

DECISION-MAKER:	CABINET		
SUBJECT:	POST 16 SEMI-INDEPENDENT ACCOMMODATION AND SUPPORT		
DATE OF DECISION:	14 NOVEMBER 2017		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SOCIAL CARE		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>This report seeks approval for procurement of post 16 semi-independent accommodation and support in partnership with a number of neighbouring authorities. The proposed procurement links to the recent Housing Related Support (HRS) tender, which was outlined and agreed in a Cabinet report dated 19 October 2016. The post 16 semi-independent accommodation and support element of the procurement was separated from the HRS tender in order to seek greater opportunities for efficiencies and the development of market interest by commissioning with other local authorities. The proposed procurement will help to ensure we are meeting our sufficiency duty by expanding the range of accommodation and support options available for young people whilst ensuring compliance with the Council's Contract Procedure Rules (CPRs).</p>			
RECOMMENDATIONS:			
	(i)	To approve the recommendation to proceed with the collaborative procurement of post 16 semi-independent accommodation and support.	
	(ii)	To delegate authority to the Director of Quality and Integration, following consultation with the Cabinet Member for Children's Social Care, the Chief Executive and the Council's Chief Financial Officer, up to and including entering into contracts following award for the development and delivery of these services.	
REASONS FOR REPORT RECOMMENDATIONS			
1.	There is a requirement to commission accommodation and support services to comply with procurement rules to avoid having to spot purchase provision over and above current HRS contracts.		
2.	The proposed collaborative approach will enable the Council to access a wider range of providers who are able to deliver a range of accommodation and support options for young people whilst providing good value for money.		

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	<p>The following options have been explored:</p> <p>Option 1 - continue to spot purchase provision. This requires no up-front effort and/or market development to expand the range of possible housing support solutions to young people. It may be possible to negotiate better value on a case by case basis. However, the risks of this approach are:</p> <ul style="list-style-type: none"> • spot purchasing is not-compliant with procurement regulations or the Council's own CPRs, • relies on informal provider relationships, • it does not fix the price paid for accommodation so this may be inflated by the provider without notice or warning, • it provides low levels of quality assurance around standards, and • there is little scope to influence the provision that we want for these young people from existing or potential new providers.
4.	<p>Option 2 – Procure a Southampton City Council specific solution: This approach would provide a formalised relationship with one or more provider(s), addressing the risks associated with Option 1. However, the Council's demand for this type of provision is limited and, as such, the limited purchasing power the Council would have on its own in the market, may not be able to generate sufficient interest/response to a tender or leverage best value, especially compared to a collaborative procurement involving several neighbouring authorities.</p>
DETAIL (Including consultation carried out)	
5.	<p>In October 2016, Cabinet / Council agreed to the procurement of a range of HRS for young people and adults. The procurement was based on a review of services and a range of new provision has been commissioned to deliver a more flexible pathway of housing related support services to support vulnerable young people who are homeless, or at risk of homelessness, including 16-17 year olds and care leavers.</p>
6.	<p>In order to improve placement choice and quality, Southampton City Council split the services into the following Lots which form the four new existing HRS contracts:</p> <ul style="list-style-type: none"> • Lot 1 - Housing and Flexible Floating Support for Young People (YMCA) • Lot 2 - Housing Support for Young People, Young Parents and a Flexible Floating Support service (Two Saints) • Lot 3 - Hostel Support to Young People (YMCA) • Lot 4 - Supported Lodgings Service (Step by Step)
7.	<p>These four new contracts started on July 2017 and provide 162 units of accommodation with additional floating support for 50 young people.</p>
8.	<p>However, the commissioning review that shaped this procurement also highlighted that for some groups of young people there was a need for more</p>

