

From: Sue Chandler, Cabinet Member for Integrated Children's Services

Sarah Hammond, Corporate Director of Children, Young People and Education

To: Children, Young People and Education Cabinet Committee – 12 September 2023

Subject: Decision Number: **23-00083** - Supported Accommodation Service 16 - 19 and Transitional arrangements

Classification: Unrestricted

Past Pathway of Paper: CYPE Cabinet Committee 1 March 2022 – Supported Accommodation Decision 22/00017
CYPE Cabinet Committee /12 October 2022 – Supported Accommodation Decision 22/00079

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All

Summary: This report outlines the proposed decision to approve the new Supported Accommodation Service (age 16 to 19) and additional transition arrangements for current 18+ Care Leavers up to the age of 21.

The new service has been designed to promote independence from age 19 onwards. The current service provides support up to age 21.

The decision confirms the procurement and commissioning arrangements put in place to progress and deliver on the plans outlined in Decision 22/00079, concluding the necessary Supported Accommodation Service review and recommissioning.

Recommendations: The Children, Young People and Education Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

- a) **APPROVE** the new Supported Accommodation service for young adults up to the age of 19, for those new entrants to the service at the age of 16/17.
- b) **AGREE to** directly award a new contract, under the same terms and conditions to Clearsprings Ready Homes from 1 April 2024 to 31 March 2026 for 18+ Shared Accommodation services to support transition.
- c) **DELEGATE** to the Corporate Director of Children, Young People and Education, in consultation with the Cabinet Member for Integrated Children's Services, to negotiate, finalise and enter into the relevant contracts with the successful Providers to deliver the Supported Accommodation contract, as detailed in the Key Decision **22/00079**.
- d) **DELEGATE** authority to the Corporate Director of Children, Young People and Education, to take other relevant actions, including but not limited to, finalising the terms of, and entering into required contracts or other legal agreements, as required to implement the decision.

1. Introduction

- 1.1 Ofsted introduced regulations for current unregulated accommodation from 28 October 2023. Through 2021, Commissioners undertook a full review of the Shared Accommodation Service and Young Persons Supported Accommodation and Floating Support Service, where the contracts now expire on 31 March 2024 ([Decision - 22/00079 - Supported Accommodation \(kent.gov.uk\)](#).) The outcome of this work was to recommend that the services be aligned, categorised into levels of need, and expanded to reduce the reliance on spot purchased semi-independent accommodation and have one clear accommodation pathway.
- 1.2 Due to the Ofsted Regulations and the financial burden on KCC, Commissioners needed to explore all options as to how the Authority moves forward in providing accommodation for Care Leavers. This included the potential impact of any decision to reduce the age range leading to reputational damage, media coverage, relationship breakdowns and lack of continuity of services for Care Leavers.
- 1.3 The Children's Commissioning Team, with colleagues across CYPE, developed a revised structured Supported Accommodation offer enabling progression through services until the young adult is ready to move on. This new service will ensure KCC are compliant with the new Ofsted Regulations effective from 28 October 2023, and that all 16/17-year-old children receive support to ensure they have the ability to live independently by achieving self-supporting independence at 19.
- 1.4 The Children (Leaving Care) Act 2000 implements the proposals set out in the consultation document *Me, Survive, Out There? – New Arrangements for Young People Living in and Leaving Care* published in July 1999. The Act's main purpose is to help young people who have been looked after by a local authority move from care into living independently in as stable a fashion as possible. To do this it amends the Children Act to place a duty on local authorities to assess and meet need. The responsible local authority is to be under a duty to assess and meet the care and support needs of eligible and relevant children and young people and to assist former looked after children, in particular in respect of their employment, education and training.
- 1.5 The Care Leavers (England) Regulations 2010 provided further definitions of the requirements.
- 1.6 The Children and Social Work Act 2017¹ outlines the Corporate Parenting principles and how they should be applied. It states that:

“A local authority in England must, in carrying out functions in relation to the children and young people mentioned in subsection (2), have regard to the need—

- (a) to act in the best interests, and promote the physical and mental health and well-being, of those children and young people;
- (b) to encourage those children and young people to express their views, wishes and feelings;
- (c) to take into account the views, wishes and feelings of those children and young people;

¹ <http://www.legislation.gov.uk/ukpga/2017/16/part/1/chapter/1/crossheading/corporate-parenting-principles-for-english-local-authorities>

