

**Open Report on behalf of Janice Spencer OBE,
Interim Director - Children's Services**

Report to:	Executive
Date:	01 October 2019
Subject:	Commissioning of Supported Accommodation: Children's Services
Decision Reference:	I018688
Key decision?	Yes

Summary:

The Council has a statutory duty to ensure Looked After Children up to the age of 18 are accommodated appropriately; to support Care Leavers to access suitable accommodation up to the age of 21; and to assess the needs of homeless 16-17 year olds in their area and ensure they have access to suitable accommodation where applicable.

Lincolnshire County Council's Children's Services currently commissions a Youth Housing Service from the Lincolnshire Support Partnership which ends on 30 June 2020 and cannot be extended. The annual value of this contract is £989,485. Children's Services separately spot-purchases placements (known as Intense Needs Supported Accommodation (INSA)), as well as directly providing an in-house service, for Looked After Children (LAC) and Care Leavers whose intense needs are so high that they cannot be met by the current Youth Housing Service contract. A review of these services has been conducted and the findings are set out in this report.

The increasingly complex needs of young people requiring supported accommodation means that any re-commissioned Youth Housing Service must better support these complexities and reduce the need to spot purchase expensive placements. The Youth Housing Service must allow more young people to stay living in Lincolnshire, work in a more integrated way with the Council's in-house support and provide step-up/step-down options as people's needs change.

Additional hours of support will be required from the Youth Housing Service to help young people with more complex needs. An indicative contract value of £1.613m is recommended to allow sufficient funding to deliver the new proposed service model. It is proposed that the additional £660,000 is funded by moving this amount from the budget currently used to pay for the spot purchased placements. Overall the Council should expect to see a reduction in its expenditure as fewer spot purchased placements are needed and young people's needs are met by the Youth Housing Service and in-house support.

Lincolnshire County Council also commission Housing Related Support Services for adults through the Public Health team. These services are provided by a number of different providers. These contracts comprise of:

- Emergency accommodation based support (3 months support with accommodation)
- Non-emergency accommodation based support (6 months support with accommodation)
- Floating support (up to 6 months support without accommodation)
- Rough Sleeper Street outreach (up to a maximum of 18 months support)
- Domestic Abuse refuges (up to 6 months)
- Mental Health Crisis houses (up to 10 days support)

These contracts are also due to end on 30 June 2020, with the exception of Floating Support and Street Outreach. These services all work together to form one structured model of support for people who are currently homeless or at risk of losing their home. The support helps people with their immediate housing need and to regain or sustain their independence.

These services will be addressed via the Adults and Community Wellbeing Scrutiny Committee on 4 September 2019.

This report therefore focuses on the re-commissioning of the Children's Services Youth Housing Service and the overall Supported Accommodation offer for young people.

Recommendation(s):

That the Executive:

1. Approves the proposed model, as detailed in Section 3 of the Commissioning Plan (Appendix A).
2. Approves the procurement of a new Youth Housing Service through an open competitive tender from 1 July 2020 for a contract term of three years plus the option of extending for a further two years.
3. Delegates to the Executive Director for Children's Services in consultation with the Executive Councillor for Adult Care, Health and Children's Services, authority to take all decisions necessary to conduct the procurement process up to and including the award and entering into of the contract.

Alternatives Considered:

1. Do Nothing: The current contract ends on 30 June 2020 and cannot be extended further and would risk legal challenge if not opened up to competition. Therefore this option has been discounted.
2. Decommission: The current Youth Housing Service would end. Given the

statutory duties upon Children's Services, this option has been discounted.

3. In-sourcing: This would require the Council to lease or acquire appropriate premises for a large number of units to provide the adequate capacity to meet demand. This would also have significant TUPE implications for the Council. The cost of undertaking this option would far exceed the available budget and for this reason it has been discounted.

Reasons for Recommendation:

- To undertake a procurement exercise will allow the Council to test the current Supplier marketplace and select the most economically advantageous tender.
- The proposed integrated model offers the potential for step-up and step-down provision within the same service to fully respond to the changing needs of this cohort of young people.
- The proposed integrated model promises efficiencies against current spot-purchase methodology for Intense Needs Supported Accommodation.
- The proposed model will enable the vast majority of supported accommodation to be delivered in county, which will enable Lincolnshire young people to access local services and supports the Children's Services workforce by reducing the requirement to travel out of county to undertake statutory reviews.

