

## Extension of the Supported Living Options for Children Looked After (CLA) & Eligible Care Leavers

### Report of the Head of Childrens Health and Wellbeing (Deputy Chief Officer)

*Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.*

#### It is recommended that Cabinet:

- a) **Approve an eight-month extension to the existing Supported Living Options Framework Agreement for 16-17-year-old children in care and eligible care leavers, with an additional entry point at the start of the extension period, to go live at the start of February 2024.**
- b) **Delegate approval of the future commissioning and procurement strategy to the Director of Children's Services in consultation with the Cabinet Member for Children's Services.**
- c) **To apply an increase of 5% to Framework Agreement prices for the duration of the extension period.**

#### 1. Summary

- 1.1 This report seeks approval from Cabinet for an extension of 8 months to the current Framework Agreement for 16+ Supported Accommodation. These services provide supported accommodation to 16-18-year-old children in care and eligible care leavers that promote independence and preparation for adulthood.
- 1.2 The commissioning of 16+ Supported Accommodation enables the Council to deliver our statutory duties to children in care and care leavers in line with:
  - Devon's Corporate Parenting Strategy.
  - [A Place Called Home Devon Sufficiency Strategy](#);
  - [Devon's SEND strategy](#).
- 1.3 The Supported Living Options Framework Agreement secures accommodation which caters for a broad range of needs, including emotional and behavioural issues. This allows young people to thrive and enables them to transition to independence or reunification with family.
- 1.4 In early 2022, the government announced that it will publish national standards for the statutory regulation of supported accommodation for 16- and 17-year-old looked after

children and care leavers. The draft national standards were published in early December 2022.

- 1.5 All supported accommodation providers accommodating young people aged 16 and 17 will need to be registered with OFSTED by October 2023. This requires providers to submit the necessary documentation and will precede OFSTED inspection visits from April 2024.

## 2. Background

2.1. Supported Living Options is a service that includes both supported accommodation and supported lodgings. The service is specified to meet the support needs of young people from 16 – 18 years of age who are transitioning from being in care to independent living. Services provided under this contract are currently unregulated.

2.2. The current Framework Agreement has two lots;

- Lot 1 – Supported Lodgings for Children Looked After & Eligible Care Leavers in Devon & Neighbouring Authorities.
- Lot 2 – Semi-Independent Residential and Shared Accommodation for Children Looked After & Eligible Care Leavers in Devon & neighbouring Authorities.

2.3. The Framework Agreement went live on 1<sup>st</sup> June 2019 and was commissioned as a 4-year agreement with 1 entry point for new providers to join, or existing providers to add new provisions. The Framework Agreement is due to end on 31<sup>st</sup> May 2023

2.4. In 2020, the Government consulted on a series of reforms to supported accommodation provision for children in care and care leavers, including the introduction of statutory regulation of this sector.

2.5. The DfE published the Government's response to the consultation in February 2021, this set out the following:

- Prohibit the placement of under-16s in unregulated provision – this requirement came into effect in September 2021.
- Consult on introducing national regulatory standards and Ofsted registration and inspection for providers of unregulated supported accommodation provision.
- Legislate to give Ofsted additional powers to take action against illegal unregistered children's homes.
- This provision type will be called 'Supported accommodation for young people', to ensure a consistent and universal understanding across the sector.
- Proposal to introduce regulations to prohibit placing looked after children and care leavers aged 16 or 17 in unregulated settings.

- The Government will introduce mandatory national standards overseen by Ofsted registration and inspection for provision that accommodates 16 and 17-year-old looked after children and care leavers.

2.6. The introduction of the mandatory national standards has been welcomed by providers currently on the Framework Agreement. The providers are committed to working with the council to prepare for, and meet, the national standards over the next 10 months.

2.7. National Standards were due to be published on an ‘for information’ basis in early 2022, however these were only published in early December 2022. All providers will be required to have a detailed statement of purpose and a ‘workforce plan’ which meet the requirements of the standards.

2.8. The standards are divided into 4 categories:

1. **Leadership and Management Standard:** The ‘registered person’ enables, inspires and leads a culture in relation to the supported accommodation.
2. **Protection Standard:** To ensure young people are safe and protected from harm.
3. **Accommodation Standard:** Children experience a comfortable and secure living environment.
4. **Support Standard:** Children received individual and tailored support.

