

Meeting:	Cabinet
Meeting date:	Thursday 26 September 2019
Title of report:	Accommodation based support service for care leavers
Report by:	Cabinet member children and families

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 approve the commissioning of a service to provide vulnerable care leavers with support to develop their skills, resilience, opportunities for training and employment, engagement with relevant services and integration with their community to enable them to move towards independent living. This service will also help the young people to understand their rights and responsibilities as tenants and what to expect of Landlords.

Following decisions made by cabinet during December 2018 and January 2019, the council has purchased a property in Hereford City that is now being converted and refurbished to accommodate care leavers with complex needs. Accommodation based support is required to support young people to live more independently and manage their lives safely and confidently.

Approval is sought for the approach to commission a service to provide support and accommodation management for vulnerable care leavers to help them prepare to live more independently. This service will be available 24hours for those with complex needs and 3 hours per week for those with light touch needs. This service will be commissioned by seeking bids from potential providers in the open market to demonstrate how they can deliver a quality and cost effective service. It is proposed to begin this procurement process in October 2019 and mobilise new services to align with the completion of building works in Spring 2020.

The local and national market for care leavers accommodation based support is delivered mainly through spot purchased placements, some via a regional framework. These placements typically have very high costs and there is limited availability within Herefordshire, resulting in many young people being placed outside of the county. The approach proposed here in utilising self-contained accommodation in premises owned by the council is somewhat innovative and has received a positive response to date. It provides an opportunity for improving outcomes for young people and value for money to the council.

Recommendation(s)

That:

- (a) the commissioning of a service to provide support and accommodation management for vulnerable care leavers in council owned properties through an open procurement process be approved;**
- (b) the director for children and families be authorised to take all operational decisions necessary to implement the service including award of contract for the accommodation based service for a period of up to five years and with a maximum value of £2.5m.**

Alternative options

1. Not to procure an accommodation based support service. This is not recommended as this would mean the newly acquired property would not be utilised appropriately or as intended by the council. In addition, there would be a lost opportunity to improve outcomes for very vulnerable care leavers and reduce or avoid costs in supporting this user group.
2. To deliver as an in-house service. This is not recommended because the council does not have the expertise to operate such a service in-house 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

3. 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 olds with complex needs in Herefordshire. There is a reliance on specialist placements, spot purchased at significant cost, often outside the county. The provision of accommodation with support for care leavers with complex needs will enable vulnerable young people to remain close to their local connections and provide a cost effective, good quality service. This is expected to improve outcomes for individual care leavers and avoid some cost of future specialist placements.
4. The provision of this service will meet strategic objectives relating to vulnerable young care leavers accommodation needs by;
 - Ensuring availability of appropriate and sustainable supported accommodation
 - Reducing reliance on out of county placements
 - Reducing the average unit price paid for accommodation based support
 - Increasing the application of housing benefit in meeting some costs of accommodation and support.
5. Guidance from the national advisor for care leavers suggests that an increased variety of housing options for care leavers is required in Herefordshire, including access to tailored accommodation. The proposed approach here in utilising council owned property with the provision of accommodation based support is innovative and provides further options to accommodate care leavers in the county.
6. The service will benefit a cohort of care leavers with chaotic and high-risk lifestyles, including substance misuse, mental health needs, antisocial or challenging behaviour, offending history and vulnerability to criminal or sexual exploitation. At any one time, there are between nine and 13 care leavers aged 18 to 22 with this combination of needs, for whom the proposed new service would be suitable. A further cohort of around 20 young people aged 16 or 17 have been identified who could benefit from the service in future years.
7. The purpose of this service is to improve the opportunities and outcomes for vulnerable care leavers through the provision of accommodation based support. The service aims are to;
 - develop the independent living skills of care leavers with complex needs, through provision of accommodation based support, to enable them to transition towards living independently.
 - refine the independent living skills of care leavers with light touch needs to enable them to move onto fully independent living.
 - work in partnership with local partners, both statutory and voluntary, to explore opportunities to promote and encourage all young people to access education, training, work experience and employment.
8. Opportunities for care leavers to develop and achieve improved outcomes will be enabled through a service that will work in partnership to develop and implement a personalised support plan for each person, identifying how they can manage their own needs, mitigate risks and take up opportunities. The aim is for young people to transition from the accommodation towards independent living within 2 years.