1. Background

The Council has a statutory duty to ensure Looked After Children up to the age of 18 are accommodated appropriately; to support Care Leavers to access suitable accommodation up to the age of 21; and to assess the needs of homeless 16-17 year olds in their area and ensure they have access to suitable accommodation where applicable.

Children's Strategic Commissioning has reviewed the future requirements of supported accommodation services for young people in Lincolnshire. The full Commissioning Plan for the review is attached at Appendix A and sets out key findings from the review, detailing the proposal of a new integrated model of service delivery.

The Commissioning Plan was presented to Children's Services Executive Directorate Leadership Team in June 2019 who agreed with the recommended option to re-procure the Youth Housing Service by means of competitive tender for the proposed service model.

Current Arrangements for Supported Accommodation

The current arrangements for supported accommodation in Children's Services for young people in Lincolnshire consist of three main elements:

1. The Youth Housing Service

Lincolnshire County Council's Children's Services currently commissions a Youth Housing Service from the Lincolnshire Support Partnership which ends on 30 June 2020 and cannot be extended. The current budget for the Youth Housing Service is £989,485 per annum and funds the support element only.

In the current service all 16-17 year olds who are homeless or at risk of homelessness, present to District Councils through the Single Gateway. If the Districts are unable to assist the young person to return home, they will complete an Early Help Assessment and refer to the Youth Homelessness Duty Desk at Lincolnshire County Council (LCC). Early Help teams then look to support the young person to explore other options. However if the young person remains at risk of homelessness they will be referred to the Youth Housing desk at Lincolnshire County Council to source a placement, invariably for that day.

Where young people's needs fall outside of the scope of Youth Housing, they may be referred to LCC Placements Desk to commission an Intense Needs Supported Accommodation (INSA) placement within an independent sector unregulated service, often out-of-county, or be referred to the in-house service.

2. Intense Needs Supported Accommodation

Children's Services separately spot-purchases placements, as well as operating an in-house service, for Looked After Children and Care Leavers whose intense needs are so high that they cannot be met by the current Youth Housing Service contract and/or are moving from Residential Children's Homes or Foster Care towards semi-independent living.

Spot-purchase arrangements tend to be more expensive because they are usually individual units of accommodation with little or no opportunity to share resources. Numbers and therefore expenditure can vary for those with intense needs from year to year with £2.4m spent in 2017/18 and £1.4m in 2018/19. Accommodation also tends to be out-of-county making re-integration into Lincolnshire that much more difficult for the children and young people, as well as presenting problems for Social Workers and Leaving Care workers in terms of keeping in touch with young people.

3. In-House Provision

In addition, there is an in-house supported accommodation unit in Grantham (Denton Avenue), offering five beds - made up of a 2 and 3 bed property - with a 1:5 staffing ratio 24/7 (sleep in only, not waking nights), which opened in July 2018. It is currently being used for short term placements of up to six months to stabilise Looked After Children in transition and prepare them for independence. The majority of the client group during 2018-19 were from residential care, with some from foster care. A similar unit is due to be opened in Gainsborough (Rowston Close) in September 2019 and will offer a further five-bedded unit, thus increasing the in-house provision to 10 units across the two sites.

Strategic Needs Analysis

As part of the service review, a detailed strategic needs analysis has been completed and is included as an appendix to the Commissioning Plan (Appendix A). The following key findings from this analysis have also been built into the proposed model:

- The analysis showed that accommodation needs to be available in areas which offer good transportation links across the county, promise opportunities for education, employment and training, and are close to where homeless young people may present. Service delivery is currently focused on three main 'hubs' – Lincoln, Grantham and Boston – with the overwhelming majority of accommodation units (50+) provided in Lincoln.
- Services should be geared towards encouraging young people to return home (wherever it is safe to do so) by maintaining links with family and, where this is not possible, ensuring an appropriate length of stay by developing and improving independent living skills so young people are equipped to 'move-on' at the right time, in a planned manner.
- Any re-commissioning of Youth Housing services needs to deliver a more integrated set of accommodation options that meets more complex needs and can offer step-up, step-down possibilities within Lincolnshire to young people accessing such accommodation and complement the in-house offer at Denton Avenue (Grantham) and Rowston Close (Gainsborough).