### 2.9. Timeline for Ofsted Registration Implementation



2.10. The standards will have significant implications for the practice of providers and the quality of the offer to children and young people. This may impact on the ability and willingness of some providers to remain in this market. There is also a likelihood that there will be financial implications for providers to prepare for, and meet, the requirements of statutory regulation.

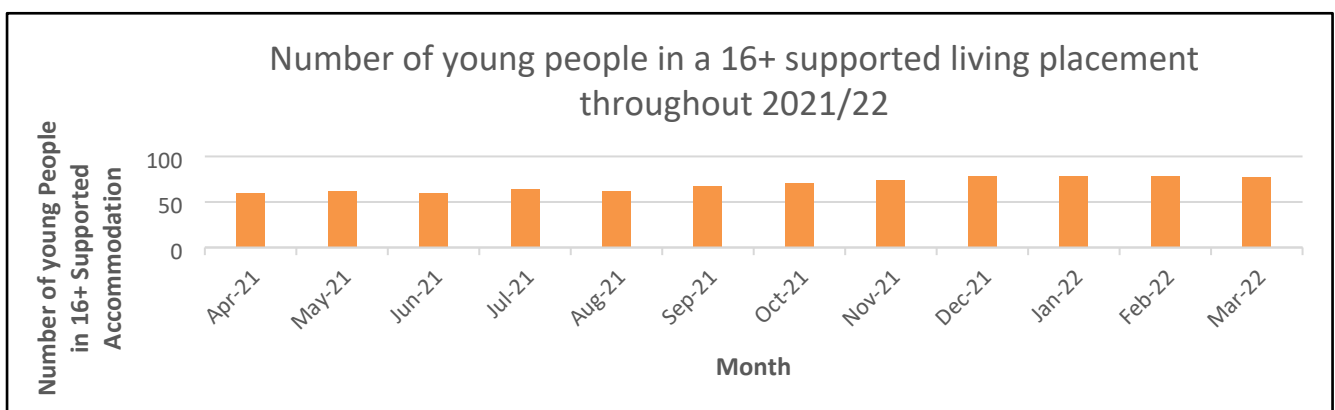
## 3. Review of the Supported Living Options Framework Agreement

3.1. Supported Living Options Framework Agreement providers deliver services to support 16 to 18-year-old children in care and eligible care leavers. Occasionally,

services extend to young people over the age of 18 when they are unable to transition to independent living. Young people are placed in homes and accommodation where they are safe, nurtured, are consulted and listened to, and are supported to get the most out of life.

3.2. The framework arrangements require the supported accommodation providers to submit a price for their weekly fees, with an additional “menu” of support that can be accessed. The assessed needs of the individual young person will determine which additional services are required to achieve good outcomes in their lives.

3.3. The numbers of young people in 16+ supported accommodation has increased since April 2020. At the start of Q1 2021/22 there were 60 young people in 16+ accommodation placements. At the end of Q4 2021/22 there were 77, which is an increase of 28% as summarised in the table below:

