
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member for Children and Young People

20th January, 2015

Name of Cabinet Member:

Children and Young People - Councillor Ruane

Director Approving Submission of the report:

Executive Director of People

Ward(s) affected:

All

Title:

Supported Accommodation for Young People Aged 16-24

Is this a key decision?

No

Executive Summary:

Supported Accommodation is the term given to the support the City Council provides to young people aged 16-24 including Care Leavers, young people who are homeless or at risk of homelessness, Children in Need, Looked After Children, young people at risk of or involved in offending and Teenage Parents who are pregnant or have children. The City Council has a statutory duty to provide accommodation to persons under 18 who have been assessed as requiring accommodation or because they are owed a duty under the Children (Leaving Care) Act 2000 and duties towards homeless young people under the Housing Act 1996.

In 2013, following a period of lengthy consultation with all stakeholders, the City Council tendered for seven Supported Accommodation contracts to meet the varying needs of these young people. The contracts were implemented in December 2013 with the exception of one of the lots (referred to as Lot 7) that was not awarded due to bids not being received at an acceptable cost.

The contracts introduced significant changes to how this area of service operated; changes included the introduction of a single point of access and the differentiation of different levels of service to correspond with the different levels of need presenting.

Through the tender process capacity was commissioned for 160 people in accommodation and 70 with floating support. However, since contract commencement demand has been significantly more than available supply which has resulted in a number of people being placed in alternative accommodation including Bed and Breakfast, with some additional contracting taking place in order to provide capacity to meet this demand. This has placed significant financial and service demands on this area and, as a result, the expenditure has been in excess of the allocated budget. Statutory guidance confirms that Bed and Breakfast accommodation is not suitable for under 18 year olds.

Recently one contracted provider has informed the City Council of their intention to terminate their contract from 31 January 2015. In order to continue to provide viable Supported Accommodation services beyond this date a number of arrangements for additional capacity have been made. The fact that one contract is being terminated, plus contract Lot 7 not being awarded presents an opportunity to consider what is now required from Supported Accommodation for high level needs in order for the City Council to meet its statutory duties within the available resources.

This report contains actions and proposals to achieve short term stability post 31 January 2015 and a longer term more robust service model for those with high needs within available resources.

Recommendations:

Cabinet Member is recommended to approve:

1. The extension of existing short term contracts to 31 March 2016 to provide service capacity in respect of young people with high level needs in order to ensure the City Council can continue to discharge its statutory responsibilities.
2. The development of a revised model for those requiring Supported Accommodation that have high level needs in order to ensure that available resources and service models are appropriately focussed and that people are supported to be fully independent.
3. The varying of the existing Homelessness contract between Coventry City Council and the Salvation Army to provide accommodation with support for 16-24 year olds.
4. That, on delivery of recommendation 3, if approved, that bed and breakfast accommodation is only used for people eligible for supported accommodation aged 18 – 24 on a short term basis where the alternative would be street homelessness.

List of Appendices included:

None

Other useful background papers:

Cabinet Member (Children and Young People) Report, Supported Accommodation for Young People Aged 18-24, 1 September 2014

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Supported Accommodation for Young People Aged 16-24

1. Context (or background)

- 1.1 The City Council provides supported accommodation and floating support to a range of service users aged 16-24. This support has historically been provided through a range of contracts administered by the Children’s Services and Housing elements of the People Directorate. In February 2013 a tender process was approved for six block contracts for accommodation and support plus a call-off contract to give capacity to manage fluctuations in demand above block contracted levels. Following completion of the tender new contracts were implemented in December 2013.
- 1.2 The commissioning of Supported Accommodation services presents challenges across a number of local authorities. Many local authorities are facing difficulties either due to capacity and quality in their local markets, providers being unable to provide services within available financial envelopes or insufficient local housing stock restricting the practicalities of service delivery. Some local authorities i.e. Camden, are considered to have a well-developed model for Supported Accommodation but this has been under development since 2007.
- 1.3 The new Coventry service was intended for care leavers, young people who would previously have accessed the Supporting People service, and young people who had previously been receiving a service from the Housing Department because they were homeless. Supported Accommodation is not a regulated service.
- 1.4 The service was designed to:
- Increase the choice and flexibility for young people by expanding the different types of accommodation available;
 - Improve outcomes and increase placement stability by reducing the number of evictions;
 - Drive up quality by setting out clear expectations through the specification;
 - Enable an overview of numbers and need;
 - Reduce the need to use Bed and Breakfast accommodation.
- 1.5 The contracts were based on three levels of need - low, medium and high - which derived from analysis of the range of needs which young people in the group presented with. This work was encapsulated in the ‘Commissioning Strategy and Service Model, Stakeholder Consultation Document’ October 2012.
- 1.6 Following completion of this needs analysis a tender process commenced, as a result of this process contracts were awarded as follows:

