

Meeting:	Children and Young People Scrutiny Committee
Meeting date:	Tuesday 15 September 2020
Title of report:	Supported accommodation for care leavers – Development of a local framework
Report by:	Head of Community Commissioning

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To enable the committee to fulfil its function to review and scrutinise children's social care including safeguarding and to make reports and recommendations on these matters.

The committee agreed as part of its work programme that draft proposals concerning an accommodation and support procurement framework for care leavers and vulnerable young people would be presented for preview ahead of a decision by cabinet. The committee is exercising pre-decision call in of the decision. The purpose of the report is to provide an overview of the proposed new procurement framework and, in addition to their role on the scrutiny committee, also allows members to fulfil their responsibilities as corporate parents in support of the provision of facilities and services for looked after children and care leavers.

The key decision to be sought from cabinet will be to approve the procurement and launch of a new local framework for the arranging and purchase of support and accommodation for care leavers and some looked after children who are 16+. The services purchased via the framework will support young people to develop their skills, resilience, opportunities for training and employment, engagement with relevant services and participation in their communities, to enable them to move towards independent living. Procurement frameworks establish an agreed cohort of providers which can compete for the awarding of individual contracts or placements, often via a mini-competition. Inclusion on a framework is usually based upon having satisfied certain criteria in relation to service availability, quality and cost.

The proposed new framework will complement newly commissioned accommodation and support services for care leavers and vulnerable young people and support the vision and principles of the looked after children and complex needs placement sufficiency strategy 2019-2024. The placements will be led by the needs of the young people to achieve positive outcomes. The local framework will support the strategy to address the sufficiency, quality and sustainability of appropriate placement provision as well as value for money.

The framework will focus on providers able to offer services in Herefordshire to support young people's continued contact with social and family networks and community participation. Design and operation of the framework will seek to balance continuity of established local providers with regular refreshment with new providers able to join the local market. There are some issues still to be resolved in designing the framework, including;

- Maintaining and improving standards of care and support in an unregulated market
- The most effective ways of ensuring fair pricing whilst attracting providers to operate in Herefordshire.
- How physical accommodation is sourced and funded in relation to the framework.

Recommendation(s)

That:

- a) the committee reviews the proposals for an accommodation and support framework for care leavers and looked after children over 16 and determines any recommendations it wishes to make to the executive, which may enhance the effectiveness of the plans.**

Alternative options

1. Not to establish a procurement framework for accommodation and support for care leavers and looked after children over 16. This option is not recommended as the council would not then have an opportunity to exert any control over the price and quality of accommodation or support placements for care leavers or looked after children (LAC) over 16. It would limit opportunities to promote and develop a more effective local accommodation and support market and would continue reliance on the regional framework which has not been effective for Herefordshire.
2. To establish a framework only for support of young people and rely on the council sourcing accommodation separately. This option is not recommended as although this approach would be preferred in the medium term, there is not sufficient availability of accommodation presently to enable a support only framework to be viable.

Key considerations

3. The children and young people scrutiny committee agreed as part of its work programme to conduct pre-decision call-in on the draft decision relating to accommodation based service for care leavers. The decision concerns provision for care leavers and the committee is conducting pre-decision scrutiny to fulfil its function to scrutinise matters relating to children's social care including safeguarding. Pre-decision scrutiny of the decision is also in accordance with members' responsibilities as corporate parents to ensure the council's looked after children receive care that is suitable to their needs. The committee will examine the issues around the proposal and make recommendations to the cabinet member children and families on the proposed service for consideration during the finalisation of the decision.
4. The council has a duty to ensure that care leavers are safely and appropriately accommodated. There are currently limited options for accommodating care leavers and 16 and 17 year old looked after children with a variety of different levels of need in Herefordshire. There is a reliance on out of county specialist placements, spot purchased at significant cost, and of varying quality. There are also gaps in support for young people at risk of homelessness. Young people require safe and affordable accommodation, aligned to support towards increased independence, underpinned by realistic opportunities for learning and work.
5. On average Herefordshire has had 117 entrants to the looked after system each year since 2015. 18% of new entrants were aged 16/17. The majority of young people's needs include being accommodated locally. However, due to service capacity pressures, in sourcing local accommodation and support, this is not always possible. There were 38 active out of county placements for children aged 16-17 and care leavers on 1 July 2020, at significant cost to this council.
6. An enhanced 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 effective service in county.
7. The current data on young people's accommodation and support needs reflects a recent trend of the decline in numbers of young people with moderate support needs. The data for the next two years shows a focus on those with light touch or complex/very complex support needs. The increased trend in demand among 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 due to homelessness and unaccompanied asylum seeking children (UASC).
8. Analysis work has been undertaken in conjunction with Children's Services colleagues to identify what the accommodation and support needs of the looked after population are likely to be when they become care leavers (turn 18). 48 current children looked after are identified as reaching 18 in the period from Spring 2020 to February 2022. Their likely accommodation needs are summarised here:

Type of need	Profile	Numbers	Anticipated accommodation demand
Light touch	Young person may need help to find appropriate accommodation and floating/light touch support tapering off over time.	27	Very Likely = 0 Likely = 3 Possibly = 3 Not very likely = 21
Moderate	Care leavers who present as homeless requiring accommodation and support to become independent. Support typically involves open door accommodation in a managed environment to transition to independence.	8	Very Likely = 0 Likely = 1 Possibly = 6 Not very likely = 1
Complex	Young people with chaotic or high risk behaviours. Substance misuse, undiagnosed or untreated mental health needs, antisocial behaviour, offending and vulnerability to criminal or sexual exploitation.	3	Very Likely = 0 Likely = 0 Possibly = 3 Not very likely = 0
Very Complex	Presenting risk to themselves or others, escalating to self-harm, suicide risk and/or significant violence. May also have undiagnosed or untreated mental health need and history of offending	10	Very Likely = 2 Likely = 4 Possibly = 3 Not very likely = 1

9. The proposed new purchasing framework for accommodation and support is part of a wider re-shaping and development of the market for provision in this sector. A new accommodation based support service for care leavers with complex needs has been established in a city centre building acquired for the purpose by the council in 2019. Redesigned services for vulnerable young people including mediation, outreach and accommodation are being commissioned to launch in February 2021. Whilst further strategic commissioning of new services for young people will follow, some reliance on spot-purchasing individual placements will continue for some years.
10. The council currently uses a specialist regional framework to try to purchase accommodation and support for care leavers and looked after young people over 16.

Very few providers on that framework have existing services or accommodation available in Herefordshire. The framework typically involves specialist providers of support offering to source accommodation which is priced very commercially and with no resort to Housing Benefit income for councils. Network providers are generally commercial companies ineligible as landlords for housing benefit for supported housing. Providers then charge for support based on hourly rates, typically in excess of £24 per hour.

11. The use of the regional framework generally does not yield any local service offer, leaving the council with a choice of placing someone outside the county or approaching the very small number of local providers. Where more than one provider or service is available locally a mini-competition can be run, but this is undertaken without any parameters or controls for price or quality. Overnight or accommodation services for care leavers are not regulated by Ofsted, the Care Quality Commission or any other regime. The council has been developing proposals for establishing comprehensive quality standards for unregulated services, including accommodation and support for care leavers. A new local purchasing framework would provide impetus and focus for this standards initiative. This broad issue of standards is indirectly linked to the national concern focused on placing children under 16 in unregulated services. A government consultation on unregulated provision is considering proposals including national quality standards and expanded powers for Ofsted.
12. A small number of new commercial support providers have been launched within Herefordshire in the last two years and at least one substantial voluntary sector provider based elsewhere has established itself locally. Given the potential interest also of some registered housing providers and national children's charities, there does seem to be the beginnings of a local market for accommodation and support, sufficient for a local framework to offer potential. In parallel, the local market and existing use of frameworks for supported living of people with adult social care needs is being reviewed and there may be some connections between the two sectors which could be considered. However, the composition and relative maturity of the two markets are very significantly different. Therefore, it will be appropriate to pilot and consolidate the proposed framework for vulnerable young people first before contemplating a wider approach.
13. The proposed framework would enable providers to apply under one or more of three categories; accommodation and support, support only or accommodation only. Providers would have to demonstrate that they had capacity to deliver services locally at fairly short notice and satisfy the council's standards for quality, health and safety, safeguarding and other requirements. Success for a provider in a mini-competition would result in award of a specific contract to purchase an individual service or placement, using a contract format standard to the framework.
14. Measures to control price in purchasing through the framework would include;
 - Separating costs of accommodation from those of support and linking accommodation costs to the local housing allowance (LHA) rate for the relevant property type and size.
 - Statement of prices on application to join the framework and transparent pricing during mini-competitions.