- (d) to help those children and young people gain access to, and make the best use of, services provided by the local authority and its relevant partners;
- (e) to promote high aspirations, and seek to secure the best outcomes, for those children and young people;
- (f) for those children and young people to be safe, and for stability in their home lives, relationships and education or work;
- (g) to prepare those children and young people for adulthood and independent living.”**

- 1.7 The proposed decision is in line with KCC’s statutory responsibilities detailed in the Acts relating to Children and Care Leavers. It is proposing that activity in the Care Leavers service looks to promote young people achieving independence with their accommodation choices at the age of 19 with continued support via a Personal Advisor and access to all of the other opportunities for Care Leavers up to the age of 21. The accommodation is currently provided up to the age of 21 within the Shared Accommodation Service, where a two-year contract is proposed to allow a manageable transition.
- 1.8 The 2024/2025 budget reports presented to County Council in February 2023 included [Appendix F - 23-24 Revenue budget changes by Directorate.pdf \(kent.gov.uk\)](#) “pursue a policy where independence is reached by a Young Person’s 19th birthday” delivering expected savings of £700k.
- 1.9 Alongside the period in which the budget was developed for 2023/2024, Ofsted was developing its final guidance on the new standards required for Supported Accommodation. KCC continued to request information and this was clarified by Ofsted in May 2023. At this point, it was clear that there needed to be two different service offers; one that included regulatory standards and support for 16/17-year-olds and one that did not include the same standards or support post 18. It is technically and legally viable for KCC to cease providing accommodation beyond the age of 18 and therefore develop a service model that would not offer accommodation to Care Leavers. This approach would involve relying on District Councils to accommodate Care Leavers under the Housing Authority duties. Such a change in approach would have been a substantial change in policy representing a pull back to statutory minimum.
- 1.10 The Executive do not support such an extensive reduction, so the proposed decisions instead represent a balance between the core requirement to provide Supported Accommodation for relevant children up to the age of 18 and also maintain Care Leaver accommodation provision for those until they turn 19 – supporting a transition for these young people. The proposed approach, while delivering the required 16 to 18 accommodation and Care Leaver transition accommodation at age 19, does still involve in a reduction of the previous age cap for the service which is currently 21. This is therefore a policy change in terms of eligibility for accessing services and also a savings decision. The proposal is necessary to deliver the savings outlined in the budget book, as referred to earlier in the report.
- 1.11 The proposal is in-line with the discussions and presentations with the Kent Housing Options Group and Corporate Parenting Panel, of which the Chair of the Kent Housing Group is a member.

1.12 In order for KCC to meet the aim of balancing financial pressure and still supporting independence when the Young Person turns 19, this contract has been tendered for an accommodation and support service, structured around three lots, from aged 16 to when the young people turn 19.

2. Supported Accommodation – Service and Procurement

2.1 The current Sufficiency Strategy, published in July 2022, identifies a vision for every child, vulnerable young person, and Care Leaver in Kent to view their accommodation as their home, a place of safety and comfort, until they have gained independent living skills and to be ready to move on to their own independent accommodation. It is recognised that not all children/young adults will be ready to move on when they reach adulthood, and the Council will be flexible in making sure that children/young adults continue to be accommodated with good support provided from the age of 16 up to their 19th birthday, to develop their independence skills.

2.2 The approach to Supported Accommodation is to follow the “Nurture Principles” as achieved by the Virtual School Kent (VSK) through the National Nurturing School Programme Award. The concept of Nurture highlights the importance of social environments – who you are with, not who you are born to and its significant influence on social emotional skills, wellbeing, and behaviour. This Strategy forms part of the approach to deliver that ambition, working in partnership to improve outcomes for our children/young adults at every opportunity.

2.3 The revised structured pathway to independence progressing through services until the young adult is ready to move on, includes support that will ensure compliance with the new Ofsted regulations. The contracts will provide accommodation and support to all statutory cohorts and children who are at risk of becoming homeless (16/17-year-olds).

2.4 The service has been structured through a Lotting Strategy, as follows:

- **Lot One** - High/Medium Need Supported Accommodation with on-site staff, and a set number of units (91) for Children in Care aged 16/17.
- **Lot Two** - Low Need Supported Accommodation with support, based on demand, for Children in care, Children in Need and UAS children transitioning from the Reception Centres aged 16 and 17.
- **Lot Three** - Transitional Accommodation for 18-year-old Care Leavers.

