HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	23 March 2012
Title:	Supported Lodgings tendering approval
Reference:	3466
Report From:	Director of Children's Services

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1. Executive Summary

1.1. The paper seeks the approval of the Executive Lead Member for Children's Services to go to a joint external tender with Adult Services for Supported Lodgings in Hampshire, which will have a full contract value of up to approximately £3.4m over three years. The proposal to jointly commission this service is also subject to approval by the Executive Lead Member for Adults Services. This is due to be considered at their Decision Day on 27 April 2012.

1.2. This paper outlines the financial commitments for the current Supported Lodgings contract for 2011-2013 and the intentions for the next Supported Lodgings contract due to be awarded from April 2013 to March 2016.

2. Background:

2.1. Supported Lodgings provides young people who are looked after by Children's Services across Hampshire with safe and secure accommodation in conjunction with an element of support. The lodgings may be used as move-on from foster care, a residential children's home, a family environment or to prevent a young person becoming homeless or to place a young person as a result of homelessness.

2.2. In 2010 Children's Services tendered for a single contract for Supported Lodgings and by doing so the department has created significant efficiencies and has resulted in a more equitable provision for looked after children and care leavers across Hampshire aged 16+.

2.3. The current Children's Services contract for Supported Lodgings was awarded on the 1st May 2011. Since the start of the contract the provider has accommodated 86 young people either in care or young people leaving care,

with host families resulting in positive experiences for young people and providing them with suitable accommodation with support.

2.4. The current Childrens Services contract is due to expire on the 30th April 2013 with no option to extend.

2.5. The current partners; Hampshire Children's Services and Hampshire Supporting People, Adult Services made the decision to tender the contracts jointly. Supporting People currently have six contracts across the county totalling 61 bed spaces which are due to expire on the 31st March 2013. It was strongly felt that the two services would compliment each other if commissioned jointly.

2.6. By tendering the contracts jointly the intention is to create a joint service specification and combine Children's Services and Supporting People budgets to award a single contract. Supporting People and Children's Services will then share the contract monitoring and payment methods throughout the life of the contract.

2.7. The partners proposed the joint procurement of Supported Lodgings provision for the following reasons:

- To develop and improve services and outcomes for young people, through improved commissioning arrangements and joint investment.
- To ensure a strategic approach to planning and development, through shared work and learning;
- Working together would enable the two services to exploit scale economies in contract rates and reduce the cost of commissioning;
- To ensure greater equity and consistency of services for Supported Lodgings users across Hampshire

3. Contextual information

3.1. The Law Lords judgment: G vs. Southwark in May 2009 considered how Children's Services departments within local authorities support homeless 16 and 17-year-olds. The House of Lords Reiterated that the Children Act of 1989 has primacy over the Housing Act in providing for children in need. Following the judgement, guidance was given from the Department for Children Schools and Families to all local authorities on addressing their policies, procedures and provision for homeless 16 and 17 year olds. Particular points to be considered were:

- The need to ensure rigorous needs assessments
- Work to support young people to prevent homelessness
- The need for clear joint working protocols with housing services
- Ensuring a range of suitable accommodation

3.2. Since the ruling Hampshire County Council has made significant steps to address the points raised above. A protocol between Children's Services and all 11 district housing departments in Hampshire has been put in place and signed off by the Children's Trust Board, which clearly states the agreed local

arrangements between departments when assisting homeless 16 and 17 year olds and tendered for the current contract.

3.3. Supported Lodgings is key to addressing the range of accommodation available to young people facing homelessness, one of the recommendations from the Department for Children Schools and Families following the 'Southwark' ruling. Social Workers are able to use Supported Lodgings when accommodating young people as a result of them becoming homeless under Section 20 of the Children Act 1989 (i.e. as a result of there being no person who has parental responsibility, him/her having been lost or abandoned or the person who has been caring for him/her being prevented, whether or not permanently and for whatever reason, from providing suitable accommodation or care). Young people approaching Children's Services as homeless are now offered suitable accommodation with a host family through Supported Lodgings in or close to the area of choice. Previously this was not always possible due to the lack of foster carers available in the areas desired.

