

PROJECT DOCUMENTATION

BUSINESS CASE

Housing-Related Support for Vulnerable Young People

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Approvals

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Name	Signature	Title	Date of Issue	Version
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Stage 0 Business Case

1. Purpose of Document

This business case sets out proposals and rationale for the procurement of an accommodation based support service for young people. The business case will be considered by the Director for Children and Families in preparation for a key decision by cabinet.

This proposal follows the approach adopted last year by the council, to acquire a limited number of properties, to enable the council to meet strategic priorities and an increased variety of housing options for care leavers, including access to tailored accommodation. Alternative options have been considered through provider engagement. The council sourcing the accommodation has been identified as the best option for meeting the needs of young people and in particular care leavers both in terms of improving outcomes and value for money.

2. Objectives

The purpose of the proposed service, is to provide accommodation based support with additional financial and social value savings to be achieved through targeted and universal prevention services, for young people aged 16 to 25 years old, with different levels of need. The new model will focus on housing-related support for vulnerable young people, operating from one location and the vision is it will offer: accommodation, emergency accommodation, floating support and a family mediation service. The accommodation service will be transitional, up to two years, to meet the needs of vulnerable young people in Herefordshire. Recognising that individual needs vary amongst young people, support will be personalised, and where appropriate will taper and reduce over time, in preparation for more independent living. Such independence needs to be planned in conjunction with the young people and various agencies. There will also 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 specifically for young people.

The objectives of the service are to;

- enable the accommodation and support needs of care leavers and those homeless or at risk of homelessness, to be met safely and appropriately in pursuit of the council's statutory duties.
- follow the guidance of the National Advisor for Care Leavers by increasing the variety of housing options in Herefordshire, including access to tailored accommodation for care leavers.
- help achieve cost avoidance for the council and wider system through providing accommodation and support at costs lower than currently is available through existing frameworks and spot-purchase arrangements.
- improve outcomes for young people by providing quality placements within Herefordshire delivering services locally to maintain established support networks.
- Help to prevent escalation of needs among all vulnerable young people aged 16 to 25 year olds with different levels of need.

3. Background

3.1. Project Drivers and High Level Issues

The primary aim of the project is to provide accommodation based support and outreach prevention services for young people, with different levels of need, in Herefordshire.

The pursuit of this aim raises a number of key issues;

- Identifying the numbers and needs of young people who would be supported and accommodated and the exhaustion of other options for meeting the council's statutory duties.
- The services will meet the increasing complexity of need of young people and support the reduction of over reliance on out of area placements.
- The economic arguments in favour of the project, including cash savings or cost avoidance, incorporating the costs of commissioning support for care leavers, those homeless or at risk of homelessness in the accommodation.
- The legal arrangements of a registered provider, granting rights for the council to acquire the use of the premises, through a proposed service level agreement.
- Requirements for drawing down Housing Benefit, which are currently being challenged by a number of housing providers. There is a risk that housing providers may decide to withdraw from the supported accommodation market if this is not resolved amicably.
- Housing Management services will be provided by the landlord, with the option of this responsibility being transferred to the council at a later date.

3.2. High Level Metrics

Herefordshire has 356 looked after children (LAC) to include those supported by the disabilities team and LAC teams. At anyone time around 200 of these are care leavers, who fall under the definitions eligible, relevant and former relevant young people. 50 are supported by the 16 plus team with a further 12 supported by other teams.

The needs data below, identifies the apparent decline in numbers with moderate support needs. This gives one explanation for the current issues with voids and refusals into the existing services.

The data shows services need to focus on those requiring light touch or complex and very complex support.

Data from Children's Services

LAC turning 18

Time frame turning 18	Numbers	Need
1.9.19 – 29.2.20	5	Light touch support

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1.3.20 – 31.8.20	11	Light touch support
1.9.20 – 28.2.21	9	Light touch support
1.3.21 – 31.8.21	3	Light touch support
1.9.21 – 28.2.22	7	Light touch support
1.3.22 – 31.8.22	1	Light touch support
1.9.19 – 29.2.20	7	Moderate need
1.3.20 – 31.8.20	0	Moderate need
1.9.20 – 28.2.21	3	Moderate need
1.3.21 – 31.8.21	2	Moderate need
1.9.21 – 28.2.22	1	Moderate need
1.3.22 – 31.8.22	0	Moderate need
1.9.19 – 29.2.20	5	Complex/very complex
1.3.20 – 31.8.20	7	Complex/very complex
1.9.20 – 28.2.21	4	Complex/very complex
1.3.21 – 31.8.21	4	Complex/very complex
1.9.21 – 28.2.22	5	Complex/very complex
1.3.22 – 31.8.22	1	Complex/very complex

For the period 05/12/2018 to 14/12/2019 the number of households aged 25 and under placed in temporary accommodation by the Housing Solutions team totalled 85 and is broken down as follows:

Single females	13
Single pregnant	13
Single females with dependent children	17
Single males	23
Single males with dependent children	0
Couples	17

Couples and children	2
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There are up to 17 care leavers at any time with complex or very complex needs including substance misuse, anti-social behaviour and mental health need. They are frequently very difficult to house and typically not living in settled accommodation where they can receive appropriate support.