Lot	Type of Service	Numbers	Provider
Lot 1	Foyer-type accommodation: low to medium needs	63 (accommodation)	Midland Heart
Lot 2	Supported accommodation: low, medium, high needs	27 (accommodation)	Cyrenians
Lot 3	Supported accommodation: low, medium, high needs	27 (accommodation)	Cyrenians
Lot 4	Supported accommodation: low, medium, high needs	27 (accommodation)	Cyrenians
Lot 5	Floating Support	45 (floating support)	St Basil’s
Lot 6	Accommodation and Floating Support for Teenage Parents	16 (accommodation) 25 (floating support)	Valley House

1.7 There was also a seventh lot that was not awarded due to tenders not being received at an acceptable cost. This lot was a call-off contract to give additional capacity should this be required in the event of block contracted capacity being insufficient to meet demand.

1.8 Alongside the tender process a number of operational changes were made. A single point of access was introduced that required all referrals and placements to go through a central point. The ability for providers to take direct referrals into contracted capacity was also removed.

1.9 Local Authority Responsibilities

1.10 The local authority has a range of responsibilities that are dealt with, in part, through the provision of supported accommodation. These are outlined below:

1.11 Care Leavers

Under the Children (Leaving Care) Act 2000 the City Council is responsible for Care Leavers up to the age of 21 and the age of 24 if in full time education. This Act supplements the Children Act 1989 and places a duty on the Local Authority to financially support and meet the housing needs/costs of care leavers until their eighteenth birthday, and to maintain contact with them thereafter, providing advice, assistance and support. This responsibility includes the provision of suitable accommodation if they are eligible and have a need for the suitable accommodation to be provided. The City Council manages this responsibility primarily through the 'Route 21' team and where accommodation is required for Care Leavers this is provided through the Supported Accommodation contracts.

1.12 The level of need of the care leaver in question will determine the type of Supported Accommodation offered. In September 2014 the total number of care leavers was 371 with 90 care leavers having gone into Supported Accommodation. Those not going into Supported Accommodation as a Care Leaver go into other forms of accommodation such as their own tenancy, university accommodation or remain with former foster carers under the Staying Put scheme. Regardless of the accommodation setting the Care Leaver remains the responsibility of the Route 21 team until either their 21st or 24th birthday if in full-time education.

1.13 The average monthly number of care leavers in supported accommodation was 64 with the highest being 83 and the lowest number being 42.

1.14 16-17 Year Olds

Under the Children Act 1989 the City Council has a statutory duty to provide accommodation for people who are 1) under the age of 18 who are still Looked After Children and 2) and/or have reached 16 and whose welfare is likely to be 'seriously prejudiced' should accommodation not be provided, and they consent to becoming Looked After Children.

1.15 As at 31 October 2014 the total number of 16 and 17 year olds that accessed a supported accommodation service since the start of the existing contracts is 211. Of these, 62 were care leavers, 25 were still legally in care, and 124 were homeless young people whose welfare was likely to be seriously prejudiced if accommodation was not provided. The average monthly number of people supported was 36 with the highest being 64 and the lowest number being 18.

1.16 Statutory Homelessness

The Housing Act 1996 identifies the groups of people that have a priority need for accommodation; this includes:

- 16-17 year olds (also covered under the Children Act 1989)
- 18-20 year olds who were previously in care,
- those who are vulnerable as a result of time spent in care, the armed forces or prison,
- those that are vulnerable as a result of having to flee their home because of violence or the threat of violence.

1.17 As at 30 September 2014 the total number of 18-24 year olds that accessed a supported accommodation service due to meeting the interim homeless duty since the start of the existing contracts is 127. The average monthly number of people supported was 68 with the highest being 95 and the lowest number being 34.

