

**NORTH SOMERSET COUNCIL  
DECISION**



**DECISION OF: COUNCILLOR CATHERINE GIBBONS, EXECUTIVE MEMBER  
CHILDREN'S SERVICES AND LIFELONG LEARNING.  
WITH ADVICE FROM: DIRECTOR OF P&C & HEAD OF STRATEGIC PROCUREMENT  
DIRECTORATE: PEOPLE AND COMMUNITIES**

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**DECISION NO: PC40**

**SUBJECT: SUPPORT and ACCOMMODATION BASED HOUSING RELATED  
SERVICES (16-25-year olds)**

**KEY DECISION: NO**

**REASON:** This is a procurement plan therefore not a key decision

**BACKGROUND:**

*The North Somerset Corporate Plan 2015-19 considers various areas of key focus. The following under Prosperity and Opportunity relate to this recommissioning:*

- Enable young people to fulfil their potential.
- Ensure all our communities share in prosperity and employment growth.

The following listed under Health and Wellbeing relate to this recommissioning.

- Enable residents to make healthy choices and promote active lifestyles, which reduce ill-health and increase independence.
- Commission or provide quality health and care services which deliver, dignity, safety and choice.

*The following listed under Quality Places relate to this recommissioning:*

- Build and sustain great places to live and visit – vibrant, accessible and safe.
- Empower people to contribute to their community and communities to provide their own solutions.

*The People and Communities Directorate Statement for 2018-19 lists the following as its aims:*

**Quality Places**

- Implement initiative/projects to prevent and tackle homelessness.
- Commission additional supported housing to meet needs and address financial challenges

## Health and Wellbeing

- Support and enable vulnerable adults to live independently.
- Promote and support independence by enabling children, young people and their families to improve their own lives.
- Work to improve outcomes for children and young people on the edge of care and those that are Looked After.

## **DECISION:**

- That this procurement plan be approved to proceed, to tender for Support and Accommodation Based Housing Related Services for 16-25 year olds.

## **REASONS:**

### **Introduction**

We currently have 8 different providers for Support and Accommodation Based Housing Related Services, who are being managed on an individual basis.

This contract is for a lead/single supplier service, which will start on the 1st April 2020 for a total period of seven years including an optional extension period of two years.

The new contract will provide Support and Accommodation Based Housing Related Services to young people aged 16- 25 years and Care Leavers, to support young people to maintain or develop capacity to live independently. Supporting a wide variety of their housing and support related needs, including: budgeting, help to deal with specific problems such as tenancy issues and significantly working in partnership with all agencies; The council, Government and/or Health services. Key to this offer will be including local services to support the young people's needs and enhance their future outcomes by working to achieve training or jobs outcomes to support opportunities to move on into independent accommodation with the outcome of preventing the young person from becoming homeless in the future.

### **Commissioning Plan**

- Commissioning plan was approved at Executive on 19<sup>th</sup> March 2019.

The service was last commissioned for the previous contract start date of the 1st January 2015, previously to that, dating back to 2003, most recommissions of this contract had followed a similar structure and type of service. The new recommission represents a large change from previous contracts, this is because following benchmarking including National Guidance it has suggested good practice would lead to a different type of contract. This type of contract perceives housing as not the entire and immediate need, and learning has suggested providers for young people need to have an emphasis on the whole person with clear outcomes, the model tells us that housing is just one element of the support a young person needs. North Somerset Council has completed benchmarking on this new model for commissioning young people's services and in line with this and Government and national policy North Somerset Council plans

to tender for one provider with an emphasis on outcomes. This model lends itself to one provider as it allows the provider to understand all the needs of the young people referred and develop a bespoke pathway and service that enables their needs to be best met.

### Current service

Supporting People was a grant programme which was administered by all local authorities. Its original funding source crossing housing, health, adult social care services and probation. The main aim of the programme was to help end social exclusion and to enable vulnerable people to maintain or to achieve independence through the provision of housing-related support.