2.4.1 The High/Medium Need Supported Accommodation Service will provide an intensive support service model which will require adequate accommodation units, providing a range of high/medium level support between 12 to 21 hours per week for 16 and 17-year-old Children in Care. This may include arranging support sessions on education and training, including opportunities such as apprenticeships; tools and/or resources to support their mental and physical health; employment, including job and interview skills; domestic skills such as cooking nutritious meals and budgeting. The Council also expects providers to aid integration into the community by signposting children to multi-agency opportunities. This service will include a temporary emergency bed option. Support will be in line with the new Ofsted Regulations.

- 2.4.2 The Low Need Supported Accommodation Service will be a demand led unit service which provides up to five hours of support per week through an outreach function to 16 and 17-year-old Children in Care and Children in Need. The children will receive the appropriate support based on their needs, to help them develop skills for adult living. This may include arranging support sessions on education and training, including opportunities such as apprenticeships; tools and/or resources to support their mental and physical health; employment, including job and interview skills; domestic skills such as cooking nutritious meals and budgeting. The Council also expects providers to aid integration into the community by signposting children to multi-agency opportunities. This service will include a safety/contingency bed function. Support will be in line with the new Ofsted Regulations.
- 2.4.3 The Transitional Accommodation for 18-year-old Care Leavers will be an accommodation only model with adequate accommodation units, providing a transition property to those Care Leavers aged 18 as well as any former UAS children awaiting their immigration status to be confirmed (up to 21). The Provider must consistently ensure that demand is always met. This will require the Provider to source and secure appropriate and affordable accommodation and provide housing management support that will enable Care Leavers to enter and maintain their own tenancies and manage their rental payments in community-based properties across the county. This Service will include a safety/contingency bed option.
- 2.5 The Low Need Supported Accommodation Service and the Transitional Accommodation Service will commence on the 27 October 2023 with the High/Medium Need Supported Accommodation Service commencing on 1 April 2024. The contracts will be for a period of four years with a potential for a contract extension of four years (plus one year, plus one year, plus one year, plus one year).
- 2.6 The estimated value of the new Supported Accommodation service over the four years is for a maximum value of £44.5m but no guarantee is given as to the actual value of the contract. Including the extension period, the value of the contract is £89m.
- 2.7 A Prior Information Notice (PIN) was issued on Find a Tender Service (FTS) on 7 February 2023, inviting expressions of interest for Market Engagement. Market Engagement was held throughout February 2023 via a survey with 53 external providers to KCC. Following this, a Contract Notice was issued on Kent Business Portal on 23 June 2023 formally inviting tenders. Invitation to Tender documents were issued on 8 August 2023 to five Suppliers who had passed the Standard Selection Questionnaire. Tender submissions will close on the 22 September 2023 with contracts awarded in October 2023.
- 2.8 The Children's Commissioning Team are currently working with the incumbent Providers to identify the activity required for the interim period between Ofsted Legislation going live (Providers must comply once they have registered with Ofsted) and the end of the contracts to ensure that they are fully compliant with the legislation relating to supporting 16 and 17-year-olds.

2.9 It is acknowledged that there are risks associated with this transitional period hence the request for a two-year contract. Additional funding to support this transition will be required and the Department for Education (DfE) has provided £500k New Burdens funding with more indicated in the future.

2.10 In mitigating the risks for those young people over 18 in the legacy service, it is recommended that a 24-month contract be awarded to Clearsprings Ready Homes, the incumbent provider of the Shared Accommodation (16 to 21 years old) Service from 1 April 2024 to 31 March 2026. This will allow a phased move-on programme for those young people in the service, or to move on to spot arrangements until the young person reaches 21. It will also allow for conversations between KCC, Clearsprings Ready Homes and the Landlord where the young people have a positive history and clear record, to explore direct rental agreements as appropriate. This will also allow KCC sufficient time to work with our District Council colleagues to minimise reputational damage, build relationships, and reduce the cost of the provision from 1 April 2026 to £10.2m per annum (demand led). With the investment from the DfE this should not put additional pressure on KCCs budget after the initial 24-month transition, which will require a boosted budget of approximately £1m per annum. Housing Benefit would be recouped to help offset costs.

2.11 The table below details the benefits and risks of the proposal for the 24-month contract to Clearsprings Ready Homes for transition.