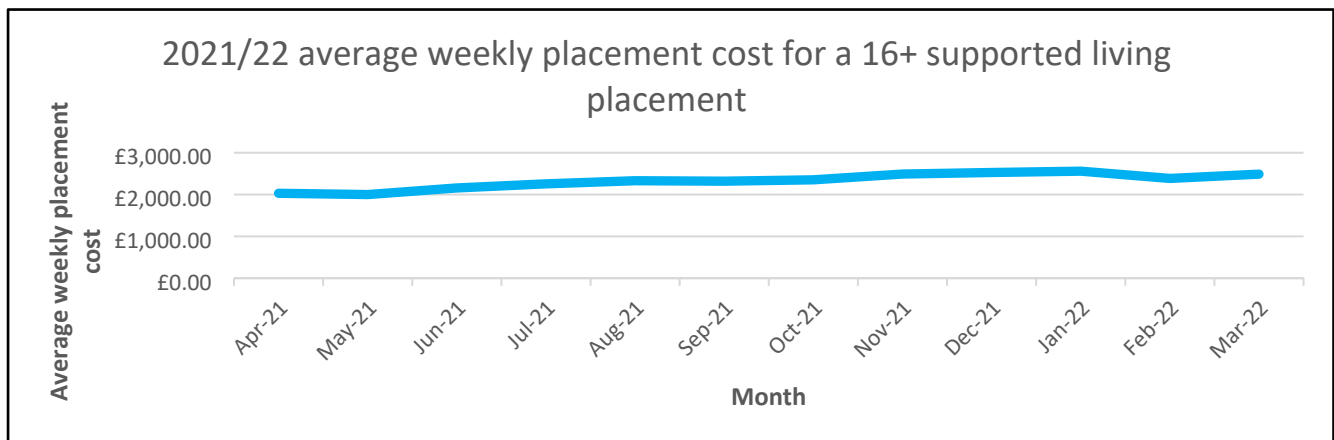


3.4. At the of end of September 2022 there were 89 young people in 16+ supported accommodation. Of these, 60 are children in care and 29 are care leavers. These young people were placed as follows:

- 63 young people are placed with on framework providers in on framework provisions (71%)
- 10 young people are placed with on framework providers in off framework provisions (11%)
- 16 young people are placed with off framework providers in off framework provision (18%)

3.5. The increase in the number of young people in 16+ supported accommodation will continue to increase significantly over the next period. This is due to the projected increase in UASC aged 16+ over the next 12 months. This is expected to add between 8 and 10 additional young people each month for the next period.

3.6. During 2021/22 the average weekly placement cost for 16+ Supported Accommodation placements varied between £2,000 (in May 2021) and £2,559 (In December 2021).



3.7. In October 2022, the average weekly cost was at the following levels:

- The average weekly placement cost for those young people living in On Framework provisions is £2,047.
- The average weekly placement cost for those young people living in Off Framework provisions is £3,535.

3.8. The age profile of these placements is 61 young people aged 16-17 and 28 young people aged 18+. Both cohorts are expected to increase further due to increased numbers of Unaccompanied Asylum Seeking Children being referred to Devon through the National Transfer Scheme.

3.9. The average cost of placements for 18+ young people is just over £2,000 per week. A more detailed needs analysis will be carried out for this group of young people during the extension period. A more cost-effective model of semi-independent accommodation with 'floating support' will be developed for this group to reflect their transition to independent living. This approach will provide step-down opportunities for this cohort which will free up space for placements for 16-17 year-olds. This model of 18+ semi-independent accommodation will be included in the new commissioning arrangements following the extension period.

3.10. The majority of off framework placements are with Framework Agreement providers in settings which are not included on the Framework Agreement. The higher prices reflect our inability to fix spot placement prices. In a small number of cases, off Framework Agreement placements can be much higher cost to meet the support needs of the young person.

3.11. The average cost of Framework Agreement and off Framework Agreement placements is impacted by supported living providers being used to accommodate children and young people in exceptional or very high-cost placements. There are two children aged under 16 currently in exceptional placements with framework providers. The placements for these two children in care have an average weekly cost of £11,350. There are also two over 16s who require a high level of support at

an average cost of £12,921 per week with a level of care that was not anticipated for this Framework Agreement.

3.12. In summary, the Framework Agreement is working well with the majority (71%) of young people placed in on-Framework Agreement placements which are achieving a better weekly average cost compared to those off Framework Agreement placements. By including an entry point during the extension period there will be scope to include more providers and properties on the framework to increase capacity and choice.