Further measures could also include price banding, based on different levels of support need. Whilst banding is deployed as a price control tool in this and other sectors, it can be complicated to administer and is not assured to yield savings. Ceilings or caps on support charges offer tangible disincentives to providers and are likely to be effective only in well established frameworks with multiple providers active and competing.

15. After the initial procurement of the providers to join the framework, it would be closed to new applicants for up to a year to incentivise providers but open for a period each year to enable the ranks of providers to be refreshed with new joiners. Any providers not bidding and responding to mini-competitions consistently would be excluded, to promote a dynamic and effective framework. The operation of the framework would be reviewed every six months to monitor its effectiveness and challenges.
16. It will need to be established what the minimum number of active providers on the framework required is for its success. The administrative and procurement processes supporting operation of the framework require to be modelled in more detail to clarify that it is practicable and viable and to determine in which service/s its management and oversight should be located.
17. It is considered that a framework for purchasing support only for vulnerable young people would be much easier to operate and facilitate greater savings. Meanwhile, if the council was able to source all accommodation required either through its own acquisitions or development and by working with housing providers it seems likely that the quality of accommodation would be increased. However, this is likely to be realised only over a period of years as there is as yet no rolling programme of acquisitions and the logistics of housing providers sourcing and re-purposing properties on timescales aligned with placement decisions are not straight forward.
18. In proposing this framework the council will give 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 and management of placements, in line with the council's procurement and commissioning strategy. There should be opportunities for young people to volunteer as part of pathways to training and employment.
19. The framework will be procured via an open bidding process, which will require bidders to demonstrate their capacity and availability, their prices and compliance with quality standards and other requirements. Care leavers and other young people will be involved in the process. The design, governance and procurement timetable will be as follows:

Activity	Timetable
Engagement and development of proposals	September 2020
Finalising framework proposals	October 2020
Governance and Cabinet decision	November 2020
Complete governance and finalise specification and procurement process	December 2020
Framework procurement process	January 2021
Procurement evaluation and confirmation	February 2021

Confirmation of contract and placement arrangements and administrative processes	March 2021
Framework operational	1 st April 2021

Community impact

20. In accordance with the adopted code of governance, Herefordshire Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining, the right mix of these is an important strategic choice to make sure outcomes are achieved. The council needs robust decision-making mechanisms to ensure our outcomes can be achieved in a way that provides the best use of resources whilst still enabling efficient and effective operations and recognises that a culture and structure for scrutiny are key elements for accountable decision making, policy development and review.
21. 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 adoption of an accommodation and support framework will improve services which support the wellbeing and mental health of residents, with an emphasis on community engagement and participation.
22. 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. Establishing a framework will meet this commitment, with opportunities for young people to access local supported accommodation.
23. This decision will also contribute to the implementation of key priorities in the draft accommodation strategy for vulnerable people and addresses priorities set out in the Health and Wellbeing Strategy in relation to vulnerable young people and mental health needs.
24. The Children and Young Peoples Plan 2019 – 2023 identifies that targeted support is needed to make a difference, particularly to our most vulnerable, to enable them to thrive and make a successful transition to adulthood. The focus of the framework will be to develop independent living skills and connect young people to universal services and opportunities for education, training and employment, therefore reducing the numbers who are not economically active. Promoting independence will have a positive impact of both the individual and the wider community.
25. The proposed new framework will support the vision and principles of the looked after children and complex needs placement sufficiency strategy 2019-2024. The local framework will support the strategy to address the sufficiency, quality and sustainability of appropriate placement provision.
26. There will be an expectation that all accommodation provided through the framework will meet appropriate housing standards and accord with good health and safety practice.

Equality duty

27. 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.
28. 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.
29. 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.
30. Establishing a local framework for accommodation and support for young people is expected over time to increase the availability and improve the quality of support and accommodation for people sharing protected characteristics, notably young people but also disabled people and potentially people from minority ethnic groups within the population.
31. An Equality Impact Assessment (EIA) will be developed around the proposed procurement framework. Overall, the proposal is not expected to have a detrimental effect on any groups of people with protected characteristics.

