



Title of report: Housing related support for children in care and care leavers aged 16-25

Decision maker: Cabinet Member Children and Young People

Decision Date

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, a housing related support service for 16–25-year-old children in care and care leavers. The existing service is currently delivered by Connexus and is due to expire on 28 February 2026.

Recommendation(s)

That:

- a) the commissioning of a housing related accommodation-based support service through an open procurement process be approved, for a period of up to 84 months, commencing from the end of the previous contract on 1 March 2026 up to 28 February 2033 with a maximum total cost of £3,041,376 across the 84-month period;
- b) authority be delegated to the Corporate Director of Children's Services to award a contract for a housing related support service, following the completion of a procurement process and;
- c) that delegated authority is given to the Corporate Director of Children's Services to approve any changes to the commissioning process, or subsequent contract for the duration, including the option to extend, vary and terminate.

Alternative options

1. The service is not recommissioned. 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.
2. The contract with the existing provider is extended. This option is not possible as the contract does not contain an option to extend.
3. To deliver as an in-house service. This option is not recommended. The properties used for this service are owned by the current provider and they have indicated they will not be made available to a third party from which to deliver this service.

Key considerations

4. The current service offers homes for 16 young people aged 16-25 and is staffed 24/7. The service currently operates from a block of properties consisting of 5 x 2 bedroomed flats and 6 x 1 bedroomed flats (with 1 flat reserved for use as emergency access accommodation) a further 2 bedroomed property is being used as the onsite staff base/office. Currently 10 accommodation spaces are reserved for use by children's service and 6 accommodation spaces are reserved for homeless young people referred by the Housing Solutions Team. The current contract is due to expire on 28 February 2026.
5. The council's Sufficiency Strategy for Children and Young People 2023-2028 highlighted the need to take multiple approaches to build capacity across all placements; and the Ofsted inspection report on Herefordshire Children's Services undertaken in July 2022 and published 21 September 2022 included information on the lack of support to 16/17-year old young people experiencing homelessness who require joint assessment under the [Joint Protocol Children's Services & Housing Homelessness 16-17 year old Young](#). Considering this information the service is being redesigned to focus on accommodation solely for use by children in care and care leavers delivering an additional 6 homes for children in care and care leavers along with additional emergency access accommodation for those 16- and 17-year-olds who require a joint assessment.
6. Data and evaluation of the current service has shown that a service for homeless young people can be provided in an alternative format whilst providing a more cost-effective solution, this is being progressed by the council's Strategic Housing Team and will deliver accommodation options for 13 young people in properties located in Hereford City and Ross.

7. Children in care and care leavers using this service will be aged 16-25 who may have experienced trauma and/or adverse childhood experiences. They may also have multiple vulnerabilities including chaotic and high-risk lifestyles which include substance misuse, mental health needs, antisocial or challenging behaviour, offending history and vulnerability to criminal or sexual exploitation.
8. 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 availability of additional local supported accommodation in the county will enable additional vulnerable young people to remain close to their local connections and supports the council's commitment as a corporate parent.
9. The successful provider will be required to provide sufficient properties (1 and 2 bedroomed self-contained flats) to accommodate a minimum of 16 young people to deliver this contract, this includes 2 single occupancy flats that will be used as emergency provision. The accommodation must be available in Herefordshire in locations that offer good transport links, access to education and employment opportunities for young people. The support provider will be required to enable integration of support and provide for a 24-hour staffing presence.
10. 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.
11. The service will also provide housing management to promote all young people's capacity to manage their own tenancies in the future.
12. The service will also deliver floating support up to 12 months for those young people who have secured move on into independent tenancies in the community to ensure any risk of future tenancy failure is mitigated against.
13. The service will:
 - a) Enable the accommodation and support needs of children in care and 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 councils 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.
14. The tailored support aims to foster independence and support development of life skills to support young people moving towards independent living and managing a tenancy. The service must collaborate with local statutory and voluntary partners to provide opportunities for young people to access education, training, work experience, and employment.
15. In April 2023, The Supported Accommodation regulations brought new national standards and Ofsted regulatory oversight into law. From 28 October 2023 it became an offence for any supported accommodation provider (where a looked after child aged 16 or 17 is living) to not be registered with Ofsted. There will be a requirement for any new provider to have a registration in progress prior to contract award.