1.18 In addition to the above categories Local Authorities can decide the extent to which they provide housing-related support to a variety of people in different circumstances. The 'Supporting People' programme was the overarching programme that delivered this housing related support. The ringfence on Supporting People funding was removed from 1 April 2009. Support is provided, across a range of groups including young people, homeless, people with mental ill health or disabilities, people with learning disabilities and older people. The City Council hold a number of contracts to provide this support for people aged 18 and over. As the group of people that generally benefitted from Supporting People funding support was those who did not meet other Local Authority criteria for services this is an area that has been significantly reduced as local authority resources have decreased.

1.19 Under the current arrangements, supported accommodation is provided to young people over 18 who qualify for a homelessness assessment under Housing legislation and require support to meet other needs. The Council has no statutory obligation to provide supported accommodation to young people that do not meet one of the specific areas of responsibility identified in 1.11 to 1.16 above. However, the broader definition was adopted following the previous consultation on the basis that providing support could reduce the probability of long term homelessness and would provide young people with support to enable them to gain employment. The application of this broader definition does need to be considered in the context of the resources available to deliver supported accommodation services. The Council would still be responsible for providing emergency accommodation for these young people and for carrying out a homelessness assessment.

1.20 Levels of Need Within Existing Contracts

1.21 The current contracts for Supported Accommodation were let against three levels of need, these being low, medium and high. The threshold for Supported Accommodation was set at Common Assessment Framework (CAF) Level 3 i.e. young people's life chances will be impaired if they are not supported. The age range covered by Supported Accommodation is up to 24 whereas CAF levels of need apply to children and young people (up to age 18).

1.22 The needs analysis and consultation identified that the three levels of need – low, medium and high - would present in indicative proportions of 56%, 32% and 12% respectively. These amounts were indicative guidelines in the tender documentation.

However, a much greater proportion of higher needs people are presenting for services across some of the contacted 'lots'.

- 1.23 In addition to levels of need there is also a consideration in terms of levels of risk. Some accommodation is within a group environment and therefore the past histories and presenting needs and behaviours of individuals need to be considered in the context of the other people placed in that accommodation. The on-site staffing levels plus access to other support to manage vulnerabilities of some young people are key factors in a provider's ability to manage risk.
- 1.24 There are also behavioural issues with some of the people placed in Supported Accommodation, on occasion this is to such an extent that young people are evicted from the accommodation and moved elsewhere. There is no mechanism currently in place for young people to be excluded from accessing Supported Accommodation due to their own behaviour. A clearly defined process is being developed to support the providers in addressing behavioural issues within the supported schemes in order to prevent vulnerable young people simply being moved when they become problematic.
- 1.25 Overall, the numbers of placements made under each of the Local Authority duties against each of the levels of need identified in the Supported Accommodation contracts since the contracts began are shown in the table one below.
- 1.26 *Table One: Levels of Need compared with different responsibilities since contract commencement*

Responsibility	Low	Medium	High	Pre-contract	Total
The Children (Leaving Care) Act 2000	20	41	21	8	90
The Children Act 1989	70	49	23	7	149
Housing Act 1996 and Homelessness Act 2002 Interim Duties	48	44	18	17	127
TOTAL	138 (38%)	134 (36%)	62 (17.%)	32 (9%)	366 (100%)

1.27 Current Position

- 1.28 As at November 2014 demand for supported accommodation places was 222. The number of contracted places is 209 units of accommodation with 100 people being supported through floating support. This includes capacity awarded following the tender process plus additional capacity purchased on a short term or spot basis. In addition, a mediation project has been commissioned from St Basil's which seeks to return young people home and prevent homelessness. The breakdown of the current contracted provision is shown in the Table 2 below.
- 1.29 These levels differ to the tendered contracts due to the requirement to provide capacity to meet the needs of the numbers presenting for supported accommodation.

