

Title of report: Accommodation based support service for 16-25 year old children in care and care leavers.

Decision maker: Cabinet Member Children and Young People

Decision date: 11 November 2024

Report by: Wendy Dyer-Commissioning Manager.

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

To seek approval to commission, by means of a competitive tender process in line with the council's contract procedure rules, an accommodation based service for 16-25 year old children in the Council's care and care leavers. The accommodation based support service is currently delivered by Caring for Communities and People (CCP) and is due to expire on 31 March 2025.

Recommendation(s)

That:

- a) the commissioning of an accommodation based support service through an open procurement process be approved, for a period of up to 60 months, commencing from the end of the previous contract on 1 April 2025 up to 31 March 2030 with a maximum total cost of £1,864,765 across 60 months;**
- b) authority be delegated to the Corporate Director, Children's and Young People to award a contract for an accommodation based support service, following the completion of a procurement process and;**
- c) that delegated authority is given to the Corporate Director, Children's and Young People to approve any changes to the commissioning process, or subsequent contracts for their duration, including the option to extend, vary and terminate existing contracts.**

Alternative options

1. The service is not re-commissioned. This option is not recommended. This contract supports the council's commitment to its care leavers as Corporate Parent and there would be a lost opportunity to provide local accommodation and improve outcomes for very vulnerable children in care and care leavers if the service is not recommissioned. Additionally this would mean the Council owned properties would not be utilised as intended by the Council.
2. The contract with the existing provider is extended. This option is not practicable as the contract does not contain an option to extend. This option would also not enable the council to grow the service which will include additional accommodation and move on support which will provide a holistic end to end service.
3. To deliver as an in-house service. This is not recommended at this time due to time constraints that would be required to fully develop this option.

Key considerations

4. Young people living in this accommodation will be children in care and care leavers aged 16-25 who may have experienced trauma, or adverse childhood experiences. Young people may also have multiple vulnerabilities including chaotic lifestyles which include substance misuse, mental health needs, antisocial or challenging behaviour, offending history and vulnerability to criminal or sexual exploitation.
5. The council has a duty to ensure that children in care and care leavers are appropriately and safely accommodated. There are options for accommodating care leavers and 16 and 17 year old children in care in Herefordshire however, due to levels of demand for this type of accommodation a number of young people continue to be accommodated out of county in placements which are often spot purchased at significant cost. The provision of additional accommodation with support in the County will enable vulnerable young people to remain close to their local connections and provide a local, good quality and cost effective service. It is expected this will improve outcomes for individual young people.
6. The current accommodation based support service for young people offer homes for 8 single young people and supports the council's commitment as a Corporate Parent. The current contract is due to expire on 31 March 2025.
7. The Council's Sufficiency Strategy for Children and Young People 2023-2028 highlights the need to take multiple approaches to build capacity across all placements. In light of the

continuing growth of those aged 16-17 years entering care and the need for additional local accommodation, the new contract will deliver a minimum of 15 homes for young people with different levels of need.

8. Opportunities for children in care and care leavers to develop and achieve improved outcomes will be enabled by 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.
9. The service is currently delivered from 2 properties owned by Herefordshire Council which provide homes for 8 young people, 1 of these properties containing 5 homes for young people will continue to be used as part of this contract. The second property which currently provides 3 homes will not be used moving forward as the current contract has demonstrated the location of this property is not suitable.
10. The Council has recently [secured funding](#) from the government to deliver a Single Homelessness Accommodation Programme (SHAP), the funding supports the Government's Rough Sleeping Strategy published in September 2022. SHAP funding can be utilised to provide supported housing for young people over the age of 18 who are at risk of or experiencing homelessness or rough sleeping including care experienced young people. The capital element of this funding has allowed the Council to purchase properties and SHAP funding will deliver 10 additional properties offering homes to 10 single young people for use under this contract.
11. All properties used under this contract will be owned by Herefordshire Council and will be leased to the successful provider in a coterminous lease strictly for delivering this contract.
12. The service will operate a hub and spoke model to offer a flexible mixed economy of accommodation including supported accommodation staffed 24/7 and supported accommodation with outreach support.
13. The existing property offering homes for 5 young people has been purposefully designed and is located in Hereford City. Each young person has their own private space (kitchen, bathroom, bedroom and living area) but the property also offers communal and shared spaces. It will be a requirement of the contract this property is staffed 24/7 as it is intended to provide homes for those young people aged 16 and 17 stepping down from other provision such as residential children's homes however, young people aged 18-21 can also be accommodated as required.
14. The 10 dispersed homes for young people are also all located in Hereford City. Young people living in these homes may have stepped down from the more highly supported element of the contract or they may require a housing first approach. A housing first approach gives opportunities for young people who have experienced homelessness a stable home from which to rebuild their lives by providing intensive, person-centred, holistic support. Due to the restrictions of the SHAP funding young people living in these homes must be 18 -25 years old.
15. The service will also provide housing management to promote all young people's capacity to manage their own tenancies in the future.
16. The service will also deliver floating support for 12 months for those young people who have secured a move into independent tenancies in the community to mitigate against any risk of future tenancy failure.
17. The service will:
 - a. Enable the accommodation and support needs of care leavers including those who are homeless or at risk of homelessness, to be met safely and appropriately in pursuit of the council's statutory duties,