There is a further cohort of around 20 looked after young people aged 16 and 17 years old who have a similar needs profile and in 18 to 24 months will be ready to move on. This service forms part of an offer for young people, with a commitment to increase the variety of housing options. A scheme due for completion early May 2020 will offer five units of supported accommodation for care leavers with complex needs.

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.

The premises consist of seven units of one bedroom and seven units of two bedroom accommodation (21 places). It is proposed to utilise a two bed unit for service provision and the delivery of a 24 hour support service and a one bedroom unit for the provision of emergency accommodation.

This will provide a supported housing provision of 12 units offering up to 18 places to vulnerable young people, with priority given, to those owned a statutory duty by children's services and single young people approaching as homeless or at risk of homelessness.

4. Scope

4.1. Included in Scope

The following is included within this project;

- The commissioning, procurement and associated governance to deliver 24 hour support for 13 units of accommodation, offering 19 places, to vulnerable young people aged 16 to 25 years old with different levels of need and moving towards independent living when appropriate.
- The arrangement of enhanced housing management to manage the accommodation and associated risks and issues arising from its use by vulnerable young people.
- The introduction and planning of appropriate methods to identify vulnerable young people most suitable for the accommodation, when it is ready.
- The securing of appropriate funding for the delivery of housing management support to meet the complex needs of the care leavers.
- Planning and budget provision for maintenance, repair and other property related costs.

4.2. Not included in Scope

The following are out of scope and will be incorporated in separate/parallel projects not subject to the business case directly.

- Furnishing and finishing works to the property required to prepare for occupation. These are being co-ordinated by Strategic Housing working in partnership with a registered provider.
- Completion of renovation works and associated health and safety and building control requirements for the premises.

5. Stakeholders

Project sponsor;	Chris Baird, Director, Children and Families
Project Leads	Ewen Archibald, Head of Community Commissioning and Resources, Adults and Communities Gill Cox, Head of Service for Looked After Children, Children and Families
Project Co-ordinator;	Christa Jackson
Key stakeholders;	Richard Gabb, Programme Director, Housing and Growth Hayley Crane, Strategic Housing Manager Stacie Lane, Team Leader, 16 Plus Team Collette Watkins, Team Leader, Housing Solutions Team

6. Dependencies

6.1. Initiatives which depend on this project are:

Implementation of the accommodation strategy for vulnerable young people.

Corporate parenting strategy; accommodation priority.

Adults and Communities accommodation position statement and commissioning of supported living services for adults with eligible needs under the Care Act.

Development of arrangements relating to decision making around housing benefit for supported housing.

6.2. This project depends on:

Decision by cabinet (scheduled for April 2020) to approve the approach to procure accommodation based support service and the associated service level agreement for use of the premises.

The ability of a provider to offer all the requested services within the allocated budget.

Commissioning and procurement, if appropriate, of 24 hour support and additional support for those with complex or very complex needs should they be accommodated.

Continuing needs analysis and pathway planning for vulnerable young people.

It is envisaged the registered provider will retain the responsibility of the Landlord role and undertake housing management duties. The support will be delivered by the successful bidder. A rental charge will be levied for each of the individual units, with the opportunity to apply for Housing Benefit to cover

additional charges for the provision of enhanced housing related support. Housing Benefit applications are subject to assessment by Revenue and Benefits and cannot be predetermined prior to the contract commencing. Intensive Housing Management costs can also be applied for to include alarm systems and additional costs associated with supported accommodation.

Consideration of applications in due course for housing benefit to enable enhanced housing management for care leavers to be accommodated. There will be support provided 24 hours a day and will include the provision of a communal support and development space.