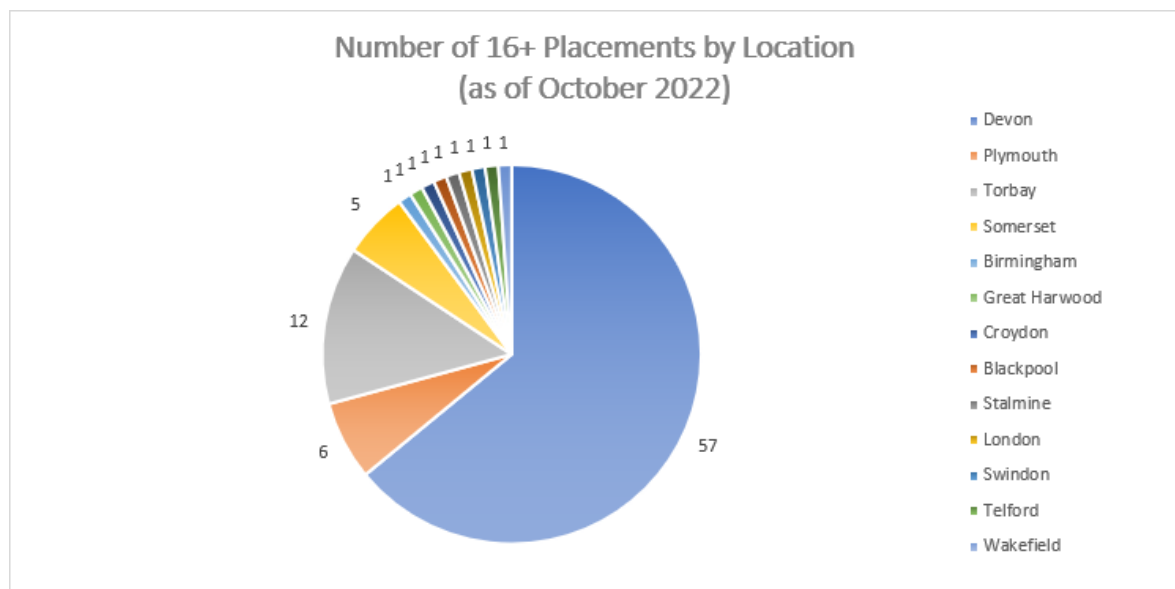
#### 4. Sufficiency

4.1. Under Lot 1, there is 1 provider on the Framework Agreement offering supported lodgings placements across Devon.

4.2. Under Lot 2, there are 23 providers on the Framework Agreement offering in 68 settings. There are 50 settings in Devon, 1 in Plymouth and 17 in Somerset.

4.3. The settings listed above are used by neighbouring authorities as well as Devon. In some cases, providers operate below capacity due to matching considerations, staff recruitment challenges, or sustainability issues.

4.4. As of October 2022, 57 young people (64%) are placed in 16+ placements in Devon, 23 young people (26%) are placed within the wider Peninsula region i.e. Somerset, Torbay, or Plymouth, and 9 young people (10%) are placed at a distance



4.5. The age profile of young people in supported accommodation placements includes 28 young people over the age 18. This is partly due to a lack of move on options for this group of young people to transition to independent or semi-independent accommodation.

- 4.6. The future procurement model will need to take into account the new national standards. In light of the new national standards, and the projected increased demand for supported accommodation services, commissioners will develop the supported accommodation specifications, including those reflecting the supported lodgings and semi-independent accommodation for 18+ young people in Devon. The extension period is required to effectively complete this essential work through engagement with providers and key partners.
- 4.7. The procurement approach will be based on a fully developed commissioning and procurement strategy following this period of engagement with the market and partner agencies. This strategy will be agreed with the Director of Children's Services in consultation with appropriate Lead Members.

### **Unaccompanied Asylum Seeker Children in Devon**

- 4.8. There are currently 25 Unaccompanied Asylum Seeker Children (UASC) placed with Support Living Options Framework Agreement providers. It is anticipated that the number of UASC aged 16-17 in the care of Devon will continue to increase significantly over the next 12 months to around 60 young people by February 2024. There will also be increasing numbers of UASC aged 18+ that the council will have a duty to support.
- 4.9. Commissioners are working closely with Framework Agreement providers to expand provision for the UASC cohort of children in care over the next 12 months. The new supported accommodation procurement model, following the extension period, will need to have a strong focus on providing services for this group of children in care up to the age of 19.

## **5. Overview of Options Appraisal and Analysis**

- 5.1. An options appraisal has been completed by Commissioning and Procurement.
- 5.2. Options which were considered as part of the options appraisal included:

### **Option 1: Do nothing and move to spot contracting arrangements.**

This option would see the existing Supported Living Options Framework Agreement expire on the 31<sup>st</sup> of May 2023 resulting in no formalised agreements being in place. Supported Accommodation placements with providers would require spot contracts.

This approach is likely to result in higher weekly costs as there would be no fixed pricing in place. This option would not be compliant with PCR 2015 Procurement Regulations. Opportunities to engage with the market, respond collectively to the requirements of the new national standards, and to develop services to meet the needs of children in care and care leavers would be limited.

For the reasons above, this is not a recommended option.

**Option 2: No extension to the current Framework Agreement and recommission services with a go live of 1<sup>st</sup> June 2023.**

This option would be compliant with PCR 2015 procurement regulations.