Table 2: Current Contracted Provision

Provider	Block Contract Capacity	Average Occupancy since contract start	Average Spot Usage 14/15	Contract End Date
Midland Heart	63 (accommodation)	57		30 Nov 2017
Coventry Cyrenians	81 (accommodation)	62		31 Jan 2015
Valley House	16 (accommodation)	16		30 Nov 2017
Valley House	25 (floating)			30 Nov 2017
Key Two	34	34	14	31 Mar 2015
Elysian Field	15	15	12	31 Mar 2015
St Basils	75 (floating)			30 Nov 2017 (45) 31 Mar 2015 (30)
St Basils Positive Prevention				31 Mar 2015

- 1.30 One of the contracted providers, Coventry Cyrenians, has mutually agreed with the City Council to terminate their contract on 31 January 2015 placing additional demands on the provision of Supported Accommodation. Coventry Cyrenians will continue to operate as a charity providing accommodation to homeless people within the City. Due to the low level of needs and risks associated with some of the people currently in their provision, they have indicated that they will be able to continue to provide support to 30 of the 42 young people placed with them as at end of November 2014 without a City Council contract. The 12 that will need alternative accommodation will be placed at the Foyer (Midland Heart), with Key Two or Elysian Field, or with St Basils through their Fair Chance programme.
- 1.31 Once Cyrenians exit the contract on 31 January 2015 there will be no provider that as a result of the tender process is delivering supported accommodation to people with high needs. Although both Key Two and Elysian Field provide supported accommodation to people with high needs, this is on a short term contractual basis, until 31 March 2015.
- 1.32 An additional factor in relation to Supported Accommodation is that Acorn House, an independent service for Teenage Parents closed on 31 December 2014. Following this closure it is possible that there may be an increased demand for accommodation for pregnant teenagers, the majority of which would be dealt with through priority housing although some additional demand may present for Supported Accommodation.
- 1.33 Since the supported accommodation contracts commenced a number of people have been placed in bed and breakfast. The average placement in bed and breakfast has been 18 days. In mid-December 2014, 22 people were placed in Bed and Breakfast that would otherwise have been in Supported Accommodation. All people placed in Bed and Breakfast accommodation receive floating support from St Basils.
- 1.34 From 1 April 2014 Salvation Army were awarded a contract for the delivery of supported accommodation and floating support service for single homeless service users (aged 25+) families and ex-offenders (aged 18+). An update on the progress since implementation was provided to Joint Cabinet Members (Cabinet Member Community Development, Co-operatives and Social Enterprise and Cabinet Member Policing and Equalities) at their meeting on 14 November 2014. The support provided within this contract typically includes support with developing domestic/life skills, developing social skills/behaviour management, emotional support, counselling and

advice, and helping to find other suitable accommodation. Due to the nature of the support there are a number of similarities between the support provided by the Salvation Army and that provided through Supported Accommodation contracts although Salvation Army do not specialise in working with young people.

2. Options considered and recommended proposal

2.1 Option One – Preferred Option.

The delivery of effective Supported Accommodation services is challenging due to the variability of the size of the client group and the variation in the needs they present with. As housing providers are key to delivery their requirements also need to be managed in order to deliver sustainable services.

2.2 The work on Supported Accommodation prior to going to tender was extensive and included a consultation undertaken in three phases and the completion of a needs analysis. Therefore, the data used at the point of commissioning was the best available although data from previous purchasing arrangements on numbers of young people and levels of need was limited. It is however the case that there has been a greater level of demand and a greater level of need of individuals presenting than that which was anticipated. This has created the need for short term commissioning of additional capacity and the use of bed and breakfast accommodation. In addition, the mutually agreed termination of the Cyrenians contract requires some short term actions to ensure sufficient capacity exists post 31 January 2015.

2.3 To provide capacity for young people requiring Supported Accommodation:

- Extend the current contract with Key 2 for 34 beds plus additional spot purchasing until 31 March 2016 with three monthly break clauses at a cost of £398 per bed/per week.
- Extend the contract with Elysian Field for 15 beds plus additional spot purchasing until 31 March 2016 with three monthly break clauses at a cost of £409 per bed/per week.
- Extend the contract for the St Basil's Positive Prevention project until 31 March 2016 with three monthly break clauses at a cost of £58,000 for high level needs.
- Extend the contract for the additional 30 floating support places with St Basil's until 31 March 2016 with three monthly break clauses at a cost of £57,000 for high level needs.

2.4 In order to reduce the use of Bed and Breakfast accommodation it is proposed that the existing Salvation Army Homeless contract will be varied to include young people aged 16+ at a volume of 20 beds. 10 have already been identified at the Chace for an interim period until 31 March 2015 with further provision to be sourced to deliver the full 20. Services will be managed within this capacity from 1 April 2015.

