

Report to: Lucy Butler - Director of Children, Young People and Learning

April 2024

Commissioning of Housing Related Support Services for Young People aged 16–24

Report by: Daniel Ruaux, Assistant Director, Corporate Parenting

Electoral divisions: All

Summary

The County Council provides a range of Housing Related Support services in accommodation-based settings to young people aged 16-24 that are either care experienced or at risk of homelessness.

These services were originally procured in 2019 and the contracts subsequently extended in 2022 (decision [OKD22 \(22/23\)](#) refers).

The contracts are due to come to the end of the maximum permissible term on 30th September 2024 with no further options for extension. Options are currently being explored for redesigning the future delivery of services to support young people aged 16-24 that are either care experienced or at risk of homelessness.

Whilst further work is undertaken to develop the redesigned service it is proposed that arrangements with existing providers continue, through direct award of contracts, for providing Housing Related Support in accommodation-based settings for up to a further 12 months (until 30th September 2025). This will allow a compliant procurement exercise for the re-modelled service to then follow.

Recommendation

The Director of Children, Young People and Learning is asked to approve the direct award of contracts to existing providers detailed in paragraph 2.2 of the report for a period up to twelve months commencing on 1st October 2024.

Proposal

1 Background and context

- 1.1 Contracts to provide Housing Related Support were commissioned in October 2019 and covered a range of services, some for adults and some for young people. There was an option to extend these contracts and approval was granted in August 2022.

The contracts were extended for the period of 1st October 2022 until 30th September 2024 (decision [OKD22 \(22/23\)](#) refers).

- 1.2 The oversight and management of Housing Related Support contracts that specifically supported young people aged 16-24 was transferred from Adult Services and Health, to Children, Young People and Learning in January 2023.
- 1.3 Services offered by these contracts include 7 staffed foyer settings (staffed accommodation units for up to 50 young people) as well a range of unstaffed shared houses used for transitional purposes.
- 1.4 During the extension period work has been taking place (a deep dive) to identify what is working well with the Housing Related Support service, what is not working and what needs to be improved. This is enabling options to be explored for redesigning the future delivery of the service.
- 1.5 Young People have been at the centre of the deep dive and opportunities have been provided for those presently placed in these services to have their voices heard.
- 1.6 The deep dive has also involved external stakeholder events, working closely with current providers, district and boroughs, and Public Health.
- 1.7 From this work it is evident that the services need to be rescoped and, as such, further time is needed to ascertain the most appropriate future model for the service. A twelve-month continuation of the service with existing providers will provide the necessary timeframe to redesign a service that meets the needs of West Sussex young people.

2 Proposal details

- 2.1 Whilst further work is undertaken to develop the redesigned service it is proposed that arrangements with existing providers continue through direct contract awards to enable the provision of Housing Related Support in accommodation-based settings for up to a further 12 months (until 30th September 2025).
- 2.2 The direct awards would cover the following services: -
 - YMCA Crawley, Horsham, and Worthing – Foyer Settings and Unstaffed Shared Transitional Accommodation
 - YMCA Mid Sussex – Unstaffed Shared Transitional Accommodation
 - Homegroup Worthing – Foyer Settings and Unstaffed Shared Transitional Accommodation
 - Sanctuary Lancing, Bognor Regis, and Shoreham by Sea - Foyer Settings and Unstaffed Shared Transitional Accommodation
 - Sanctuary Southwick and Lancing - Unstaffed Shared Transitional Accommodation

3 Other options considered (and reasons for not proposing)

- 3.1 **Option 1:** Do nothing - Contracts end on the 30th of September 2024

Discontinuing the services is not considered a viable option. This will have a detrimental impact on West Sussex young people including care leavers, and homeless young people all with differing and many with complex needs.

Without this provision all the young people currently placed in these services will become homeless and will therefore need to present to their local district and borough councils to be re-housed, this will very likely be in temporary accommodation.

The current contracts end on 30th September 2024. Without a twelve-month Direct Award, it leaves insufficient time for an effective, quality, cost effective redesign.

3.2 **Option 2:** Re-procure the contract using the existing model.

Current providers have stated they have no appetite to continue operating the current contract long term, they are however willing to continue for a maximum of 12 months and are keen to engage in the co-production for new service delivery. It is noted the market of providers able to deliver these types of services is limited with only a handful of providers able to tender. Access to large buildings and being a registered social landlord are two main factors limiting the pool of providers able to tender for these services.

4 **Consultation, engagement, and advice**

4.1 Consultation has taken place with the current providers regarding the proposed Direct Award (for a maximum twelve months). Providers have requested an uplift for the financial year 2024-2025 in order to finalise the agreement.

5 **Finance**

5.1 Revenue consequences

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Existing revenue budget	£1.194m	£1.194m	£1.260m	£1.260m	£1.260m
Change from Proposal	£0	£0	£0	£0.098m	£0.129m (£0.065m half year effect)
Revised revenue budget	£1.194m	£1.194m	£1.260m	£1.358m	£1.389m

An initial uplift of 5.4% is proposed for the remaining 6 months of the existing contract from April 2024, with a further 4.6% uplift proposed from the start of the direct award in October 2024.