Stakeholder Engagement

From April to August 2019, a number of engagement events have taken place, centred around the proposed integrated model and seeking feedback on current service delivery and experiences. A wide range of stakeholders have participated including service users, suppliers from the marketplace (including the incumbent supplier), District Councils, Health colleagues, Lincolnshire Police, Mental Health services, Lincolnshire Leaving Care Service and education providers, as well as a number of internal stakeholders such as the Virtual School, Social Care and the Futures4Me service. Throughout these sessions, the following key points have emerged and have also been considered as part of the service redesign:

- The approach of the Single Gateway was highlighted as working exceptionally well across the county, and provided District Councils and Children's Services with the opportunity to work collaboratively to address youth homelessness issues and ensure young people could access the right accommodation and support, where necessary, in a timely manner.
- It was noted that for the proposed model to be viable and respond to the needs of a more complex cohort of young people there would be a higher level of funding required to increase support hours.
- It was recognised that the reconfiguration of provision - delivered from 3 main hub areas (i.e. Lincoln, Grantham and Boston) - had worked well and allowed for the contract, operationally, to be managed more effectively.
- All of the young people spoken to within the current Youth Housing contract stated that they were satisfied with the service and the support they received. They placed particular importance on 'having a place to live', their

own physical health, being financially independent and making sure they had a plan for the future. They placed a real value on friendships and relationships made in the projects with their peers, and the relationships they had developed with the staff at the projects and where they'd be given a choice of where to live.

- One of the main concerns raised during all events was around transitions and the scarcity of move-on accommodation across the county.

Proposed New Service Model

The new proposed model (fully set out in Appendix A, Section 3) will operate in a similar way to current arrangements, using the single gateway as the referral mechanism with support continuing to be commissioned across three main hubs – Boston, Grantham/Sleaford, and Lincoln/Gainsborough.

There is no change to the age of the eligible cohort. The focus of the supported accommodation model will continue to be on homeless (or at risk of homelessness) 16-17 year olds, Looked After Children, and Care Leavers (up to the age of 21-years).

Currently, there are 71 units of supported accommodation commissioned within Youth Housing, with a further five available through the in-house provision at Denton Avenue and five more due to commence at Rowston Close. Over the past 12 months, there has been an average occupancy across all supported accommodation of 82 units. The new model proposes to commission 72 units of supported accommodation in the new Youth Housing contract, alongside the 10 units of in-house unregulated provision available.

Additional hours and, accordingly, funding is proposed to be added to the Youth Housing Service contract going forward to increase support hours for intense needs (see Appendix A, Section 3 for full details). The proposed model will therefore incorporate a more integrated set of accommodation options that meets all levels of need and offers step-up, step-down possibilities within Lincolnshire to young people accessing such accommodation and complement the in-house offer at Denton Avenue (Grantham) and Rowston Close (Gainsborough).

It is anticipated that these changes will, in effect, largely eliminate spot-purchase of INSA placements; however, a much reduced budget is proposed to remain in situ to support care leavers looking to retain links to family or networks of support through out-of-county supported accommodation placements, the majority of which, from past experience, tend to be low-level in terms of needs and expenditure.

Financial Implications

It is envisaged that a transfer of £660,000 (full year equivalent) from the INSA budget to the Youth Housing budget will be necessary in 2021/22 (£495,000 in the initial year of the contract in 2020/21). This will allow an indicative tender value of £1.613m to be presented to the marketplace, with contingency in the budget to cover void payments.

The total forecasted spend (see Table 1), including in-house options, in the first full financial year of the new arrangements is c. £2.175m; this would be a saving of c. £0.182m against 2018/19 spend (£0.757m against 2019/20 budget) with the added benefits of reducing out-of-county provision (except where positively requested) and associated travel time, and costs thereof, for social workers or leaving care workers. It also retains the young person's connection to Lincolnshire and eliminates complications with delivery of other wrap-around services e.g. CAMHS etc. if they were to move across county borders.

Other financial benefits include the continued expected savings from the in-house unregulated supported accommodation which specialises in accommodating young people in transition from out-of-county residential and/or foster care placements and reintegrating them into Lincolnshire, reconnecting with family and networks of support. The first eight months of operation at Denton Avenue, Grantham, have seen c. £350,000 of savings/cost avoidance. For example, 'Child A' moved to Denton Avenue in August 2018 from a £3,150 per week out-of-county residential placement, saving a total of £55,787 on that individual placement after allowing for the cost of the Denton Avenue provision.