Service provision has comprised accommodation and support based services and has been delivered via a number of different providers contracted to do so. In April 2009, the ringfence on funding for the Supporting People programme was lifted and, from April 2010, funding was paid through the 'Area Based Grant' (a sum of money which local authorities spend according to their own local priorities). North Somerset Council has, like the majority of councils, reduced or decommissioned large elements of the original funded service but had retained the eight existing providers covering 192 units to provide Support and Accommodation Based Housing Related Services to various user groups including young people aged 16 to 25 years.

This also includes 16 and 17-year olds who are categorised as a child in need under the Children's Act 1989, 18 to 25-year old Care leavers, and 18 to 25-year old vulnerable adults with support needs as defined under the Housing Act 1996.

Listed below are the current providers and their service provision:

Provider	Total Beds	Location of supported housing scheme
<b>Alabare</b> Learning disability, Mental Health, Drugs and Alcohol	17	Clevedon 3 beds  WSM 14 beds
<b>SAHA</b> Young people, Care leavers, single mothers, Drugs and Alcohol	28	Clevedon 10 beds  WSM 18 beds
<b>Elim</b> Young people	6	Nailsea 6 beds
<b>Sanctuary</b> Young people, Young Parents, Asylum Seekers	52	All WSM
<b>Stonham</b> Young people, Care Leavers	8	All WSM
<b>Richmond</b> Mental Health	18	Clevedon 8 beds  WSM 10 beds

<b>Live West</b> Young people	32	All WSM
<b>Curo</b> Mental Health	31	All WSM

The following providers currently provide specific units for young people and care leavers, Elim, Sanctuary, Stonham, SAHA and Live West. However young people do have access to more generic accommodation units within the current contract which are also listed above.

There are currently 144 units available for young people (aged 16 to 25 and 116 are being used). These units were occupied by 40 young people who were known to Social Care, and 60 of these units were occupied by young people aged 18 years and above, who were not classed as care leavers but defined under the Housing Act as vulnerable.

### **New requirement**

The current accommodation and support arrangements are no longer distributed optimally to deliver services that are of greatest need, and given the significant challenges, the Council has in meeting its statutory responsibilities to young people, the current provision needs change. Not only is the current format not meeting young people's needs, it is also significantly affecting the budget position, when young people who cannot be supported locally may have to be accommodated in other high cost out of area placements.

It is proposed that the new contract significantly changes the current service position, in terms of housing and support, and provides the following encompassing model for young people in North Somerset aged 16 to 25 years provided by a new provider in partnership with NSC Children and Young Person's Service and Housing;

- **The Hub** - Local area access **prevention Hub** accessible to young people, by phone, text and website. Housing, Children's and Leaving Care teams will have a staff presence here. All people referred to the Hub where services will be allocated, except for emergency placements. Services allocated by an officer designated in the contract provision through presentation to the service allocation and review Panel.
- Focus on **prevention** and mediation services before any other service.
- If mediation is successful, but sustainability is questionable, an **Early Help Assessment** should be completed by the lead professional.
- It is anticipated that there will be **less overall accommodation-based requirement** as the prevention starts to perform according to the targets highlighted within the Targeted Early Intervention, Mediation and Prevention Service.
- If this reduction in the need for accommodation-based services is achieved, it is expected that Providers will seek to redirect resources towards continuous improvement in the achievement of outcomes for young people.
- **Short term** accommodation (no more than 3 months). Offered through Core and Cluster services. Cluster service could become permanent if Provider finds another unit to replace it.

- **Smaller accommodation;** no more than eight to 10 units in core properties and no more than three to four in cluster properties.
- **Focussed panel.** Panel will meet weekly on a rotational basis. Providers offering accommodation are required to attend these panels. Prevention service will be required to attend if making a referral to accommodation.
- **No refusals.** It is an expectation that there will be no refusals by the provider/s, as relevant assessments for suitability for services would have been carried out.
- **All moves out of and within services** will be managed and agreed through the Service Allocation and Review Panel.
- **No Disruption.** Once a young person is placed with the Provider, the requirement will be to use every effort to ensure the placement will not breakdown.
- Young people under the age of 18 should only be offered a **family-based accommodation**, unless there are significant risks to prevent this as an option.
- To facilitate **Move On** the council will need to consider committing to; increased housing options; access to bonds and deposits for access to Private Rented Sector; access to other private sector scheme and initiatives; statutory homelessness support where people meet the criteria.
- **Emergency rooms and Crash pads** for required emergency placements will be an essential element of the new contract.