3.4. Using a supported lodgings placement is an alternative to using other high cost accommodation such as bed and breakfast accommodation, specialist supported accommodation, Residential Children's Homes and Independent Fostering Agencies in an emergency situation, which can be expensive and inappropriate.

3.5. Supported Lodgings can also be described as 'suitable accommodation' for looked after children who are 16 years and over and those who are care leavers. Children's Services monitor the accommodation provision through Key Performance Indicator data returns and it is to be expected that the percentage of looked after children and care leavers in suitable accommodation increase as a result of the supported lodgings contract.

3.6. Benefits of current contract arrangements have already been noted in recent Key Performance data where evidence shows a decrease in the percentage of use of bed and breakfast accommodation for looked after children, aged 16 and above. We anticipate these figures to continue to reduce, as Supported Lodgings develops.
(please see page 5, point 5.4 for figures)

4. Financial implications

4.1. The current Supported Lodgings contract negotiated during 2011/12 makes provision for 60 beds per night at a cost of £245.49 per week. The unit cost includes:

- Running costs to the provider, including support from the provider to the young person placed with them
- Host support cost
- Rent for the placement
- Full board food

4.2. This unit cost relates to Looked After Children accommodated through Supported Lodgings under the age of 18. This equates to approximately 50% of all young people in placement on the current contract.

4.3. 50% of young people currently placed on the contract are over the age of 18 and are able to claim state benefits, including housing benefit for the rent of their placement. Once a young person starts to claim benefits, Children's Services cease to pay the full costs of the placement, as the young person will be responsible for their rent and food costs. This brings the unit cost for all young people over the age of 18 placed on the contract down from £245.49 per unit to £145.49.

4.4. The reduction in the unit cost for 18+ is not reflected in the predicted full contract value, due to the difficulty in forecasting the number of 18+ that will be accommodated through this contract in the future. The estimated full contract value is set at the maximum spend the department would incur if all 60 beds were full throughout the length of the contract at the maximum unit cost.

4.5. Presently funding for the contract is held within social care teams under the Other Residential, Leaving Care or Family Support headings, depending on the legal status of the young person. In addition to generating sufficient appropriate provision for young people in need of supported lodgings, the contract aims to deliver savings across these budgets when compared with higher-priced alternatives, such as B&B accommodation, enabling the service to meet increasing demand pressures. As such the contract does not require additional funding, but is managed from within existing allocations.

4.6. The predicted annual spend for the Supported Lodgings contract starting in April 2013 is unlikely to increase. The intention is to keep the number of bed spaces the same, currently 60, as there is proved demand for this service.

4.7. There is an intention to seek efficiencies throughout the tendering process, taking advantage of joint commissioning with Supporting People in Adult Services.

4.8. The estimated contract value for Children's Services for 60 units for three years is £2.3m. There should not be any further financial implications to Children's Services, as the contract is financed within existing budgetary provision.

4.9. In addition to the £2.3m Children's Services will be contributing to the future contract, Adult Services are contributing £1.14m for 61 units for 3 years. This gives a total of 121 units of Supported Lodgings accommodation across Children's and Adult Services and a maximum amount of approximately £3.4m. There is a difference in the contribution from the two departments due to the additional expenses Children's Services are responsible for when accommodating Looked After Children.

4.10. The contract will be based on the total number of places available, allowing flexibility between the use of Children's Services and Adult Services places. This will help to ensure availability of accommodation and minimise the risk of paying for any voids due to underutilisation.