Resource implications

32. There are no specific resources implications of this report as its purpose is to enable the Committee to review and advise on the proposals
33. There are no capital costs arising from this proposal. However, the development of a framework for young people's accommodation may underline the value for the council acquiring or developing property in the future for the provision of accommodation. This could lead to future proposals for investment in property to support this purpose, subject to the availability of capital funding.
34. The proposed framework has no direct implications for revenue expenditure, as it does not involve the commissioning or purchase of any new services. It is intended that once

established, a framework will enable the council to impose some increased control over prices paid for services and placements. Measures which will contribute to this are set out in paragraph 13 above, however, the use of such measures must be balanced with factors which attract providers to offer services locally and encourage competition.

35. Currently, there is continuing reliance on placements and accommodation services spot purchased from outside Herefordshire.

Legal implications

36. All public procurements must be based on value for money, quality and effectiveness and follow the legal requirements as set out in the EU Public Sector Directive 2014 ("the Directive") and the Public Contract Regulations 2015(PCR 2015). The proposed procurement framework will need to comply with the requirements of the Directive and the PCR 2015.
37. It is anticipated that the framework for accommodation and support services will be procured by way of a competitive open tender process.

Risk and Opportunity

38. The proposed procurement framework for accommodation and support service will create opportunities to improve the availability and potentially quality and value for money of services for young people. The risks arising from the proposal are essentially limited to how effective the framework is in achieving those improvements.

Risk / opportunity	Mitigation
The framework will create the opportunity to manage purchasing and placement decisions without working with a regional framework, which does not offer local services.	
The framework will offer an opportunity to ensure actual competition on price between providers and improve transparency as to what the council is paying for in purchasing support and accommodation.	
An effective framework will enable an increase in local accommodation and support for vulnerable young people and reduced reliance on placements outside Herefordshire.	
If the controls of cost or other factors incorporated in the framework are sufficient disincentive for providers, they will not join	Controls on cost in particular would be introduced gradually and evaluated to avoid disincentives and to optimise joiners of the framework.

the framework. This would render it ineffective.

If there are insufficient providers on the framework to meet need or they do not bid for services via it, professionals will lose confidence in it and be obliged to purchase outside the framework, so rendering it ineffective.

Competition on price and separation of accommodation and support costs may be insufficient to reduce costs of placements significantly.

New entrants to the support and accommodation market may have limited resilience and capacity and could fail if expanding too rapidly.

The number and frequency of placements offered through the framework may be too few to provide economic incentive for some providers to join it.

The framework needs to be made attractive to providers by being seen as fair, economic and the only route to receiving placements. The framework will include a requirement for providers to respond with sufficient frequency to purchase opportunities or be removed from it.

Price banding based on levels of need can impose more control over cost but are complicated to operate. An incremental approach to the pricing and quality regimes is proposed to enable the market time to adjust to the framework and evaluate the impact of each measure.

This challenges exists in the market already. A framework provides a somewhat improved means of managing the risk and balancing the development of the market.

There is an option to pre-limit the number of providers on the framework at any time to help ensure sufficient opportunity for them.

39. Any risks will be appropriately identified and can be recorded within the Adults and Communities or Children and Families risk registers, where they will be escalated if required.

Consultees

40. There has been extensive consultation with a wide range of providers in the markets for accommodation and support of young people, over a number of years. This included a market engagement exercise in 2019 over the proposal to establish a framework. This generated interest in the proposals, with a number of providers indicating they would seek to join a framework, once established. In addition there has been a recent procurement of a new service for care leavers with complex needs and a procurement of housing related support services for young people is underway currently. These will provide further learning to inform development of a framework.
41. The needs of care leavers are very much central to development of the proposal. There has been extensive engagement around accommodation needs over several years through the corporate parenting panel and one to one and group discussions were undertaken in 2019. There is regular engagement with looked after young people and care leavers around their accommodation and support needs.

42. Reporting to the children and young people scrutiny committee is part of the process of consulting in developing proposals for a framework. The views and advice of the committee will be taken into account in finalising the detailed proposals for the framework.
43. As the proposed framework is subject to a key decision by cabinet in November 2020, there will be a consultation in advance with council members via political group leaders. This will take place in September 2020.

Appendices

None

Background papers

None