9. The contract with the provider will stipulate aims, objectives and outcomes in relation to the provision of support and housing management. As part of the tender process bidders will be required to submit proposed resourcing arrangements and how they will meet the required aims, objectives and outcomes. Regular contract monitoring will be held to monitor delivery against the specification requirements, with submission of quarterly written reports and meetings as a minimum.
10. In addition to improving outcomes for the young people who will access this service, the proposed approach will deliver significant cost avoidance for the council through providing a more cost effective option than the current limited and expensive market is able to provide. In addition to the anticipated reduced direct costs of the placement, there will also be benefit to staffing resource efficiencies, as the number of placements out of county will be reduced thus reducing time required to familiarise staff with other areas, providers / services in those areas and travel. In addition to the regular contract monitoring, review of the service effectiveness and cost efficiencies will be scrutinised and monitored through the appropriate governance arrangements, such as Health and Wellbeing Board and Children and Young Persons scrutiny committee.
11. In December 2018, a decision was made by Cabinet to acquire a limited number of properties to enable the council to meet strategic priorities. Following this decision, a property has been purchased to support care leavers with complex care needs. The property requires some reconfiguration and renovation works in preparation to provide accommodation comprising four self-contained units, an assessment unit, communal areas and staff area. The governance for these works was encompassed by a decision made by the cabinet member for assets in January 2019.
12. The timetable for works required to the property is being coordinated with the procurement and mobilisation of accommodation based support services. The property will be ready for occupation with support in place in Spring 2020 and will provide accommodation for five care leavers or 16/17 year olds with complex care needs.
13. Located close to the newly purchased property are three flats, which the council owns and are to be made available to care leavers who are transitioning to independent living and require only light touch support. It is intended to include the light touch support and associated housing management within the proposed contract for accommodation based support in the new building, so making the most of geographical proximity.
14. Both properties will be leased from Herefordshire Council in a coterminous lease strictly for the purpose of accommodating this vulnerable user group. The lease will include a requirement that the rent charged must be capped at the appropriate Local Housing Allowance rate to ensure affordability of rent and alignment with benefit entitlements.
15. The service will provide 24-hour support to those with complex needs. Light touch support of three hours per week and emergency support will also be available through this service for those with light touch support needs in the three flats. In addition to this support the service will also provide housing management to promote the occupants capacity to manage their own tenancies in the future.
16. The provider will lease/licence each of the units to the individual young people and act as the Landlord. The provider will be expected to work with the young people to enable them to develop their understanding of rights and responsibilities as tenants and what to expect of Landlords.

17. This service will be delivered to a mix of young people with a variety of needs. Whilst each young person will have their own space, appropriate matching of needs will need to be considered by children's services and the provider when placing young people. The needs of this cohort are likely to fluctuate, which presents a challenge in appropriately resourcing the service and will require some degree of flexibility in the service design.
18. It is anticipated that costs of enhanced housing management can be met through housing benefit, subject to individual applications. The rent paid through housing benefit will be used to meet the cost of running and maintaining the building. The costs of the personalised support will be met through Children and Families budgets, on the principle of cost avoidance. The service contract will include mechanisms to increase or reduce the level of support staffing required where there are significant fluctuations in needs of the cohort over time.
19. The service will be procured via a competitive open tender process, which will require bidders to detail how they propose to deliver the service, including mobilisation, resourcing and quality assurances. The timetable for procurement includes;

Activity	Proposed timeframe
Bidders invited to tender for proposed services	07/10/19 – 18/11/19
Evaluation of bids	19/11/19 – 02/12/19
Intention to award contract issued	03/12/19 – 13/12/19
Service mobilisation	January – April 2020

20. Young people with relevant lived experience will be invited to work with commissioners in the procurement process. This will include the development of pen portraits to include with the tender pack and a specific question to be designed and evaluated by young people.

Community impact

21. The council's corporate plan sets out the vision to ensure that "the children and young people of Herefordshire have a great start in life and grow up healthy, happy and safe within supportive family environment." Where a young person has become a looked after child and then care leaver the council has the duty to meet their needs as the corporate parent.
22. The council's corporate parenting strategy sets out how as corporate parent, the council will provide every opportunity for looked after children and care leavers. Priority 8 of the strategy identifies challenges and opportunities in enabling young people to live happy, healthy and financially secure lives when they leave care. Challenges include a shortage of affordable housing and difficulty in engaging with young people who are involved in some very risky behaviours. The provision of accommodation with support will address these challenges by providing alternative accommodation options with specialist support to engage with those with complex needs leading them to involvement in risky behaviours.