The timescale for Option 2 would require going out to the market using the existing specification and contractual terms. This would need to be done before the council has been able to work with providers in response to the recently published draft national standards. This could result in DCC recommissioning an arrangement that is not fit for purpose and that could potentially need to be recommissioned with revised specifications and contractual terms within a short period.

Providers would be expected to respond to the tender at a time when they are seeking to restructure their services and business model to meet statutory regulation. This would create risk for providers which may result in higher cost submissions or result in providers deciding not to bid at this stage.

The opportunity to engage providers to develop the procurement model and create a flexible way of commissioning with more cost-effective supported accommodation services would not be realised.

For the reasons above, this is not a recommended option.

**Option 3: Extend the current Framework Agreement for 8-months until 31st January 2024, with an additional entry point at the start of the extension period, to go live at the start of February 2024.**

This option would allow time for commissioners and quality assurance officers to focus on working with providers to ensure that they achieve a good level of quality through the registration process. This will increase the chances of them attaining registration and bidding to join the newly commissioned arrangement. This will result in a better offer for Devon Children and young people and enhanced sufficiency in the market.

Following the publication of the final statutory standards in 2023, these standards will be fully reflected in service specifications and contractual terms in the new tender. This will avoid the need for contract variations or subsequent retendering to reflect these changes.

Commissioners will include an entry point in May 2023 to allow existing providers to add properties to the Framework Agreement and to give the opportunity for new providers to join the Framework Agreement. This will reduce the number of off Framework Agreement placements and will hopefully reduce related prices.

Commissioners will engage providers to review specifications and embed good practice. New service delivery and contractual models will be fully investigated to ensure that there is flexibility to develop the market and respond to future demand.



The new tender model is likely to include new lots which will be based on more efficient service models that respond to specific cohorts of children in care and care leavers. These new service models will take advantage of opportunities to develop more cost-effective service models that are better suited to the needs of different groups of children in care and care leavers.

5.3. For the reasons set out above Option 3 is recommended in this report.

## **6. Financial Considerations**

6.1 The projected net forecast expenditure for on Framework Agreement placements in the financial year 2022/2023 is £5,454,600.

6.2 The projected financial expenditure during the 8-month extension is £4,515,100 at current framework prices based on November live placement data.

6.3 Should Cabinet approve the recommendation in this report to extend the existing Supported Living Options Framework Agreement there is a risk that there will be pressure from providers to increase framework prices from 1st June 2023. It is recognised that this risk would apply to the recommended option as well as any other options described in Section 5. This reflects the financial pressures that continue to impact on the market:

- The annual rate of inflation on goods, utilities, and services.
- The introduction of the Health and Social Care Tax for employees from April 2022.
- Wage increases for any staff on National Living Wage from April 2022.
- Salary increases to attract new employees due to the recruitment challenges in the social care sector.

6.4 The providers on this Framework Agreement have not received an inflationary uplift since April 2021. To reflect the inflationary pressures above an inflationary increase for 2023-24 is recommended to be set at 5% of current Framework Agreement prices. This would cost an additional £225,800 bringing the total cost of the extension to £4,740,900.

6.5 The placements budget for 2023/24 has not yet been agreed and therefore the inflationary uplift cannot be confirmed as affordable. If when the budgets have been agreed the prices create a financial pressure the service will need to ensure that appropriate management action is taken to bring costs back in line with available funding.

## **7. Legal Considerations**

7.1 The lawful implications of the proposals have been considered and taken into account in the preparation of this report and the formulation of the recommendations set out above.

7.2 In particular, the proposals have been considered by DCC Legal in light of public procurement rules and Regulation 72 of the Public Contracts Regulations 2015 ('Modification of contracts during their term').

## **8. Environmental Impact Considerations (Including Climate Change)**

8.1 The extension of the Supported Living Options Framework Agreement will represent a continuation of the current arrangements for supported accommodation. Consequently, there are no environmental impact considerations arising from this report.

## **9. Equality Considerations**

9.1 There are no negative impacts from an equalities' perspective anticipated from the extension to the Supported Living Options Framework Agreement.

## **10. Risk Management Considerations**

10.1 There is a risk that some providers may not secure OFSTED registration in October 2023 or take the decision not to seek registration due to the burdens of statutory regulation. To mitigate this risk, the council are working closely with the provider market to ensure that existing and new providers are well placed to meet the standards and continue their work in the sector. This work includes regular quality assurance visits, provider engagement events, and sharing of good practice examples. Where there is a collective benefit, this work will be undertaken with neighbouring authorities in the South-West Region.