- b. Support the aims within the Council's sufficiency strategy and increase the availability and variety of housing options in Herefordshire,
 - c. Help achieve cost avoidance for the Council by providing accommodation and support at costs lower than currently is available through existing frameworks and spot-purchase arrangements,
 - d. Improve outcomes for young people by providing quality homes within Herefordshire delivering services locally to maintain established support networks,
 - e. Help to prevent escalation of needs among vulnerable young people aged 16 to 25 years old
18. The tailored support will encourage independence and supports the development of life skills to move on or towards independent living, and successful management of a tenancy. There will be a requirement for the service to 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.
19. In April 2023, The Supported Accommodation regulations brought new national standards and Ofsted regulatory oversight into law. From 28 October 2023 it became mandatory for any supported accommodation provider (where a looked after child aged 16 or 17 is living) to be registered with Ofsted or they will be committing an offence. There will be a requirement for any new provider to have registration in place prior to contract award.
20. Referrals to the accommodation service will continue to come exclusively from the Children and Young Peoples Home Finding Team.
21. This service will support a mix of young people with a variety of needs. Whilst each young person will have their own space, appropriate matching of needs will be a consideration for children's services and the provider when placing young people.
22. The service will be commissioned using an outcome focused approach and providers will select their own delivery model. The support service will be procured via a single tender. Approaching the market in this way supports competitive tendering and provides opportunities for new partnerships to develop. The contract will be as flexible as possible allowing for additional investment should it become available or for funding to be withdrawn if needs change.
23. In addition to improving outcomes for the young people who will access this service, the proposed approach will deliver cost avoidance for the council. At the time of composing this report there are 27 young people aged 12-18 in a children's residential setting at an average cost to the council of £6,077 per week utilising; this service as a step down option could deliver cost avoidance of £4,799.85 per person per week. In addition there are 25 young people aged 16-18 in supported living placements at an average cost per person per week of £1,607 using this service as a pathway to independence would achieve cost avoidance of £329.85 per person per week.
24. In addition to the anticipated reduced direct costs of the placements, 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.
25. Care experienced young people will be invited to work with commissioners in the service design and procurement process. This will include specific questions to be designed and evaluated by young people along with options to evaluate service delivery as part of the ongoing contract management.

Community impact

26. The Children and Young People's Plan for Herefordshire 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.
27. The term 'corporate parent' means the collective responsibility of the council, elected members, employees, and partner agencies, for providing the best possible care and safeguarding for children who are looked after by the council. Being a good corporate parent means we should; accept responsibility for children in the council's care; make their needs a priority; and seek for them the same outcomes any good parent would want for their own children.
28. The services contribute to achieving the council's priority to 'Strengthen communities to ensure everyone lives well and safely together". 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.
29. Services will be aligned to ensure that people receive additional support from external providers, where particular risks are identified to people's health. This will include input from substance misuse recovery services and mental health providers.
30. The ongoing provision of this service will continue to support the agreed priorities in Herefordshire's health and wellbeing strategy, including mental health and wellbeing.

Environmental Impact

31. The environmental impact of this proposal will be considered through each service specification and will include appropriate requirements on the contractor/delivery partner to minimise waste, reduce energy and carbon emissions and to consider opportunities to enhance biodiversity. This will be managed and reported through ongoing contract management.
32. The provision of additional accommodation in County will be of benefit to staffing resource efficiencies and will reduce the environmental impact of travel for professionals working with the young person as the number of placements out of county will be reduced.
33. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

Equality duty

34. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
35. The mandatory equality impact screening checklist has been completed for this decision and it has been found to have high impact for equality.

36. Due to the scope of this decision and its potential impact on certain protected characteristics, an Equality Impact Assessment (EIA) is attached as an appendix to this report.

37. In summary, this decision impacts on protected characteristics as follows:

- a. This service is to meet the specific needs of children in care and care leavers and will therefore have a positive impact on 16 – 25 year olds within this cohort.
- b. The service also supports the delivery of the 16/17 year old homelessness protocol and Joint Housing Protocol for Care Leavers.
- c. Acceptance to the service will not be affected by disability status. However the service must be delivered in line with the Supported Accommodation Act 2023 and subsequent regulations, this means a child must not have their liberty restricted, or require help and support with personal care. Should a child need this level of care then an alternative provision would be sought such as a CQC registered placement.

38. Although this decision may have a negative impact as noted in the EIA, we plan to mitigate this by:

- a. Should a child not be eligible for the service due to supported accommodation regulations an alternative provision would be sought such as a CQC registered provision.
- b. The provider will be required to set out how they intend to promote access for priority and hard-to-reach people along with providing training for providers on working with people with protected characteristics.
- c. The service is open to people of all races and nationalities. The provider will be required to ensure that it has effective access to interpreting and translation services in order to meet the communication needs of those whose first language is not English.