23. This decision will also contribute to the implementation of key priorities in the accommodation strategy for vulnerable young people and addresses priorities set out in the Health and Wellbeing Strategy in relation to vulnerable young people and mental health needs.
24. The recently approved 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.
25. The provision of accommodation with support will address the need to provide alternative accommodation options, particularly for those with complex needs leading them to involvement in risky behaviours, with the opportunity for improved outcomes for the young people placed in this accommodation.
26. The focus of this provision is 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.
27. The accommodation will be finished to a high standard of health and safety practice. As the principal landlord, the council will discharge responsibility for all ongoing maintenance and health and safety checks to the provider who will act as the landlord.

Equality duty

28. 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.
29. 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.
30. 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.

31. An Equality Impact Assessment (EIA) can be found at Appendix 1. 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

32. This decision does not involve any capital expenditure as it excludes the acquisition of property or any works required to prepare the building for occupation. By utilising these properties for the support of vulnerable young people, the council will make full and appropriate use of council assets of significant value.
33. It is anticipated that cost avoidance will be achieved by providing intensive transitional support to vulnerable care leavers to avoid specialist placements currently funded by Herefordshire Council. Analysis of current placement costs for care leavers with complex needs and estimated costs of the proposed service indicate potential cost avoidance of up to £325k annually and £6.3k weekly for this user group. The average per person cost of specialist placements for this cohort is £148k annually or £2.8k weekly. The estimated cost of the support service in the main building per person is £83k annually or £1.6k weekly. These costs will be met from children and families accommodation budget for care leavers.
34. The cost of enhanced housing management is expected to be met from housing benefit for specified premises. As this is subject to assessment of applications by individual tenants, the level of cost is to be determined after building works are completed and a provider contract awarded. However, costs will encompass support to tenants in managing their finances and responsibilities as tenants, along with a “sinking fund” to meet additional repairs and damage arising from the needs of the cohort. In relation to the three nearby flats, all the costs of housing management and light touch support to tenants is expected to be met from housing benefit. Again, this will be subject to assessment of individual tenants’ applications.
35. 16/17 year olds would not be eligible for housing benefit. Placing young people of this age would be by exception and the housing costs would need to be met by children and families budgets, however as the rent will be capped at Local Housing Allowance rate the cost of this would be no more and in most cases less than current provision.
36. In commissioning support for a group of people with complex needs, it is recognised that over time, the staffing resource required by the service will fluctuate depending on the individuals accommodated and their needs. However, the council will seek to avoid purchasing additional support on a “spot” basis in addition to the proposed block contract. It is therefore proposed to establish a device in the contract to enable the funding to increase and decrease on a modular, incremental ‘flex’ basis for specific periods of time. On the basis of the needs of tenants and agreement with social work managers, a block of funding equivalent to one full time support worker for one month could be added or subtracted from the core funding. Whilst these variations up or down could be extended beyond one month, they would be subject to maximum and minimum annual values set out in the contract.
37. The tables below relate to the costs associated with provision of accommodation based support. Provision for the cost of enhanced housing management is expected to be met from housing benefit for specified premises, as set out in paragraph 32.

Revenue or Capital cost of project (indicate R or C)	2019/20	2020/21	2021/22	Future Years (2022 – 25)	Total
Estimated cost of five year service for 5 bed unit and 3 self contained flats (R)	£000	£000	£000	£000	£000
Estimated direct staffing costs	000	344	344	1,320	1,720
Estimated other costs	000	80	80	240	400
Estimated 'flex' ceiling (para 16 and para 33)	000	28	28	84	140
TOTAL	000	452	452	1,356	2,260

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 16+ accommodation	000	452	452	1,356	2,260
TOTAL	000	452	452	1,356	2,260

Revenue budget implications	2019/20	2020/21	2021/22	Future Years (2022 – 25)	Total
	£000	£000	£000	£000	£000
Current average placement costs for 5 young people with complex needs	000	740	740	2,220	3,700
Estimated service costs for 5 young people with complex needs	000	415	415	1,245	2,075
Sub total (potential cost avoidance over 5 years for 5 young people with complex needs)	000	325	325	975	1,625
Current average placement costs for 3 young people with light touch support needs	000	13	13	39	65
Estimated service costs for 3 young people with light touch support needs	000	9	9	27	45

Sub total (potential cost avoidance over 5 years for 3 young people with light touch support needs)	000	4	4	12	20
TOTAL POTENTIAL COST AVOIDANCE OVER 5 YEARS	000	329	329	987	1,645