	<p>intensive levels of support and tailored accommodation. This applied to a range of young people with more complex needs. These included:</p> <ul style="list-style-type: none"> • Children in care aged 16-17 years, • Young people leaving care, • Unaccompanied asylum seeking children (UASC), • Young parents with higher needs.
9.	<p>This type of accommodation is currently being spot purchased in addition to the HRS contracted services. Whilst this element of housing provision was initially scoped as part of the HRS procurement, it was separated as a result of scoping discussions with other Local Authorities that opened up the potential for a collaborative approach that would provide greater opportunities for developing the market and securing more competitive bids in terms of both price and quality. It became apparent that numbers were small in individual local authorities so a collaborative approach would achieve greater efficiencies in the purchase and development of services.</p>
10.	<p>The other Local Authorities currently interested in collaborating with Southampton on this procurement include: Bournemouth, Dorset, Hampshire, Poole and Portsmouth. A project group has been established to analyse the needs across the six areas and progress the tender. All of these local authorities are interested in procuring a framework of semi-independent accommodation and support for young people with complex support and housing needs.</p>
11.	<p>A joint needs assessment and scoping work has indicated that a framework approach across the six Local Authorities would provide a range of semi-independent accommodation that offer more intensive and tailored levels of support. The focus is to offer options that would replace current high cost placements for those young people with the most complex needs, thereby reducing the cost, as opposed to an alternative to lower cost options, such as HRS contracts. It is anticipated that there would be four cohorts of young people that would form the Lots under a framework contract:</p> <ul style="list-style-type: none"> • Lot 1 – 16-17 year old children looked after and UASC with floating support • Lot 2 – care leavers aged 18 - 21 years • Lot 3– highly complex young people • Lot 4 – young parents with higher needs <p>It is also envisaged that, in providing accommodation that supports a greater level of independence whilst still meeting complex needs, this will help young people in these cohort groups to more successfully prepare for the challenges of independent adult life. This would better meet our aspirations and obligations as a corporate parent to these young people.</p>
12.	<p>A market warming/provider engagement event was held on 16 October 2017 to ascertain and stimulate the levels of interest in the market, and have an informed discussion to develop the most cost effective services to support vulnerable young people towards independent living. Overall there was a positive response to the tender opportunity and providers outlined some</p>

	useful points to consider when developing the tender and suggestions about the possible Lots.
13.	<p>Analysis to date for Lot 1 has demonstrated that there is a small but significant level of need for intensive and tailored accommodation and support for young people in care aged 16-17 years that provides a higher level of support than the existing HRS contracted services. Where appropriate, and based on a clear assessment of their needs, young people who are looked after aged 16-17 years could be supported to live more independently (i.e. in supported lodgings) rather than in a fostering or residential placements. It is important to note that the quality and suitability of these types of providers and checks on the standards of accommodation would be assured through the procurement process and subsequent contract monitoring processes. In Southampton it is estimated that there would be approximately 6-7 young people aged 16-17 years¹ at any one time whose needs might best be met by this type of accommodation and support. Immediate financial savings for the local authority will become clear through the tender process, but, based on our knowledge of supported lodgings costs for this cohort, weekly costs would be in the region of £350 per person rather than an average spend of £800 per week for a young person in an Independent Fostering Agency (IFA), thus offering a saving on each placement. If we extrapolate these figures over the year, spend would be in the region of £18,000 per young person and not £40,000 as is the case with IFA provision. Longer term, placements that better meet the needs of young people increase their chance of successful transition to independent adult life, both as a young person and once they become parents themselves.</p>
14.	<p>Analysis of the demand for Lot 2 shows that Southampton currently spot purchases accommodation with tailored support for five care leavers whose needs are not met by our contracted HRS provision. Future demand with low numbers is hard to predict, and could be higher or lower than this at any given time. This provision is currently being spot purchased for 3 care leavers at a cost of £63,000 per annum. It is expected that by going through a procurement process it would not only offer a greater range of provision and choice for young people, thus meeting our sufficiency duty, it would also offer fixed costs at a reduced rate and ensure that the Council is compliant with CPRs. The procurement would also ensure that all provision is quality checked, safe and appropriate for the needs of individual young people in this cohort.</p>
15.	<p>Analysis of the need for Lot 3 indicates that there are approximately 10 Unaccompanied Asylum Seeker Children in Southampton's care; some of whom are in fostering placements either in-house or through IFA placements. One is in a specialist provision out of the area. Whilst we anticipate that most Unaccompanied Asylum Seeking Children and young people would just need specialist floating support (under Lot 1), we also expect some would need more complex accommodation solutions as they are a group with diverse needs. . This makes it difficult to predict the demand for this specific Lot but in 2016/17, the total cost of the placements was £235,238 of which £192,892 was claimed back leaving £42,346 as a</p>

¹ As at end of Q1 2017/18 there were 73 in care aged 16+.