Proposal	Benefits	Risks
<p>The Service commissioned accommodates young adults to the age of 19.</p> <p>Separately, a 24-month contract is required, covering those young adults 18-21 years old covering the legacy placements to allow a phased and managed move-on. This will be for the period 1 April 2024 to 31 March 2026 and will be to the incumbent Provider, Clearsprings Ready Homes.</p>	<ul style="list-style-type: none"> • A 24-month contract (Direct Award) allows a phased approach to move on 18+ Care Leavers to prevent homelessness. • Mitigates the impact on District Councils. • The 2023/2024 cost will be £10.2m which fits within our financial envelope if you include the DfE additional burdens funding (excluding legacy direct award costs). • Housing Benefit recoup to help offset costs. • Allows statutory 18-year-olds to have a one-year period to transition into their own independent accommodation. • No agreement in place to enforce move-on • Less likely to be challenged by the district councils and Care Leavers being told to 'stay put' due to planned transitional period. • Manageable reputational risk. • Phased and planned approach will minimise impact on mental health of Care Leavers. • Retention of supported housing 	<ul style="list-style-type: none"> • Young adults will need to move provision at 18. • No agreement in place to enforce move-on (ongoing dispute). • By the 1 April 2024 there will be approx. 440 19+ Care Leavers in the Shared and YPSAF services which results in a highly ambitious target of eight moves per week (decreasing placements over the 12-month period). • Transitional period will require significant resource from 18+ team, provider, and districts. • Cost based on 50% of all eligible over 18's claiming Housing Benefit (HB) – this is a significant increase in the number of Care Leavers currently claiming therefore could be unrealistic. • Relationship with the District Councils will require continued communication as numbers reduce

	stock to assist with unpredictable increased demand.	
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4 Financial Implications

4.1 The forecasted 2023/2024 annual value of the Supported Accommodation service, which is being tendered, is between £10.2m to £10.6m broken down as follows:

- The year one price for High/Medium Need for Children in Care is £1.97m (with the offset costs from semi-independent of £1.4million).
- The year one price for Low Need for Children in Care, Children in Need and UAS children is £5.34m (with the offset costs from Children in Need rent contributions of £430k).
- The year one price for Transitional Accommodation for 18-year-old Care Leavers is £3.3m (with the offset costs from 50% Housing Benefit reclaim and offset costs from Council Tax and TV Licenses of £1.13m).

The total contract cost has been forecasted to increase by approximately 21% (accounting for inflation and sufficiency figures) by 2028 to £12.4m. It is anticipated that Housing Benefit reclaim would be considerably higher than 50% come 2028.

4.2 The Transitional Accommodation Lot for 18-year-old Care Leavers and Low Need Supported Accommodation Lot is largely funded from the Home Office grant as that has 90% Unaccompanied Asylum-Seeking Children accommodated and is the largest area of spend at £8.64m. Some of these accommodation costs along with the High/Medium Need Supported Accommodation Lot is funded from the General Fund. The current YPSAFS contract is £2.4m to £2.9m per year depending on the number of children in care placed in the service.

4.4 Assuming Clearsprings Ready Homes accept a new contract for 24-months at the same level and cost, this is included in the revenue budget under the following budget lines. “Looked After Children – Care and Support”, “Children in Need – Care and Support”, “Care Leavers Service” and “Asylum”.

4.5 There is a saving identified of £700k in the 2023/2024 budget in pursuing a policy of independence for young people from the age of 19. The new contract will not directly deliver the savings, however the additional focus from the Care Leavers service to actively identify those who are ready to move on will achieve the savings, along with the receipt of housing benefit.

4.5 The Department for Education included investment to Ofsted² from the Spending Review worth £17m between April 2022 and March 2025 to build up the capacity and capability to deliver the new system of regulation and inspection. They state that “a further £121m from the overall settlement for these reforms will be distributed to councils to cover the cost associated with introducing the national standards.” And that “the Department for Education will also invest an additional £1.25m from the Spending Review settlement to help ready the sector for the reforms.”