Legal implications

38. Local Authorities are under an absolute duty to accommodate and provide support to care leavers aged 16 and 17. Local authority duties to young people and care leavers are set out in the:
- Children Act 1989 (as amended by the Children (Leaving Care) Act 2000, the Adoption and Children Act 2002 and the Children and Young Persons Act 2008)
 - Children Act 2004
 - Housing Act 1996 Part 7 (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017)
 - Children and Social Work Act 2017.
39. Section 3 of the Children & Social Work Act 2017 in particular introduces a new duty on local authorities, which requires them to offer personal advisor support to all care leavers towards whom the local authority had duties under section 23C of the Children Act 1989.
40. Recommendation A and B of this report outlines the council's intention to meet the obligations set out in the above legislative provisions by commissioning and letting contracts to third party providers to deliver the required services and the service aims set out in section 10 and 15 of this report demonstrates that appropriate mechanisms will be put in place to ensure that care leavers are provided with the correct level of support as required by law and in so far as they are properly implemented, the ultimate aim of assisting care leavers to live successful independent lives should be achieved.
41. The risk of challenge to the council for taking this course of action is assessed as low, on the basis that the report confirms that an open competitive tender process is to be followed. This complies with:
- current procurement legislation
 - the council's own contract procedure rules
 - EU treaty principles of transparency, antidiscrimination and equality of opportunity
42. The report sufficiently enumerates the considerations given to community impact, equality duties, resource implications, identified risks and steps taken/to be taken to mitigate those risks appropriately. Also alternatives have been considered and discounted for the reasons set out in the report.
43. As with other procurement exercises, it is important that the selection process is robust and effective enough to enable a proper examination of the suitability and capability of the potential suppliers ability to perform the contract that will be awarded at the end of the competition.

44. Also since this is the first time the council will be commissioning services of this particular nature, after the contract award, processes to review the services through a commissioning audit should be put in place to identify strengths and gaps in the service which can then be used as a template for service re-design.

Risk management

45.

Risk / opportunity	Mitigation
<p>If the decision is not approved, the council would not have an opportunity to improve outcomes for five care leavers with complex needs, would miss opportunities to avoid future cost of placements and would not make full appropriate use of a valuable property asset.</p>	<p>In acquiring the property in the city centre consideration was given to the potential for it to be utilised to meet other council priorities and for it to increase in value over time.</p>
<p>Delay in works being complete to make the property ready for occupation.</p>	<p>Property Services is working to complete all of the necessary surveys, design and consents in preparation to tender for the building works. The mobilisation of the works is expected to commence late December / early January with works anticipated to take 8 – 12 weeks.</p> <p>Availability to complete works within the required timescales will be considered when appointing a contractor to carry out these works.</p>
<p>The property is not appropriately utilised in supporting vulnerable care leavers.</p>	<p>There is very little possibility of significant voids in the property or in the three nearby flats to be utilised. The accommodation needs of care leavers in Herefordshire are substantial and understood and the subject of fortnightly placement panel meetings. There is a clearly demonstrated and proportionate need among care leavers with complex needs. The commissioning of an appropriate support service for young people in the new</p>

<p>There is no response to the competitive tender process.</p>	<p>accommodation will provide assurance around suitable use.</p> <p>Engagement with the market has been undertaken in preparation for procurement. This engagement has indicated a good level of interest from the market in delivering a service such as proposed.</p>
<p>Young people are unable to access sufficient housing benefit for the specified accommodation to cover the cost of their enhanced support needs.</p>	<p>The way in which housing benefit decision making is reviewed and communicated to applicants and landlords is the subject of continuing consideration within the council.</p>

46. These risks will be managed at a directorate level.

Consultees

47. In developing the design of the service and commissioning approach, the council has undertaken engagement with providers of specialist support and accommodation or housing management services in the wider regional and national market. This has informed in particular the approach to configuration of a contract document and the proposed management of fluctuating needs of people to be supported.
48. Political parties have been consulted in respect of this decision. No suggestions or comments were received.
49. The Children and Young Persons scrutiny committee has considered this issue, the committee's views have been included in paragraph 10. The committee supports the introduction of the accommodation based support service for care leavers. The committee have requested an ongoing review of the service to determine its effectiveness and possible replication of the service in future and also requested that a site visit to the facility is arranged once completed.

Appendices

Appendix 1 – EIA

Background papers

None identified