There will need to be ongoing discussions with our current providers in re-commissioning their current accommodation-based support provision and ensuring future provision for those people who are aged 26 years old and over and are classed as vulnerable under the Housing Act.

The contract value will be £720,000 per year.

#### Route to market

- Single supplier contract (will accept collaborations)
- OJEU Competitive Dialogue under the Light Touch Regime
- 5 years with an optional 2-year extension

#### Timescales

Indicative Timetable Below:

Activity	Timescale
Commissioning Plan approved by Executive	19 <sup>th</sup> Mar 2019
Procurement Plan approved by Executive Members	Jul 2019
Finalise Draft Contract and ITT documents	Early Aug 2019
Advertise opportunity – Selection Questionnaire (SQ)	Mid-Aug 2019
SQ Returns & Shortlisting	Mid - End Sept
Dialogue Stage	End Oct 2019
Final Tender Released	Early Nov 2019
Tenders Returned	Mid Nov 2019
Evaluation Complete	End Nov 2019

Contract Award approval by Director	Dec 2019
Mobilisation & Transition	Jan - Mar 2020
New Service Starts	1 Apr 2020

## Governance

- Service Leader and Contracts & Commissioning Officer – People & Communities
- Strategic Procurement Service: Procurement Officer
- Finance: Finance Business Partner

## Market / Suppliers

Soft market consultation has indicated a number regional and national providers have expressed an interest in this tender. There have also been a number of meetings and correspondence with existing providers and potential new providers. We are looking for an integrated service (prevention hub services & accommodation), therefore a single supplier would be ideal, but we will accept collaborative bids provided that accountability is clear.

## Social Value, Sustainability & VCSE

It is proposed to include the following question within the methods statements:

Please set out the Social Value you are prepared to deliver in the context of the Public Services (Social Value) Act 2012. Further information, including North Somerset Council's target Social Value outcomes, can be found at:

<https://www.n-somerset.gov.uk/my-business/tenders-procurement/procurement-strategy/our-social-value-policy/>

Please ensure that your response contains specific, measurable commitments that are over and above the Services provided in the contract and are also incremental to Social Value that you are already providing.

## Evaluation

The value of the contract will be fixed, therefore evaluation will be based around the scope and quality of service that can be provided for that fixed amount. The specification will predominantly be outcome based, and will set out:

- The Primary Services and quantum that must be provided under the contract e.g. 100 units, Hub Service
- The Additional Services where the tenderer must detail what they are prepared to commit to provide for the contract price e.g. Prevention, Early Help etc.

There will be 3 stages within this tender process:

- Selection Questionnaire Phase

- Dialogue Phase
- Tender Phase

Method statements will be used to evaluate the quality of tender returns - the themes will be as follows:

- **Service Delivery - 50%**
- **Equalities and diversity – 10%**
- **Meeting local needs – 10%**
- **Social Value – 10%**
- **Performance monitoring and outcomes – 10%**
- **Service Implementation and mobilisation – 10%**

The standard NSC evaluation method will be used:

<b>Score</b>	<b>Classification</b>	<b>Award Criteria</b>
5	Excellent	A response that inspires confidence; specification is fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Bidders' relevant ability and/or gives the council a good level of confidence in the Bidders' ability. All requirements are met and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the council a limited level of confidence in the Bidders' ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall the response provides the council with a very low level of confidence in the Bidders' ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

- The evaluation team will be: The Contracts and Commissioning Team, The Resource Team, The Housing Team, The Strategy and Policy Team

## **Contract Management**

The Contracts & Commissioning Team will contract manage these services. It is anticipated there will be monthly meetings, with monthly KPI reviews

#### **OPTIONS CONSIDERED:**

Decommission the current services for young people and not re-provide - North Somerset Council would not be meeting its statutory duties and young people would be at risk of homelessness.