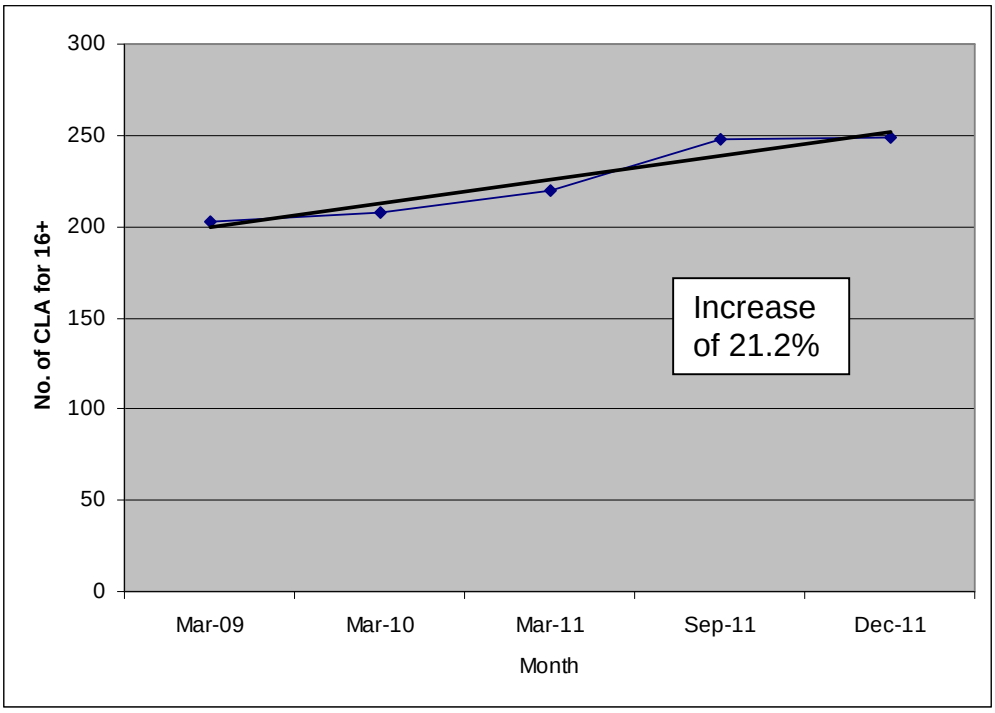
5. Performance

5.1. The Supported Lodgings service meets the following priorities on the Children and Young People's Plan 2009-2012

- Reducing the incidence and impact of poverty on the achievement and life chances of children and young people.
- Securing children and young people's physical, spiritual, social, emotional and mental health, promoting healthy lifestyles and reducing inequalities.
- Ensuring that children and young people are safe and feel safe, enabling them to build resilience and personal confidence.
- Providing vocational, leisure and recreational activities that provide opportunities for children and young people to experience success and make a positive contribution.
- Removing barriers to access, participation and achievement, and not tolerating discrimination and abuse.

5.2. The current Supported Lodgings contract has shown efficiencies in providing accommodation for looked after children and care leavers, where the unit price of the contract is much lower than higher-priced alternatives, such as Bed and Breakfast accommodation, Independent Fostering Agency placements and specialist Supported Accommodation.

5.3. The chart below shows an increase of looked after children aged 16+ from March 2009-December 2011. The growth in the number of children over the age of 16 partly reflects changes in legislation brought about by 'Regina (G) v. Southwark' in May 2009 and the legal ruling which followed.