Risks and Dependencies

The key risks and dependencies are:

- The level of interest within the marketplace for Youth Housing services is somewhat limited. INSA providers prefer to operate a model predicated on solo placements.
- The change in the nature of the Adults Housing Related Support contract may reduce economies of scale for providers working across both areas.
- The availability of move-on accommodation and other supported accommodation services remains a concern and this may be exacerbated by any decision to reduce or remove accommodation based support within the Adults contracts. It is imperative therefore that any successful bidder is able to call upon significant resources in such respects.
- On-going risks linked to costs and legislation, namely the impact of increases in the National Minimum Wage during the lifetime of the contract in an employee-intensive service and/or (potential) changes to regulations regarding Housing Benefit.
- Volatility in the numbers requiring supported accommodation and potential impact on issues like voids, capacity, spot purchase costs etc.
- Interdependency with the in-house unregulated supported accommodation to co-ordinate and match placements effectively.

Overview of financial implications for remodelling and out-sourcing the Youth Housing Service from July 2020

The indicative budget required for the new Youth Housing contract will be £1,613,000. This is £623,000 above existing budget. In order to cover voids and unforeseen payments which a corporate parent may need to meet, a further c. £37k will be required, bringing the budget to around £1,650,000. This will

necessitate a transfer of £660,000 to the Youth Housing budget from the INSA budget.

It is envisaged that by moving INSA provision into the Youth Housing contract using the pathway illustrated in the Commissioning Plan (Appendix A, Diagram 2), the model outlined will save c. £0.182m (see Table 1) against current expenditure, and £0.757m against 2019/20 budget, in the first full financial year (2021/22) of the new Youth Housing contract.

Service	18/19	19/20 Forecast	20/21 Forecast	21/22 Forecast
Youth Housing	£965,000	£990,000	£1,458,000	£1,613,000
Spot Purchase	£1,274,000	£934,000	£355,000	£150,000
In-House	£118,000	£317,000	£412,000*	£412,000*
Totals	£2,357,000	£2,241,000	£2,225,000	£2,175,000
Efficiencies (18/19 spend)		-£116,000	-£132,000	-£182,000
Efficiencies (19/20 budget)		-£691,000	-£707,000	-£757,000

* This figure includes the proposed cost of 1x FTE Homes Manager for Denton Avenue and Rowston Close.

2. Legal Issues:

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation
- Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:
 - Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
 - Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having

due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision making process.

The Equality Impact Assessment for the Youth Housing Review is attached at Appendix B. It highlights the following:

- A potential adverse impact on those young people aged 18yrs who are not LAC or Care Leavers in the requirement to facilitate move-on from the service. This will be mitigated by offering extensions of stay where all other options have been exhausted.
- A positive impact for young people with disabilities with regard to expanding the service to meet the complex needs of young people and retain support networks and access to services in Lincolnshire.
- A positive impact for BME young people through the retention of specialist services for Unaccompanied Asylum Seeking Children within another contract.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

The Council must have regard to the Joint Strategic Needs Assessment (JSNA) and the Joint Health & Well Being Strategy (JHWS) in coming to a decision.

The following themes under the Children and Young People topic of the JSNA are relevant to the proposed new service model:

Educational Attainment

By providing homeless young people aged 16-17yrs or LAC/Care Leavers in transition to independent living with supported accommodation, the service offers stable accommodation and support to assist young people to maintain educational placements and achieve within them. It will also support young people to access training and employment opportunities where applicable.

Looked After Children

As one of the key cohorts of young people accessing provision, the service will support young people on their road to independence, helping them to develop independent living skills in a suitable, and safe, supported accommodation environment.

Maternal Health and Pregnancy

The new service will include the requirement to be able to provide accommodation to pregnant young women, and young people with children, offering dedicated support as they start parenthood.

Mental Health & Emotional Wellbeing

The new service will ensure young people are not homeless, a known contributor to poor mental health and emotional wellbeing. Dedicated keyworkers will support young people to manage their mental health and emotional wellbeing, signposting to complementary services where appropriate. Young people will also be able to readily access support from their peers who may have experienced situations similar to their own.

Special Educational Needs and Disabilities

The new service will continue to offer supported accommodation to young people with SEND, including those with an Education Health and Care Plan, working with the Virtual Schools and SEND service to support young people appropriately.