² <https://www.gov.uk/government/news/transformational-investment-in-childrens-social-care-placements>

5 Legal Implications

- 5.1 The Council has a statutory duty to provide suitable and safe accommodation that has the right level of support for Children in Care (including UAS children) in accordance with the Children's Act 1989.
- 5.2 The Council must provide Care Leavers (including former UAS children) with support and financial support to assist in promoting their welfare, especially in relation to maintaining suitable accommodation and helping them access education, training, and employment. There is no statutory duty for Kent County Council to provide accommodation to Care Leavers above the age of 18.
- 5.3 Spending the Council's Money requires procurement of this value to be competitive. Directly awarding the contract for accommodation for those aged 18-21 is considered a suitable route under Regulation 72(b) and (e) of the Public Contract Regulations 2015, given the current circumstances and new Legislation introduced for Supported Accommodation.

6 Equality Implications

- 6.1 An Equality Impact Assessment (EqIA) was originally completed as part of the planned redesign and commissioning of the Supported Accommodation service and has been reviewed to reflect young people moving on at the age of 19, for those new service entrants.
- 6.2 The majority of young adults aged 18+ in the service are former UAS children that have aged through the Shared Accommodation service and the expectation is these individuals will be moved into their own home, supported by their Personal Advisor.
- 6.4 All non-eligible former Children in Need young adults will either return to their family home or be sign-posted to the appropriate local housing authority where they have a local connection to or, where appropriate, to adult social care services.
- 6.5 The Children's Commissioning Team will continue to monitor service delivery to ensure we understand any accumulative ongoing impact on those no longer eligible for the new service.

7 Other Corporate Implications

- 7.1 The Care Leavers service will be actively working with the young people to identify alternative accommodation; it is not expected that this will all be Social Housing.

8 Governance

- 8.1 Accountability sits with the Corporate Director for Children, Young People and Education. Responsibility sits with the Director of Operational Children's Services for the Supported Accommodation Service for Lots One and Two and the Director of Countywide Children's Services for Lot Three.

9 Data Protection Implications

- 9.1 Data Protection Impact Assessments (DPIA) for any recommissioned service will be developed and implemented following contract awards in 2023.

10 Conclusions

- 10.1 The Young People Supported Accommodation and Floating Support (YPSAFS) and Shared Accommodation services are being recommissioned with a contract start date of October 2023. The new Supported Accommodation service will provide accommodation for those UAS children waiting for status. The impact of this decision could result in Care Leavers presenting to the District Councils as homeless at the age of 19 and has specifically been discussed with the District Councils since March 2023. Once a Child in Need reaches 18, they will no longer be eligible to be accommodated by the Council so will need to present to their local District Council, return home, or be supported into accessing services from Adult Social Care.
- 10.2 A 24-month contract, directly awarded to Clearsprings Ready Homes, is needed to allow the existing cohort of young people in the service to remain up to the age of 21. For any young people left in the service in 2026, they will be moved to individual contracts. Without this, either 440 Care Leavers will need to move, or the Council will have to issue individual contracts, outside of a contractual framework, until they turn 21 and to mitigate the potential impact on District Councils and prevent homelessness.

11 Recommendations

Recommendations: The Children, Young People and Education Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or **MAKE RECOMMENDATIONS** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

- a) **APPROVE** the new Supported Accommodation service for young adults up to the age of 19, for those new entrants to the service at the age of 16/17.
- b) **AGREE to** directly award a new contract, under the same terms and conditions to Clearsprings Ready Homes from 1 April 2024 to 31 March 2026 for 18+ Shared Accommodation services to support transition.
- c) **DELEGATE** to the Corporate Director of Children, Young People and Education, in consultation with the Cabinet Member for Integrated Children's Services, to negotiate, finalise and enter into the relevant contracts with the successful Providers to deliver the Supported Accommodation contract, as detailed in the Key Decision **22/00079**.
- d) **DELEGATE** authority to the Corporate Director of Children, Young People and Education, to take other relevant actions, including but not limited to, finalising the terms of, and entering into required contracts or other legal agreements, as required to implement the decision.

12 Background Documents

- 12.1 KCC Sufficiency Strategy 2022-2027
[kent.gov.uk/ data/assets/pdf_file/0016/11941/Children-in-care-sufficiency-](https://kent.gov.uk/data/assets/pdf_file/0016/11941/Children-in-care-sufficiency-)

[strategy.pdf#:~:text=The Kent County Council Sufficiency Strategy for 2022-2027,and care leavers%2C over the next five years.](#)

Related Cabinet Member Decisions

22/00017- Shared Accommodation and Young Persons Supported Accommodation and Floating Support Service contracts

22/00079, Supported Accommodation

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