As the existing contracts do not run in line with the financial year, the figures above represent the financial impact for that year, taking account of the part year effect of the proposed inflationary uplifts. It should also be noted that the figures for

25/26 represent the full year effect, however the contracts covered by the proposed direct award would come to an end at the end of September 2025.

The additional cost of £0.098m for 2024/25 will be funded from within existing budget, following a revision to spending plans for utilising Department for Education (DfE) grant funding for supported accommodation reforms.

5.2 The effect of the proposal:

(a) **How the cost represents good value**

The direct award will continue to provide young people with safe supported accommodation where they can remain to further their independence. The proposed decision results in an existing contractual agreement for a period of 12 months to allow the continuation of services. The current supported accommodation services offer an alternative to young people being placed in temporary accommodation, enabling them to remain living locally in West Sussex. This will also avoid an increase in temporary accommodation costs.

The majority of young people are care leavers and if services were to close, additional costs may be required to ensure the safeguarding of young people due to unmet complex needs. There could be a wider significant cost impact not only to the Council but to other services such as Criminal Justice, NHS Health Services, Mental Health Services, Substance Misuse Services.

(b) **Future savings/efficiencies being delivered.**

The future redesign and re-procurement will address assurances regarding future value for money. At the core of the redesign is the prevention of future homelessness and health inequalities; recent Centre Point research states "Each additional pound spent by the government in services to support homeless young people can generate benefits that are more than double what is spent."

(c) **Human Resources, IT and Assets Impact**

None

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The current contracts expire in September 2024 and the service ends, and 230 young people are left homeless.	The preparation for a procurement exercise has started and direct award contracts are required to cover 12 months period.
The service providers have brought to our attention that it is not sustainable for them to provide the services at the same quality and capacity at the current contract value.	The Commissioning team have worked with Finance and have done calculations that indicate an uplift can be offered.

Risk	Mitigating Action (in place or planned)
Risk of a challenge from an alternative provider related to a direct award.	The Council will be undertaking a full re-procurement of this category of services in the near future.
Re-commissioning/procurement is not completed in a timely manner.	Early re-commissioning activity is already being scoped and shared with senior officers. Timescales linked to this strand of work and the impact for this category of services are also being carefully monitored by the CYPL Commissioning Team.

7. Policy alignment and compliance

7.1 [Our Council Plan](#) – the services help to meet some of the specific outcome priorities as detailed in the County Council’s Our Council Plan. Namely:

- Keeping people safe from vulnerable situations.
- A sustainable and prosperous economy.

7.2 Legal implications –

There is no provision within the current contract for further extension and so a direct award will be made to the incumbent providers on the existing terms and conditions. Therefore, there is the risk of legal challenge from other providers in the market as the Council would be directly awarding contracts to providers without following a competitive procurement procedure. However, this risk should be mitigated by the fact that the Council will be undertaking a full re-procurement of the service soon. The most recent market testing also suggests that the potential bidder pool is limited.

The procurement process will be undertaken in accordance with the procurement legislation in force at the time and will be compliant with the Council’s Standing Orders on Procurement and Contracts.

7.3 Equality duty and human rights assessment

As part of their contractual obligations, service providers seek to ensure that the services delivered respect and include everyone regardless of their:

- gender or gender reassignment
- marital status (including civil partnership)
- sexual orientation
- race, language, ethnic or national origins and nationality (including citizenship)
- religious belief
- disability and / or medical conditions
- age

In addition, any work done to further develop services over the period of the extensions will take fully into account the Council's duty to have regard to its public sector equality duties.

7.4 Protecting the environment

We are working with the providers to help mitigate the effects of climate change and assist in meeting the Council's target of reducing carbon emissions to net zero by 2030. We interact with our providers by hosting many meetings via Teams as the services are spread right across the county, this has a significant, positive impact on the amount of miles driven to conduct these meetings. This transformed way of working has therefore contributed to reducing the Council's carbon footprint.

7.5 Crime and disorder

Our commissioning providers contributes to reducing crime by ensuring that those who would otherwise be on the streets and extremely vulnerable, are accommodated and supported wherever possible. This provision also reduces the risk of anti-social behaviour.

7.6 Public health

This proposal will enable increased capacity to support some Public Health initiatives. These services provide support for some very complex young people, and often are the initial people who manage mental health crisis.

7.7 Social value

This proposal will enable increased resourcing for providers, enabling support beyond crisis mode. It will provide opportunity to support young people on small steps towards an independent pathway and time to identify a potential model to be used under the future redesign of the services.

Daniel Ruaux - Assistant Director, Corporate Parenting

Contact Officer: Shelly Dichello - Service Manager Young People and Strategic Housing, shelly.dichello@westsussex.gov.uk

Background papers- None