Re-tender the contract in its current form - the consultation and review process highlighted several poor outcomes for young people that need to be addressed. For example, data collection shows there are a significant number of young people being evicted, leaving without a known move on address or being moved around existing services. The current services do not provide 24 hour 7 days a week cover, which can impact on young people who have needs that make it difficult for them to engage with services on an appointment basis during office hours only, or their supports needs are too high.

Re-tendering in the current format would not provide the clarity in service delivery we need and does not offer good value for money to the council. The process for referrals to access the existing service is not clear enough, which would have a negative impact on both providers and referring teams. The current contracts do not reflect an enhanced outcome focused model supporting all the needs of young people. Nationally, the council has been identified as a local authority that is a high user of inappropriate bed and breakfast accommodation for young care leavers.

#### **FINANCIAL IMPLICATIONS:**

As illustrated in the table below, the current budget for accommodation-based support for young people and adults is £1.079m and is split between supporting young people and supporting adults with needs relating to learning disabilities, mental health problems, drug and alcohol misuse and homelessness.

Efficiency savings have already been made, which means that the current estimated commitment for 2019/20 is £987k. The budgets for 2019/20 and 2020/21 reflect the targeted savings in the MTFP of £200k per annum - £150k in 2019/20 and a further £50k per annum in 2020/21. This means that that the medium-term budget available for services for both children and adults is £879k.

As described in Section 3, it is estimated that around 100 placements are required to meet the needs of young people, included care leavers aged 18-25 and 16 and 17-year-olds children moving from in-care to independent living.

Soft market testing indicates that the costs associated with this are in the region of £7,200 per placement, per annum, leading to an estimated contract cost of £720,000 per annum or £3.6m over five years (initial contract term). It is possible that the annual costs could be higher in years 1 and 2 to allow for set-up costs, with a reduction spread over years three to five meaning that the overall costs remain within the five-year envelope.



This would mean that around £159k per annum will remain to provide housing related support for adults.

	2018/19 budget	2019/20 current committed spend	2019/20 budget	2020/21 budget
	£000s	£000s	£000s	£000s
<b>Expenditure / Budget</b>	<b>1,079</b>	<b>987</b>	<b>929</b>	<b>879</b>
Estimated cost of new service for young people *			787	720
Funding available for new services for adults			142	159
<b>TOTAL</b>			<b>929</b>	<b>879</b>

\* Assumes a start date of 1 July 2019 (3 months of the existing services, 9 months of the new service)

As can be seen above, the initial financial modelling assumed a start date of 1 July 2019. The delay in implementing the new model means that the savings will be delayed. However, it is expected that a similar level of savings can be achieved in 2019/20 by changing the arrangements for the current providers through a model that involves more funding through housing benefit.

The costs with this service are associated with direct staffing provision to support the people using the services, including the addition of a floating support service to manage the changing needs and more complex needs of care leavers.

The new model will include a consistent position on Housing Benefit modelled on enhanced Housing Benefit to support the enhanced housing model.

In addition to the potential cashable savings of £200k per annum, providing a new service focussed on the needs and desired outcomes for young people and care leavers should reduce the council spend on more expensive supported living packages, which can cost in the region of £1,500 per week.

It may prove challenging to deliver the residual adults services within the envelope indicated above, especially if the enhanced housing benefit solution is not fully successful. If the refocus of the resource towards children's services leads to significant opportunity cost savings in children's, it will need to be recognised that there is a resource transfer implied in this service shift. However, as these savings are future cost avoidance, budget growth may be required in relation to the adults' element of these services.

## LEGAL POWERS AND IMPLICATIONS

This procurement will be managed following the Light Touch Regime as defined within the Public Contract Regulations 2015.

A representative from the Legal team is currently developing the terms and conditions for the contract.

