and participation, helping also to raise the profile of needs and local services. The successful bidder for the new service will be expected to demonstrate innovation and flexibility in working to

promote confidence, participation and independence amongst the user group. They will also be required to establish effective partnership working to ensure outcomes of young people are met and value added to services.

15. A cross-Government Ministerial Board is being established to drive improved support for care leavers; with a target to secure 1,000 public sector internships for care leavers by 2022. In commissioning this service the council has given due regard to all aspects of social value as defined in the Public Services (Social Value) Act 2012. This will include any opportunities for social value to enhance the wider benefit to the community and look at incorporating key elements into the procurement process, in line with the council's procurement strategy. There will be opportunities for young people to volunteer as part of pathways to training and employment.
16. The aim of the service will be for young people to transition to independent living within two years with the opportunity of many being supported by the service for 3, 6 or 12 months. The outcomes for the service will be measured by the ability of the young people to develop skills successfully to move on to independent living and sustain their own tenancies. The floating support service can offer additional universal support, following move on to give the young people every opportunity to successfully manage their own tenancies. Bidders will be expected to quantify their resourcing arrangements and how they will meet the required aims, objectives and outcomes. Delivery will be monitored through regular contract monitoring meetings and the submission of quarterly written reports including detailed narrative as a minimum.
17. The services will be procured via a competitive open tender process, which will require bidders to detail how they propose to deliver the services, including mobilisation, resourcing and quality assurances. The timetable for procurement includes:

| Activity | Timetable |
|--|-------------------------------|
| Launch of open procurement process | Early June 2020 |
| Tender Close | July 2020 |
| Evaluation of bids | Mid July 2020 |
| Notice of intention to award and standstill period | Early August 2020 |
| Confirmation of contract award and record of officer decision | Mid August 2020 |
| Service mobilisation commence | End August 2020 |
| Identify nominated tenants and individuals for floating and mediation services | September-October 2020 |
| Service commences | 1 st November 2020 |

18. Care leavers and young people who have experienced a housing crisis will be invited to work with commissioners in the procurement process. This will include at least two tender evaluation questions designed by the young people.

Community impact

19. The council's County Plan 2020/24 has set out the key ambitions for Herefordshire over the next 4 years, and how these will be achieved. These ambitions are: Environment – protect and enhance our environment and keep Herefordshire a great place to live. Community – strengthen communities to ensure that everyone lives well and safely together. Economy – support an economy which builds on the county's strengths and resources. The approach of the service will be to encourage the wellbeing and mental health of residents, and a strong ethos on community engagement activities.
20. The County Plan is committed to implementing a care leaver's covenant that demonstrates the council's commitment to supporting children who are moving on from care and to develop the market for care leaver accommodation and support through the commissioning of housing related support services that meet local needs. The services will meet this commitment, with opportunities for young people to access local supported accommodation and receive universal and prevention offers through floating support and mediation.
21. The joint strategic needs assessment, Understanding Herefordshire includes data on people who are homeless and threatened with homelessness and the incidence of substance misuse and mental health need. This service will contribute to the reduction in the need for temporary accommodation under statutory duties placed on local authorities under the Children and Social Work Act 2017, Housing Act 1996 and Homelessness Reduction Act 2017.
22. Herefordshire's Corporate Parenting Strategy 2017/20 sets out how the council as corporate parent will provide every opportunity for looked after children and care leavers to succeed. Priority 8 focuses on the challenges and opportunities in enabling young people to live happy, healthy and financially secure lives when they leave care. The challenges include a shortage of affordable housing and difficulty in engaging with young people who are involved in challenging behaviours. The provision of this service will support addressing these challenging through appropriate tailored support.
23. The Children and Young Peoples Plan 2019/23 identified that targeted supported is required to make a difference, particularly to our most vulnerable, to enable them to thrive and make a successful transition to adulthood.
24. The Council is updating its Homelessness Prevention and Rough Sleeper Strategy to take account of the changes in government legislation and policy, including the implementation of the Homelessness Reduction Act 2017 and the MHCLG Rough Sleeper Strategy published in August 2018. Action 7 of Objective 2 of the Homelessness Prevention Strategy 2016/20 aims for collaborative work with the council's Children's Wellbeing Directorate and social housing providers to identify how the housing and support needs of homeless, and potentially homeless, 16-17 years old and young people leaving care can be most effectively met. Review existing joint working protocols and develop new models, which are appropriate and sharing of the management of risk.