7. Benefits

The anticipated benefits of the proposed project are listed below:

7.1. Quantifiable

- Direct provision of appropriate support to enable utilisation of 13 units of accommodation offering 19 bed spaces for vulnerable young people with different levels of need.
- Reduction in the number of out of county placements, that currently stands at 19 (January 2020).
- If five of the 19 bed spaces were occupied by young people with complex needs requiring specialist placements then there is a potential cost avoidance of up to £6,240 weekly and £325k annually from current placement costs.
- The option to offer specialised accommodation for young parents in Herefordshire. This service could improve housing stability, assist with life skills and support with education, training and employment for this cohort. Current accommodation offers for this cohort cost up to £2,600 per week, this has been included in the potential cost avoidance.

7.2. Non-quantifiable

- A substantial contribution to meeting the unmet accommodation and support needs of vulnerable young people, including a new capacity to respond to escalating needs and emergencies.
- Management of realistic affordable housing options, for those transitioning into adulthood through shared accommodation options.
- Greatly improved outcomes for vulnerable individuals, enabling them to be accommodated safely and appropriately, reducing risk of homelessness, physical harm, exploitation and anti-social behaviour.
- Improved long-term outcomes for vulnerable care leavers to transition and move-on over time to more independent living and managing their own tenancies.
- Ability to support vulnerable care leavers to remain living in Herefordshire close to their established support networks.

8. Contribution to Strategic Objectives

- Addressing the council's corporate plan by enabling vulnerable people to live safe, happy and independent lives.
- Addressing priorities in the Health and wellbeing Strategy in relation to vulnerable young people and mental health needs.
- Addressing priorities under the Corporate Parenting Strategy.
- Implementing key priorities in the Accommodation Strategy for Vulnerable Young People.
- Implementing the council's strategic objectives in relation to equality by promoting the interests and wellbeing of people sharing a protected characteristic; young people.
- Ensuring that the council can discharge its statutory duties to care leavers and people who are homeless or threatened with homelessness under housing and social care law.

9. Costs and Timescales associated with the project

Costs and opportunity for revenue cost avoidance

There is no capital cost associated with this business case. The proposal is to acquire, through negotiations between Strategic Housing and a Registered Provider, a long term arrangement for the use of the premises for vulnerable young people with different levels of need. This is likely to be in the form of a licence, supported by an SLA.

The registered provider will provide an enhanced housing management service to manage the particular demands on the premises and support people towards being able to manage their responsibilities as tenants.

Housing Benefit will be claimed to include covering the costs of enhanced housing management and a sinking fund to cover potential damage arising from additional wear and tear by the user group.

Rental income in this instance will not need to cover a mortgage on the property, however, it will need to cover the management and maintenance of the property. The registered provider will have the complete responsibility for the housing management function with a commitment to work with the support provider to offer a joined up service.

Cost avoidance will be achieved by providing intensive transitional support to vulnerable care leavers to avoid specialist placements funded by Herefordshire Council.

As the cohort will have different levels of need, those recognised as having complex or very complex needs, at times may require additional resource. This flexibility can be applied in the contract by the option of an additional temporary resource confirmed by the commissioner. The cost of the additional resource will be that of an additional whole time equivalent support worker, using full costs recovery model, approved on the basis of one month additional cost. There would be an option to provide a ceiling to any additional resource in the year.

The contract for the support service will allow for variation should there be a significant change in the predicted needs of the young people.

It is anticipated that the housing support costs in the accommodation will be met via routes available for vulnerable people living in specified accommodation with support.

As part of the tender process providers will be invited to describe how they will ensure sufficient staffing is available 24/7 to meet the different level of needs.

The accommodation offers 12 units offering 18 bed spaces to vulnerable young people. Referrals for the accommodation service will be prioritised for young people;

- Who are LAC or care leavers
- Single young people who are homeless or at risk of homeless

The units will support a variety of young people and could support the following:

- Single young people homeless or at risk of homelessness
- New or expectant young mothers
- Emergency placements
- Care leavers with low support needs
- Those identified as having complex/very complex needs, requiring live in support. Additional support funded through children’s services
- Those with dependants requiring support
- Those whose realistic first tenure opportunity will be shared accommodation.

The model is a new concept to provide an offer of accommodation based support with targeted and universal prevention services for young people aged 16 to 25 years old with different levels of need. A total commissioning fund of £158k p.a. is available for the floating support, emergency accommodation and mediation service and elements of the accommodation service not covered by Housing Benefit. Additional funding from central government to cover some costs of care, support or supervision is subject to assessment of the applications by Revenue and Benefits and cannot be predetermined prior to the contract commencing.

The table below shows the estimated revenue staffing costs to deliver an accommodation based support service to young people. The table below has been calculated to allow for five day staff, two supervisors and two night staff.