10.2 The risk relating to fee increases and pricing has been summarised at Section 6 above. Providers are raising the issue of rising costs with commissioners through provider engagement. There is a risk that providers will not remain on the Supported Living Options Framework Agreement during the extension period if they regard the fee uplift as insufficient to meet increased costs. This is likely to result in an increase in spot purchase arrangements at higher cost to the council.

10.3 There is a risk that the market will not meet future demand due to increases in children in care and care leavers requiring supported accommodation. Commissioners are working closely with providers to increase capacity in the supported accommodation offer for UASC and semi-independent accommodation for 18+ young people.

## **11. Public Health Impact**

11.1 The council will engage with providers to address the public health challenges facing children in care and care leavers. This engagement will be planned in the first half of 2023 to coincide with the preparation for the retendering of these services. Public health challenges will be reflected in future specification for these services.

## **12. Summary/Conclusions/Reasons for Recommendations**

12.1 The proposed Commissioning and procurement approach will ensure that the council works closely with providers to respond to the national standards for supported accommodation. This will enable providers to improve practice, raise quality and

secure registration. This will result in high-quality supported accommodation services for children in care and care leavers in Devon.

- 12.2 Approval of the recommended Option 3 will result in the substantive final standards, due to be published by the DFE in Spring 2023, to be fully reflected in specifications, tender documents, and contractual terms. This is important for the long-term viability of the future arrangements and to reduce risk for providers and the council.
- 12.3 The proposed 8-month extension to the current framework allows for the tender to be launched following the publication of the final mandatory national standards. The standards will have a major impact on the delivery of supported accommodation. These standards need to be fully understood and implemented by providers by October 2023.
- 12.4 The extension period will enable the recommissioning of services to undertake the following work:
- Share good practice to raise the quality of services in partnership with supported accommodation providers.
  - Work with providers to implement the new national standards to meet statutory regulation.
  - Reflect the new standards and embed good practice in service specifications.
  - Develop a new procurement model to ensure that there is flexibility to develop the market and respond to future demand.
  - Develop new lots to secure more efficient service models and respond to specific cohorts of children in care and care leavers.
  - Implement new models of service delivery which are more cost-effective by taking into different levels of need.
- 12.3 Should the Cabinet agree to the proposed approach a process of engagement with the provider market and other stakeholders will be carried out ahead of the retendering of these services in 2023-24.
- 12.4 Commissioners will seek to develop a more flexible contractual and service delivery model. This will allow for lots that are targeted at the needs of specific groups of children in care and care leavers. This will lead to higher quality and more cost-effective services for young people.

Electoral Divisions: - All

Cabinet Member for Children's Services: - Councillor Andrew Leadbetter

Interim Head of Children's Commissioning: - Rupa Parmar

Deputy Chief Officer - Head of Children's Health and Wellbeing: - Janet Fraser

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Local Government Act 1972: List of Background Papers

<b>Background Papers</b>	<b>Date</b>	<b>File Reference</b>
Devon County Council, Sufficiency Strategy 2022-24. Finding a place called home.	2022-2024	<ul style="list-style-type: none"> <li>• <a href="https://www.dcfp.org.uk/training-and-resources/policies-and-procedures/sufficiency-strategy/">https://www.dcfp.org.uk/training-and-resources/policies-and-procedures/sufficiency-strategy/</a></li> </ul>
Devon Corporate Parenting Strategy 2022-2024	2022-2024	<ul style="list-style-type: none"> <li>• <a href="https://www.dcfp.org.uk/corporate-parenting-strategy-2022-24/">https://www.dcfp.org.uk/corporate-parenting-strategy-2022-24/</a></li> </ul>
Devon SEND Strategy	2021-2024	<ul style="list-style-type: none"> <li>• <a href="https://www.devon.gov.uk/education-and-families/send-local-offer/working-together/what-we-are-doing-devons-send-strategy/">https://www.devon.gov.uk/education-and-families/send-local-offer/working-together/what-we-are-doing-devons-send-strategy/</a></li> </ul>
DFE: Guide to supported accommodation regulations, including Quality Standards	Draft for Consultation December 2020	<ul style="list-style-type: none"> <li>•</li> </ul>
		<ul style="list-style-type: none"> <li>•</li> </ul>