Equality duty

25. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
26. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
27. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
28. Establishing these services will coincide with the end of a contract providing supported housing to young people in Herefordshire. A formal service development plan was established in February 2019, to facilitate joint work with the current provider. The proposed new services will provide a more wide ranging and versatile response to the needs of young people and therefore will improve services for people sharing protected characteristics.
29. An Equality Impact Assessment (EIA) can be found at Appendix 2. Overall, this decision is not expected to have a detrimental effect on any groups of people with protected characteristics. The creation of this new service for vulnerable care leavers is expected to have a positive impact on young people and those with disability, particularly with mental health needs.

Resource implications

30. This decision does not involve any capital expenditure as there are no costs of acquiring the property or any works to prepare the building for occupation. The property has been acquired and made available through negotiation of a service level agreement, with a local registered housing provider. The provider will retain the responsibilities of the Landlord role and undertake all housing management duties.
31. Temporary accommodation costs from £45 a night for a single room in a B&B, if other accommodation is used the cost is the weekly Local Housing Allowance rate (and depends on the size of the property) less 10%, plus £60 management fees a week.

The table below shows an example of the weekly costs of temporary accommodation.

| Room type | LHA Current rate up to 31 st March 2020 | Cost of providing TA minus 10% plus £60 week management fee |
|------------------|--|---|
| Shared room rate | £59.20 | £113.28 |
| Single room rate | £61.45 | £115.31 |
| 2 bed room rate | £117.37 | £165.63 |

32. The proposed offer would provide homeless or young people at risk of homelessness an accommodation option of six places complimented by a floating support service. This service will prioritise young people accommodated in the scheme before extending the support offer to young people in the community.
33. The anticipated cost avoidance enabled by the proposal is based on Children’s Services utilising 10 places made up of 4 units (4 places) and 3 units (6 places) for care leavers and over 16s. The estimated cost saving to be achieved is £328k p.a. and £6.3 k weekly as detailed in the tables below.
34. The cost of the proposed comprehensive floating support, mediation service and contingency for accommodation costs is estimated at £158k annually. This would be met from existing commissioning funds spent on housing related support services for young people. The provision of a housing-related support service in county will contribute to the prevention of out of county placements. The supported accommodation will offer a positive alternative solution to accommodate vulnerable young people in Herefordshire.
35. The cost avoidance opportunity has been calculated on providing the services through contracted arrangements on a ‘spend to save’ calculation allowing for three day staff, one supervisor and two night staff.

| | |
|---|-----------------|
| Cost of providing accommodation and 10 hours of support in a single unit x3 | £ 4,500 |
| Cost of providing accommodation for young mother and baby x2 | £ 5,200 |
| Cost of providing accommodation for Cat 5 24/7 on site x2 | £ 3,600 |
| Cost of an emergency placement | £1,800 |
| Total current costs of current placements per week | £ 15,100 |

| Funding streams (indicate whether base budget / external / grant / capital borrowing) | 2019/20 | 2020/21 | 2021/22 | Future Years (2022-25) | Total |
|---|---------|---------|---------|------------------------|-------|
| | £000 | £000 | £000 | £000 | £000 |
| Base budget for current accommodation offer from Children's Services | | 785 | 785 | 2,355 | 3,925 |
| TOTAL | | 785 | 785 | 2,355 | 3,925 |
| Revenue budget implications | 2019/20 | 2020/21 | 2021/22 | Future Years | Total |
| | £000 | £000 | £000 | £000 | £000 |
| <i>Current average placement costs</i> | | 785 | 785 | 2,355 | 3,925 |
| <i>Estimated costs of new service</i> | | 457 | 457 | 1,371 | 2,285 |
| TOTAL | | 328 | 328 | 984 | 1,640 |

36. The Feasibility Business Case is attached as Appendix 1.

Legal implications

37. The proposal would enable the council to meet its statutory duties towards young persons and care leavers under housing and social care legislation.
38. Section 20(3) of the Children Act 1989 requires that a local authority must provide accommodation for any child in need within its area who has reached the age of 16 and whose welfare the authority consider is likely to be seriously prejudiced if it does not provide him or her with accommodation. Under Part 7 of the Housing Act 1996, a local housing authority has a duty to ensure that accommodation is available to a person where there is reason to believe that person may be homeless, eligible for assistance and have a priority need. Priority need categories include persons who are pregnant, who have dependents and who are vulnerable. The Homelessness (Priority Need for Accommodation) (England) Order 2002 extended priority need categories to 16-17 year olds (unless they are a 'relevant child' and are owed a duty of accommodation under s20) young people under the age of 21 who had been in care and vulnerable care leavers over the age of 21. The council has additional duties to prevent homelessness under the Homelessness Reduction Act 2017.
39. Statutory guidance provides that children's services and housing services should work closely together to ensure 16-17 year olds are provided with sufficient support to ensure they do not become homeless in the future (Provision of Accommodation for 16 and 17

year old young people who may become homeless and/or require accommodation – April 2010) and the ‘sufficiency duty’ under s22G of the Children Act 1989 requires that local authorities takes steps to secure, so far as is reasonably practicable, sufficient accommodation within the authority’s area to meet the needs of children in care and care leavers.