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 support service for 12 units offering up to 18 places. (R)	£000	£000	£000	£000	£000
Estimated direct staffing costs		477	477	1,431	2,385
Estimated other costs, holiday cover, training and management costs		240	240	720	1,200
TOTAL		717	717	2,151	3,585

The table below shows current costs for active placements and is seen as a realistic estimate of the mix of young people who could benefit from occupying the accommodation. The mix is for: Six young people requiring 10 hours of support a week each (occupying 1 bed accommodation). Two young mother and baby placements (occupying 2 bed accommodation). Four young people requiring cat 5 24/7 on site support (occupying 2 bed accommodation) and four young people sharing requiring five hours of support each a week (occupying 2 bed accommodation). The total cost is £25,532 a week or £1,328 p.a.

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		1,328	1,328	3,984	6,640
TOTAL		1,328	1,328	3,984	6,640

The table below shows the estimated cost avoidance enabled by the proposal based on the provision of 18 places made up of 6 units (6 places) and 6 units (12 places). The estimated cost saving to be achieved is £611k p.a. or £11,75k a week.

Revenue budget implications	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>Current average active placement costs</i>		1,328	1,328	3,984	6,640
<i>Estimated costs of new service</i>		717	717	2,151	3,585
TOTAL		611	611	1,833	3,055

The service can adjust to the needs of the young people, if the demand changes to low needs then cost avoidance savings have been estimated at £250k p.a. compared to £611 p.a. for the proposed mix.

If there is an increased demand to accommodate young people with very complex needs then the contract will enable funding to increase and decrease on a modular, incremental 'flex' basis for specific periods of time. On the basis of the needs of the young people and in 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.

The table below shows the commissioning fund available to support the provision of one unit of emergency accommodation within the proposed scheme, a floating support and mediation service for young people in Herefordshire. These will be met from the Adults and Community Commissioning resource, currently directed to the Citizen Young People service. (£158k),

Floating, mediation and emergency support	2019/20	2020/21	2021/22	Future Years	Total
	£000	£000	£000	£000	£000
<i>Estimated costs of floating, mediation and emergency support.</i>		158	158	474	790
TOTAL		158	158	474	790

Additional savings will be achieved through the availability of one unit (1 bed 2 person flat) reserved for emergency accommodation, this provision will be available for Children's Services and the Housing Solutions Team and has its own ground floor entrance. The floating support and mediation service will add value and bring savings to the service. The floating support will assist young people to move on from the supported accommodation and prevent a cycle of failure to live independently. The support will contribute to the prevention of homelessness offering a service to those already housed to receive support before they reach crisis and risk losing their tenancies. The mediation service will target young people and their families to plan for the future with realistic options for independent living.

This will leave available 9 places, (three 2 bed flats and three 1 bed flats), for the use by other cohorts of young people this would also offer potential costs, reputation and social value savings.

Timescales

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

10. Risks of not doing the Project

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

10.1. The key risks of not doing the project are:

- Loss of opportunity to increase capacity to accommodate vulnerable care leavers and those young people homeless or at risk of homelessness.

- Continuing risk of harm to individual care leavers through exploitation, mental health needs, substance misuse or escalation of anti-social behaviour.
- If there is a lack of real opportunities for young people to thrive in education, training and employment and successfully maintain independent living then they will be unable to make a valid vibrant contribution of their communities.
- Lack of investment in young people to successfully transition into adult hood will impact on the reputational of the council and negatively impact on communities.
- Continuing high cost of specialist placements for some individual care leavers associated with repeated breakdown of placements.
- No suitable supported accommodation to support those homeless or at risk of homelessness and help them to work towards successful independent living.

10.2. The key project risks are:

- Delay in the governance process could lead to delay in procurement and subsequently start of support provision.
- Delay in works being complete to make the property ready for occupation.
- The necessary governance plans have been submitted to the Forward Plan with the decision due to be taken by cabinet on April 2020.
- There is a need to further negotiate a service level agreement with the provider of the accommodation. Strategic Housing are leading on this as a lease may impact on funding revenue already obtained by the provider for the purchase and repair the premises.
- Both the registered provider and successful bidder will have to work in partnership to each deliver housing management and support services separately but in consultation with each other.
- The use of a two bed unit for service provision and the delivery of a 24 hours support service is being developed with the registered provider to identify the appropriate tenure.
- The property is not appropriately utilised in supporting vulnerable care leavers.
- There is very little possibility of significant voids in the property. 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 accommodation will provide assurance around suitable use.
- There is a risk that bids will not be able to deliver all of the services required within the allocated budgets.

- If the services are not provided there is a risk that young people will not be able to achieve their full potential transitioning into adulthood.