2.5 In addition to 2.3 and 2.4 the following will also be progressed:

- A review of how young people with high support needs can be supported within Supported Accommodation. This will inform the appropriate contractual arrangements to replace the current Key Two and Elysian Field arrangements.

- How the use of bond schemes can be increased to enable young people to be more independent and not become reliant on Supported Accommodation services.
- The development of clear information for young people accessing Supported Accommodation, and young homeless in general to explain the City Councils obligations, their own obligations and the nature of the different choices people will be faced with to resolve their homelessness.

2.6 Other Options – Not Recommended

The position in terms of Supported Accommodation has changed from that which was used as the basis for commissioning. Therefore, although the Council has the option to re-tender for un-let contracts on a like-for-like basis without considering changes, this is not recommended as the City Council should consider the current position and respond accordingly.

3. **Results of consultation undertaken**

- 3.1 As part of the commissioning process for Supported Accommodation a three stage consultation process was undertaken with current and prospective service providers and current and prospective service users. The consultation took place between November 2011 and November 2012.
- 3.2 Further consultation will be undertaken in respect of the issues identified in 2.5 above

4. **Timetable for implementing this decision**

- 4.1 Any further tender work is scheduled to be complete 31 December 2015 and contracts will be scheduled to commence in April 2016 at the latest.

5. **Comments from Executive Director of Resources**

5.1 Financial implications

The total budget for this service area is £2.2m. This is the total of the former Care Leavers' budget (£0.9M) and the Supporting People and Homelessness budget (£1.3m). This budget pays for accommodation and support for people aged 16-24.

The 2014/15 quarter 3 forecast is expenditure of approximately £3.2m. This position is not affordable and not sustainable.

The contracts awarded for Lots 1 - 6, as described in section 1.6 have 160 accommodation places and provision for supporting 75 people with floating support. The annual value of the contracts awarded as a result of the tender is £0.9m.

The interim solution for Lot 7 is 49 block contracted placements with two organisations costing £1.0m, plus additional spot purchase provision forecast at £0.4m in 2014/15. In addition to this contracted spend placements have been made into bed and breakfast providers throughout the year at a forecast cost of £0.4m.

Other costs that are incurred against this budget is where supported accommodation for young people outside of the city is provided, and where additional funding is provided to for contracted providers due to the young people not being able to claim housing benefit (where they have no recourse to public funds). This is currently forecast at £0.3m in 2014/15.

In addition to service developments including improved referral processes and positive prevention and mediation, the recommendations included in this report to reduce use of Bed and Breakfast through use of the Salvation Army and the termination of the Coventry Cyrenians contract are expected to reduce the spend by approximately £500k in 2015/16.

At quarter 2 there was a forecast overspend across the People Directorate for 2014/15 of £4.5m. The ongoing resourcing of Supported Accommodation will be considered as part of the overall resourcing of Children's services within the People Directorate.

5.2 Legal implications

A number of duties may arise for the City Council in the provision of housing support to 16-24 year olds. These duties will depend on the individual needs and circumstances of the young person and may include leaving care support and homelessness duties.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The services commissioned support the City Council's objectives of supporting the most vulnerable and also contributes to the achievement of other objectives through supporting young people into sustainable accommodation, to improve educational outcomes and gain employment.

6.2 How is risk being managed?

There are a number of risks associated with Supported Accommodation, both financial risks and risks in delivering the City Council's statutory duties to this group.

Further risk is lack of suitable accommodation in Coventry to be sourced by providers, including Salvation Army.

6.3 What is the impact on the organisation?

As demand has increased the use of available staffing has been prioritised to manage this demand.

6.4 Equalities / EIA

An Equalities and Consultation Analysis was completed in January 2013 following the conclusion of the consultation process.

Positive impacts were identified in that through bringing together previously disparate services young people would have access to a range of services without artificial barriers in terms of who commissions across the City Council. The integrated approach was also expected to improve the life chances of vulnerable young people.

6.5 Implications for (or impact on) the environment

None identified

6.6 Implications for partner organisations?

Supported accommodation services are commissioned from a range of organisations in the voluntary sector. Continuing to work with these organisations to ensure the difficulties in managing high levels of demand within a limited resource will be essential to the long term success of this work.

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