Resource implications

39. The maximum cost of the accommodation based support service is **£372,953** per year (**£1,118,859** for the 36-month contract), this is a 10% saving against current contract costs.

40. The contract will contain an option to extend for a further 24 months (subject to satisfactory performance and demand). This extension has been costed at up to **£745,906** for the 24-month period.

41. If all contract extensions are utilised this means a total contract cost of **£1,864,765**.

42. The cost will be met through Children and Young People's budget, on the principle of cost avoidance.

43. This type of supported housing provision typically draws on several sources of funding. Core rent usually covered by Housing Benefit (HB) meets the immediate housing costs and it is anticipated that costs of intensive housing management (IHM) can also be met through HB, subject to individual applications. In order to access this the provider will be required to be eligible under housing benefit regulations to make claims of this nature

44. The council's commissioned spend is for the direct support of vulnerable people, managing risk and ensuring appropriate move on and represents only part of the value of the accommodation

based service to the provider., The precise balance between the three sources of funding inevitably varies and the council does not underwrite the other sources of funding to the provider.

Revenue or Capital cost of project (indicate R or C)	2025/26	2026/27	2027/28	Future Years	Total
R	£372,953	£372,953	£372,953	£745,906	£1,864,765.
TOTAL					£1,864,765.

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2025/26	2026/27	2027/28	Future Years	Total
Base Budget	£372,953	£372,953	£372,953	£745,906	£1,864,765.
TOTAL					£1,864,765.

Revenue budget implications	2025/26	2026/27	2027/28	Future Years	Total
	£372,953	£372,953	£372,953	£745,906	£1,864,765.
TOTAL					£1,864,765.

Legal implications

21. This report authorises the commissioning of services in accordance with the Council's contract procedure rules.

Risk management

22.

Risk / opportunity	Mitigation
Move on options can be limited within a reasonable timeframe and landlords are often unwilling to offer accommodation unless a reference demonstrating an assessed readiness for independence has been achieved.	Having dispersed accommodation attached to the main 24/7 block will assist move on and enable people to transition in a planned way from high level support to stepped down accommodation.

Risk / opportunity	Mitigation
TUPE may apply. As such there is a risk that any new provider may be unwilling to take on the contract due to potential unknown costs resulting from a TUPE situation.	Information related to the potential for TUPE to apply will need to be included in the ITT. Anonymised information relating to staff job roles, hours worked and costs would need to be gathered and shared as part of tender opportunity so potential providers were briefed and able to risk assess potential liability and costs.
Whilst there may be no assessed adult social care need, providers may feel unable to adequately and safely safeguard people, particularly those individuals with multiple vulnerabilities resulting in some refusals to accommodate. This problem becomes even more challenging if there is a history of rent arrears, or socially unacceptable behaviours	The service will be designed to ensure that people receive additional support from internal care leaving teams and external providers, where particular risks are identified. This will include input from recovery and mental health providers, where appropriate, such collaboration will be co-ordinated into pathway plans.
Current supported accommodation provision places numbers of people together in one location which can obstruct recovery and makes instances of Anti Social Behaviour more likely.	Development of a trauma informed support service would provide people accommodated with specialist support from high-quality trained staff who can manage and de-escalate challenging behaviours
The contract is significantly dependent on Housing Benefit covering the Intensive Housing Management costs as it contributes to around 47% of the overall annual value of the service to the provider	The growing complexity of people accommodated will lend itself to the provider being able to demonstrate the person being accommodated requires care, support and/or supervision and that this is being delivered and this in turn will support claims for Intensive Housing Management costs.

Consultees

23. Engagement is ongoing with key stakeholders including current providers to gain their view on development opportunities for the services.

24. Coproduction with care experienced young people is in place to further develop the service specification and evaluation approach. The key findings from the activities will inform the development of the service.

25. A market engagement exercise was undertaken where views on delivery models, and types of accommodation was sought. These views have contributed to the shaping of the proposed service as well as the commissioning approach.

26. A political group consultation was held on 24th October 2024, questions were asked in relation to:

- Occupation and tenure arrangements,
- Accommodation standards including housing management and involvement of young people,
- Tenancy preparedness and life skills for people supported,
- Security of places for Herefordshire young people,

- Additional funding opportunities with options to grow the local offer,

All questions were responded to during the meeting and no changes were made to the decision being taken as result.

Appendices

Equality Impact Assessment

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 22/10/2024
Finance	Wendy Pickering	Date 16/10/2024
Legal	Sean O'Connor	Date 11/10/2024
Communications	Luenne Featherstone	Date 10/10/2024
Equality Duty	Harriet Yellin	Date 10/10/2024
Procurement	Carrie Christopher	Date 24/10/2024
Risk	Jessica Karia	Date 16/10/2024
Approved by	Tina Russell	Date 25/10/2024

Please include a glossary of terms, abbreviations and acronyms used in this report.