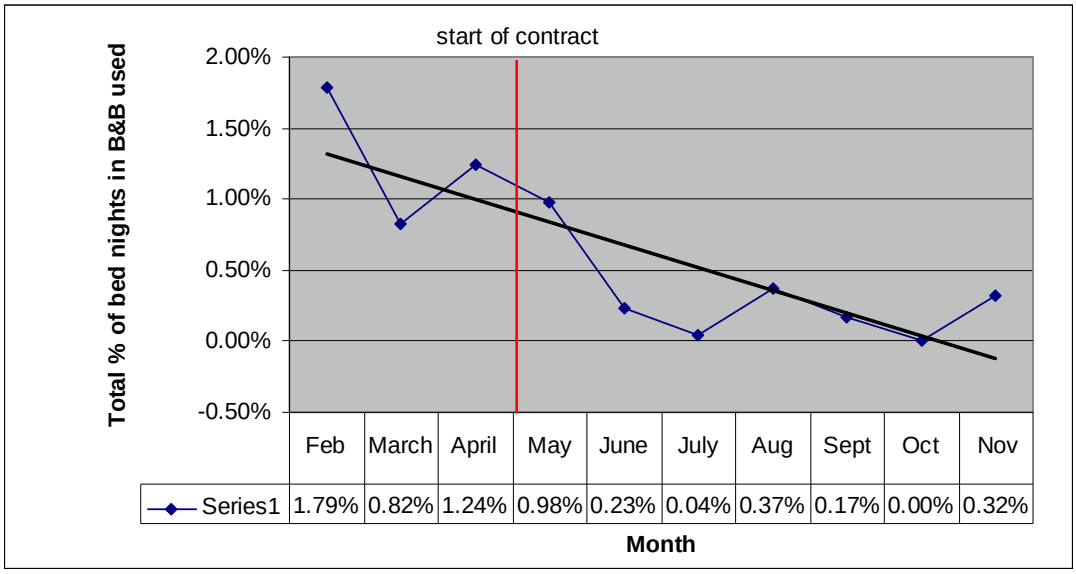


5.4. Supported Lodgings is able to assist with the provision of accommodation for those young people aged 16 and 17 who are coming into the care of the local authority following the 'Southwark' ruling. The contract states that the provider is to provide emergency beds across the county for 'Southwark'

cases. Social Workers are aware of this provision and are encouraged to seek a placement with the provider of the Supported Lodgings contract before seeking alternative emergency accommodation.

5.5. The percentage of bed nights spent in bed and breakfast accommodation for looked after children aged 16 and above has reduced since the start of the contract. As explained previously Social Workers are now using the emergency Supported Lodgings beds for 'Southwark' type cases as opposed to Bed and Breakfast accommodation.

5.6. The figures in the graph show the overall reduction of bed nights in bed and breakfast used for 2011.



5.7. Supported Lodgings is a successful mechanism for move-on from foster care and residential children's homes. Statistics show that 45% of young people placed into supported lodgings were previously living in foster care and 7% in residential children's homes.

5.8. There will be a predicted increase in the number of young people in care living in 'suitable accommodation' as a result of Supported Lodgings, because Social Workers are placing young people into supported lodgings as opposed to unsuitable accommodation such as bed and breakfast accommodation.

6. Other key issues

6.1. Throughout the tender Children's Services Procurement will be managing any TUPE arrangements that may rise as a result of awarding the contract to another provider. The tender will have no impact on Hampshire County Council staff.

6.2. Any changes to the function of the service will be stated in policies and procedures which will be held centrally and accessed by the Policies and Procedures internal website. Staff in Children & Families branch will also be offered training on any new guidelines and procedures put in place as a result of the tender.

Future direction

6.3. Children's Services and Supporting People will commence the commissioning and procurement process from 1st April 2012 to award the contract on the 1st April 2013 for a period of 3 years.

6.4. A project board consisting of key stakeholders will oversee and guide the commissioning and tender process. The members will consult with key members of Children's Services and Adult Services to sign off key tasks and make key decisions to shape the future of the service.

6.5. The participation and engagement of young people will also enhance the planning and development of the future of Supported Lodgings.

7. Recommendation(s)

7.1. That the Executive Lead Member for Children's Services approves the joint tendering exercise with Adult Services for Supported Lodgings with an estimated contract value of £3.4m (Children's Services £2.3m, Adult Services £1.14m) to commence 1 April 2013 for 3 years. This decision is also subject to approval by the Executive lead Member for Adult Services which is due to be considered at the Decision Day on 27 April 2012.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because: *NB: Only complete this section if you have not completed any of the Corporate Strategy tick boxes above. If it is not applicable, please delete.*	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date
Direct links to specific legislation or Government Directives		
Title G Vs Southwark Judgement		Date **May 2009**

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1. The proposals support that the needs of young people and their families are met within local services and that young people and their representatives have an opportunity to be consulted and to influence services

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

n/a

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

n/a