16. Referrals to the accommodation service will come exclusively via the Children and Young People service's Home Finding Team.
17. This service will support a mix of young people with a variety of need. Appropriate matching of needs will be a consideration for children's services and the provider when placing young people.
18. 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.
19. In addition to improving outcomes for the young people who will access this service, the proposed approach could deliver significant cost avoidance for the council. At the time of composing this report there are 19 young people aged 15-17 in a children's residential setting at an average cost to the council of £6,189.74 per week. Where part of the young person's pathway plan using this service as a step-down option to independence could deliver significant cost avoidance of up to £5,682.11 per person per week.
20. In addition to the anticipated reduced direct cost of the placements, there will also be benefit to staffing resource efficiency, as the number of placements out of county will be reduced thus reducing time required to familiarise staff with other areas, providers and services in those areas, and travel.
21. 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

22. 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.
23. The service contributes to achieving the council's Corporate Parenting Strategy 2025-2027. This strategy sets out the corporate responsibility to be loving, caring and aspirational for all children and young people who have been in the council's care up to the age of 25. Our ambition to be good corporate parents goes far beyond any laws. We have a moral, social and economic responsibility, as public services, civil society, local communities and wider society, to work together to equip and empower our care experienced children and young people to succeed and thrive. At its heart, corporate parenting means always asking ourselves "would this be good enough for my child?"
24. Herefordshire Council Plan 2024-2028 sets out how the council will make its contribution to achieving a better and more successful Herefordshire and is the beginning of a much longer ambition that is centred on the drive for improvement. We want to deliver the best for Herefordshire in everything we do. The plan contains information on the priority areas which includes people. We will enable residents to realise their potential, to be healthy and to be part of great communities who support each other. We want all children to have the best start in life.

25. 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.
26. Services will be aligned to ensure that people receive additional support from external providers, where risks are identified to people's health. This will include input from substance misuse recovery services and mental health providers.
27. 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

28. The provision of accommodation in county will be of benefit to staffing resource efficiencies and will reduce the environmental impact of travel time for professionals working with the young person as the number of placements out of county will be reduced.
29. 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

30. 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.
31. The mandatory equality impact screening checklist has been completed for this decision, and it has been found to have high impact for equality.
32. 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.
33. 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

34. Although this decision may have a negative impact as noted in the EIA, we plan to mitigate this by:
- a) Should a child found 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 provide training for staff 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

35. The maximum cost of the initial 36-month contract term is **£423,480** a year or **£1,270,440**.
36. The contract will contain an option to extend for 2 plus 2 years (subject to funding availability, satisfactory performance and demand). This extension has been costed at up to **£1,770,936** for the 48-month period (each extension option period also contains a discretionary uplift of 3%).
37. If all contract extensions are used this means a total contract cost of **£3,041,376**
38. The cost will be met through Children and Young People's revenue budget, on the principle of cost avoidance.
39. 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 and eligibility under housing benefit regulations.
40. 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 with the exception of vacancies that have been unfilled for more than two weeks.

Revenue or Capital cost of project (indicate R or C)	2026/27	2027/28	2028/29	Future Years	Total
R	423,480	423,480	423,480	£1,770,936	£3,041,376
TOTAL					

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2026/27	2027/28	2028/29	Future Years	Total
Base Budget	423,480	423,480	423,480	£1,770,936	£3,041,376
TOTAL					

Revenue budget implications	2026/27	2027/28	2028/29	Future Years	Total
	423,480	423,480	423,480	£1,770,936	£3,041,376
TOTAL					

Legal implications

41. This report authorises the commissioning of services by the cabinet member in accordance with the Council's contract procedure rules.

Risk management

42. The risks associated with the provision of housing-related support for children in care and care leavers have been assessed and are being managed in accordance with the council's Risk Management Strategy. Oversight of service delivery and associated risks will continue through established contract management and directorate governance processes, supporting the council's commitment to safeguarding and service quality.

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.	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 to enable them to learn the skills for independent living in mainstream accommodation.
There is a requirement for a provider to deliver sufficient properties in a city centre location from which to deliver this service. This could result in properties being provided in different parts of the city.	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.
The council will be required to underwrite costs of any extended vacancies within the service.	There is very little possibility of significant vacancies. The accommodation needs of children in care and care leavers in Herefordshire are subject of regular

Risk / opportunity	Mitigation
	placement panel meetings, this approach supports management of vacancies.
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 and partners, 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

Consultees

43. Engagement is ongoing with key stakeholders including the current provider to gain their view on development opportunities for the services.
44. 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.
45. A political group consultation was held on 9 June 2025. Questions were raised in relation to:
- Property requirements
 - Ofsted and eligibility of providers in relation to housing benefit
 - Cost avoidance
 - Contract monitoring and mechanisms used to maintain oversight including outcomes for young people using the service and financial oversight of commissioned spend
 - Interaction with children's social care in relation to ongoing support provided to young people
 - Voices of children and young people to inform the service specification, involvement in tender and ongoing involvement to ensure service meets outcomes.
 - Options to further develop similar services including potential to invest in council owned properties and /or deliver services in house.

All questions were responded to and no changes were made to the decision as a result of these.

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	Danial Webb	Date 23/05/2025
Finance	Click or tap here to enter text.	Date Click or tap to enter a date.
Legal	Sean O'Connor	Date 06/05/2025
Communications	luenne featherstone	Date 07/05/2025
Equality Duty	Click or tap here to enter text.	Date Click or tap to enter a date.
Procurement	Click or tap here to enter text.	Date Click or tap to enter a date.
Risk	Click or tap here to enter text.	Date Click or tap to enter a date.

Approved by Click or tap here to enter text. Date Click or tap to enter a date.