Young People in the Criminal Justice System

The new service will work closely with the Council's Futures4Me team to provide appropriate support to those young people involved, or at risk of involvement in, the criminal justice system as well as providing accommodation options for some young people leaving the criminal justice system.

The following themes under the Children and Young People topic of the JHWS are relevant to the proposed new service model:

Mental Health & Emotional Wellbeing (Children and Young People)

As above, the new service will ensure young people are not homeless, a known contributor to poor mental health and emotional wellbeing. Dedicated keyworkers will support young people to manage their mental health and emotional wellbeing, signposting to complementary services where appropriate. Young people will also be able to readily access support from their peers who may have experienced situations similar to their own.

Physical Activity

The new service will provide dedicated keyworkers to support young people to build independence and work towards a healthy lifestyle. Working closely with relevant partners and agencies, such as the Positive Futures team, young people accessing this service will be encouraged to take up suitable physical activities on offer to them.

Housing and Health

A requirement of the new service will be to provide safe, good quality housing and housing related support to young people aged 16-17yrs and Care Leavers up to the age of 21. The support work will ensure those young people aspire to have a healthy lifestyle and in practical terms, will support them to access universal and specialist health provision, as required.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting

the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

The provision of supported accommodation to young people who are homeless, or at risk of homelessness, and/or transitioning from care to independent living will help to provide a safe and stable environment for such young people to avoid becoming street homeless, and the prospect to access support to enter or maintain education, employment and training opportunities and move away from the lure of criminal activity.

The service will be directed to support young people to engage in meaningful activities within the provision itself to help stay away from engagement in anti-social behaviour or similar activities.

It will also be required to engage with partner organisations such as the Police, substance misuse agencies, and health etc. to facilitate access to or deliver a range of educational programmes to young people about the dangers of criminal activity, substance misuse, unhealthy relationships etc.

3. Conclusion

The proposed commissioning approach for the Youth Housing Service will provide the opportunity to undertake a procurement exercise, thus allowing the Council to test the current Supplier marketplace and select the most economically advantageous tender, providing the Council with the best value for money.

The proposed integrated model promises efficiencies against current spot-purchase methodology for Intense Needs Supported Accommodation and will enable the vast majority of supported accommodation to be delivered in county, which will enable Lincolnshire young people to access local services and supports the Children's Services workforce by reducing the requirement to travel out of county to undertake statutory reviews.

The proposed integrated model also offers the potential for step-up and step-down provision within the same service to fully respond to the changing needs of this cohort of young people and supporting them to achieve their full potential and outcomes.

In summary, the recommendation is to procure the new service model through an open competitive tender with an indicative budget of £1.613m. It is recommended that a contract be awarded for 5 years (3+ a maximum of 2 years extension). The new contract would commence on 1 July 2020.

4. Legal Comments:

The Council has a duty to provide accommodation to the statutory cohort identified in the report as being covered by the proposed contract. The other legal issues to which the Executive must have regard are dealt with in the report.

The decision is consistent with the Policy Framework and within the remit of the Executive.

5. Resource Comments:

The recommendation in the report to undertake a procurement exercise for supported accommodation will enable the Council to meet its duty in supporting 16-17 year olds (and up to the age of 21 for care leavers) who are homeless or at risk of homelessness. The proposed integrated model builds on from the recent transformational work, which created a new accommodation pathway for young people.

The recommendation will ensure value for money by providing more suitable and cost effective accommodation. In addition, the proposed approach will facilitate more opportunities for step-up and step-down provision within the same service to respond to changing needs of young people. It is anticipated that financial efficiencies will be secured through the proposed model when comparing to the existing base budget.

The transition to the proposed optimum model will be carefully managed operationally (including the financial impact). It must be noted that it is a demand-led service, therefore numbers and complexities of young people will be closely monitored throughout this period.

6. Consultation

a) Has Local Member Been Consulted?

N/A

b) Has Executive Councillor Been Consulted?

Yes

c) Scrutiny Comments

The Children and Young People Scrutiny Committee will consider this report at its meeting on 6 September 2019. Comments from the Committee will be reported to the Executive.

d) Have Risks and Impact Analysis been carried out?

Yes

e) Risks and Impact Analysis

The Equality Impact Analysis is attached at Appendix B.

7. Appendices

These are listed below and attached at the back of the report	
Appendix A	Commissioning Plan
Appendix B	Equality Impact Analysis

8. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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