Under the Housing Act 1996 where a local authority is satisfied that an applicant is homeless and eligible, the local authority has various statutory duties including the duty to provide advice, assistance and accommodation in certain circumstances. This includes securing accommodation where the individual has a local connection, is unintentionally homeless or threatened with homelessness and in priority need for accommodation. The Homelessness (Priority Need for Accommodation) (England) Order 2002 states that a 16-17-year old is in priority need for accommodation (under the Housing Act 1996) unless they are a 'relevant child' or are owed a duty of accommodation under s20.

This will include a joined-up approach to Part VII6 and s.2017 assessments of 16-17-year olds. An assessment under Part VII Housing Act 1996 of whether the local authority owes a duty to provide accommodation to the young person because they are homeless. An assessment of whether the young person is a child in need and, if so, whether the local authority has a duty to offer them accommodation as a child in care under s.20 Children Act 1989.

Under the Children Act 1989, local authorities have a duty to accommodate young people 'in need', while under the English Priority Need Order 2002, local authorities must consider 16 and 17-year olds and 18-21-year-old care leavers to be in priority need of housing. Children's services have a duty to provide the offer of continuing assistance to care leavers up to 25, while housing services will have a duty to provide accommodation if the young person becomes homeless through no fault of their own and is vulnerable (and therefore in priority need) because of having been in care.

The Care Act 2014 imposes various statutory duties on local authorities when exercising Adult Social Care functions to promote the individual's well-being, prevent needs arising and escalating, safeguarding and the duty to provide advice and information. Service Users who are provided with Housing Related Support may have eligible unmet needs for care and support but even if they do not, the local authority has a discretionary power to meet the individual's needs. The Act places various duties and responsibilities on all local authorities about commissioning appropriate services. All local authorities should encourage a wide range of service provision to ensure that people have a choice of appropriate services.

Government guidance indicates that children's services and housing services should work closely together to ensure 16 and 17-year olds are provided with sufficient support to ensure they do not become homeless in the future.

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

We will address and prioritise the climate change emergency with suppliers as part of the social value question (this could include sustainable transport, use of electronic systems, waste reduction / responsible recycling etc).

## **CONSULTATION**

A range of consultation has been undertaken to date, which includes:

- Individual meetings with existing accommodation providers, which commenced in Summer 2017.
- Market engagement event with existing providers held in April 2018.
- Visits to each provider service locations to gather information and to discuss future contract management and compliance during Autumn/Winter 2018.
- Meetings with internal colleagues in Housing, Public Health, Children's and Mental Health during Autumn/Winter 2018 (with further discussions arranged for March 2019).
- 'Your Life Beyond Care' written by Coram Care and University of Bristol, February 2018.
- 'Care Leavers – Accommodation and Support Options' written by Anna Whalen, Youth Homelessness Advisor, St Basils, 23 January 2017.

There is also a plan to include young people within the recommissioning/tender process.

## **RISK MANAGEMENT**

Provider failure will be mitigated by robust contract monitoring and compliance of the contract. Performance indicators will be set for all the contracts with the monitoring of these being undertaken by the contracts and commissioning team and the funded healthcare team for complex care packages.

All community-based care and support is paid in arrears which lowers the risk of financial loss to the Council.

Further risk management information can be found in the commissioning plan.

## **EQUALITY IMPLICATIONS**

A Summary EIA completed indicating a medium risk. (A full EIA will be completed by April 2019).

Have you undertaken an Equality Impact Assessment? Yes

## **CORPORATE IMPLICATIONS**

N/A

## **APPENDICES**

N/A

## **BACKGROUND PAPERS**

Commissioning Plan – 19<sup>th</sup> March Executive Specification

SIGNATORIES:

DECISION MAKER(S):

Signed: [Signature]

Title: Executive Member for Children's Services and Lifelong Learning

Date: 3.9.19

Signed: .....

Title: .....

Date: .....

WITH ADVICE FROM:

Signed: [Signature]

Title: HEAD OF PROCUREMENT

Date: 3.9.19

Signed: [Signature]

Title: Director, People & Communities

Date: 3.9.19

**Footnote: Details of changes made and agreed by the decision taker since publication of the proposed (pre-signed) decision notice, if applicable:**

*This version differs from the original, unsigned version, which was published on the web. See added (highlighted) paragraph on page 9.*