	<p>pressure in the year that the Council had to cover. The level of this pressure could rise as the number of children increases through national dispersal of young people in this situation into Local Authority's care without full funding of the costs of their care. There is another group of young people with complex housing support needs (approximately 1-2 per quarter). The cohort would include young people who are 16-17 years and who have left secure accommodation at the end of a custodial sentence or who are awaiting court and likely to have a custodial sentence. It might also suit young people who have been repeatedly evicted from other shared / semi-independent provision. The demand is difficult to predict but based on the average costs of the 6 children in secure units at approximately £3,000 per week each, the forecasted cost of these 6 for the year is £167,000.</p>
16.	<p>For Lot 4 – It has been indicated that there is a need for specific provision for young parents, but further work needs to be undertaken after stakeholder engagement to accurately assess the level of demand and the nature of their needs. Arrangements that better meet the needs of this complex group of young people and their children could help reduce their long term dependence on local authority support as independent parents, whilst also helping to ensure their children are protected from poverty. This will not only increase their chances of becoming successful independent adults for themselves and their children, but also should reduce the risk of family breakdown and their children coming into care.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
17.	<p>There is zero cost to implementing the framework contract, apart from officer time and the work undertaken by legal and procurement colleagues. Some project management resource has been offered by Bournemouth Borough Council and all participating authorities will share tasks associated with the project management of the procurement.</p>
18.	<p>It is expected that each of the lots will be part of a framework contract with no financial obligation from individual local authorities to call off services unless they are needed.</p>
<u>Property/Other</u>	
19.	<p>There are no Southampton City Council properties being offered for or impacted by this tender. Providers will be required to source their own accommodation as part of the tender.</p>
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
20.	<p>Section 1 Localism Act 2011 and various Local Government Acts. Any</p>

	procurement will be governed by EU procurement rules depending on value.
Other Legal Implications:	
21.	When carrying out any public functions the LA must have due regard to the public sector equality duty (PSED) under the Equality Act 2010. The LA must take into account a number of factors including the need to eliminate discrimination, harassment and victimisation, advance equal opportunity and foster good relations. The service user who will benefit from HRS are likely to be protected by the PSED and the Human Rights Act 1998 which has a similar duties to the PSED. In particular the protection under Article 14 the prohibition of discrimination and Article 6 the right to respect private and family life. If the proposals are likely to breach the European Convention on Human Rights the Council will need to examine any particular facts and determine if such a breach is justified and proportionate. The Council can take into account general economic and policy factors which have led the Council to conclude that the proposals are necessary. This though must be balanced against the impact on the service users.
22.	The LA has a statutory duty under Section 17 of the Crime and Disorder Act 1998 to have due regard to the likely effect of exercising various functions on crime and disorder and do all that it reasonably can to prevent crime and disorder in its area.
23.	The Council has set out how it has had due regard to its equality and safety duties in its Equality and Safety Impact Assessments (ESIAs).
24.	There is a range of legislation and guidance that supports the need for care leavers to access a range of suitable accommodation (Children Act 1989, The Children Leaving Care Act 2000, Housing Act 1996 (as amended) and the Homeless (Priority Need) Order 2002). These proposals directly support the Council in compliance with these provisions.
RISK MANAGEMENT IMPLICATIONS	
25.	The recommendations set out in this report will support the Council in the effective mitigation and management of financial and legal challenge risks associated with the Council's current procurement arrangements.
POLICY FRAMEWORK IMPLICATIONS	
26.	The recommendations in this paper support the delivery of outcomes in the current and refreshed Council Strategy, adopted at Full Council on 21 September 2016. It also contributes to the current City Strategy and the Health and Wellbeing Strategy.
27.	The recommendations support aims in the new Housing Strategy. In particular Housing Options and Support: <ul style="list-style-type: none"> • Southampton is a city with a range of housing options and support for people

	with additional needs.	
	<ul style="list-style-type: none"> • Southampton is a city which prevents homelessness and provides support for rough sleepers. • Residents have access to the right information, advice and guidance about housing options. 	
KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	ALL	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	None	
Documents In Members' Rooms		
1.	Equality and Safety Impact Assessment (ESIA)	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	