- 40. All care leavers are entitled, under the Children (Leaving Care) Act 2000, to the support of the local authority through the allocation of a personal adviser and the development of a Pathway Plan that details the support that will be provided to help them make a successful transition from care to adult independence.
- 41. The Children Act 1989 guidance on planning transition to adulthood for care leavers indicates that local authorities should provide of a range of support options based on identified needs including semi-independent and independent accommodation.
- 42. The council intends to let the contract for housing related support services for a period of up to 5 years, the lifetime value of this contract is anticipated to be £3.1m.
- 43. The housing related support services will be procured by way of a competitive open tender process and this process will be run in accordance with the Public Contracts Regulations 2015 and the council’s Contract Procedure Rules.

Risk management

- 44. If the recommendation is not approved there will be a lost opportunity to develop supported accommodation in Herefordshire. This will result in the need to continue to source expensive accommodation out of county and away from the young people’s established support networks. The loss of an opportunity to make a real difference to the lives of young people living in Herefordshire by failing to provide a real offer of targeted and universal prevention services, specifically tailored to the needs of young people, through a floating support and mediation service.

| Risk / opportunity | Mitigation |
|---|--|
| There is a need to further negotiate a service level agreement with the registered housing provider the owner of the premises. | Partnership working will through negotiation is progressing to develop a workable agreement. |
| The use of a two bed unit for service provision and the delivery of a 24 hour support service is still being developed with the provider. | Investigations are still taking place to conclude an appropriate agreement with the registered housing provider that will protect their grant funding and secure the provision required to operate a successful supported housing scheme for young people. |
| The property is not appropriately utilised in supporting vulnerable care leavers. | A robust referral process will be in place to ensure that the right young people are referred into the accommodation. The service specification will give flexibility in the cohorts accommodated and avoid a silo |

| | |
|---|---|
| Risk of voids in the property. | service approach with multiple access routes. |
| That the accommodation is affordable to young people. | There is very little possibility of significant voids. The accommodation needs of care leavers in Herefordshire are substantial and the subject of fortnightly placement panel meetings. Referrals can also be received for those homeless or at risk of homelessness with demand exceeding the supply of suitable appropriate accommodation. The scheme will allow for flexibility transitioning between Children's Services and Adults Social Care. |
| | The rents are 80% of market value with one bed and two bed rent value respectively set at £102 and £120 a week. The weekly Local Housing Allowance Rates to 31 st March 2020 for 1 bed and 2 bed accommodation respectively is set at £92.05 and £117.37. These rates have been frozen and due to increase from 1 st April 2020. |

45. Any risks have been appropriately identified and recorded within the Adults and Wellbeing or service risk register, where they will be escalated if required. If the recommendations are delayed or not approved then a young person supported housing provision will not be available to vulnerable young people who are leaving care, young people in care, homeless or at risk of homelessness with some presenting mental health or substance misuse issues.
46. The services will offer opportunities for young people to be accommodated in Hereford city with tailored support to help them successfully move on to live independently. The young people will, where appropriate, receive support to remain in the family home or their own accommodation through the mediation or floating support services.

Consultees

47. A number of market consultation exercises have been conducted since 2017 around accommodation and support for young people. These have identified that there would be challenges for some interested parties to source suitable accommodation for the use of a supported housing provision, in a high demand and high value area. The proposal was therefore made for the council to source the accommodation and request bids through a competitive tender process for the provision of support.
48. The needs of care leavers are very much central to development of the proposed services and engagement has taken place through one to one and group discussions taking place during 2019, along with discussions at the Corporate Parenting Panel and elsewhere. There is continued joint working with Children's Services to engage with care leavers and young people in care.

49. Consultation with political groups has been undertaken and no comments or suggestions have been received.

Appendices

Appendix 1 – Feasibility Business Case

Appendix 2 – EIA

Appendix 3 – Pathways

Background papers

None