

**REPORT TO:** Executive Board

**DATE:** 17 April 2025

**REPORTING OFFICER:** Executive Director, Children's Services

**PORTFOLIO:** Children and Young People

**SUBJECT:** Halton Provision of Internal Supported Accommodation

**WARD(S)** All Wards

## **1.0 PURPOSE OF THE REPORT**

1.1 This report seeks to outline the background, and current situation, around the supported accommodation contract and proposes several options around re-procurement of the service.

### **1.2 Request for Waiver of Standing Orders:**

A request for a waiver in compliance with Procurement Standing Order 1.14.4 iv of part 3.1 and 3.2 of Procurement Standing Orders is sought to allow the continuation of a contract with People, Potential, Possibilities (P3) to deliver, on behalf of the Council, the Provision of A Leaving Care Support Service, for a period of twelve months from 4<sup>th</sup> April 2025 to 3<sup>rd</sup> April 2026.

## **2.0 RECOMMENDED: That**

- 1) the report be noted and options appraised;**
- 2) approval is granted to the recommendation that the contract with People, Potential, Possibilities (P3) should be extended for a further twelve months without going through the Procurement process, in pursuance of Procurement Standing Order 1.14.4 (non-emergency procedures – exceeding a value threshold of £100,000), seeking to waive part 3.1 and 3.2 of Procurement Standing Orders;**
- 3) approve a 12 month extension of the internal Supported Accommodation Contract, inclusive of the inflationary uplift;**
- 4) grant permission for the Head of Commissioning and Placement, and the Head of Children in Care and Care Leavers, to implement the building transfer; and**
- 5) authorise the re-commission of the service, via open competitive tender by March 2026. And delegate responsibility to the Head of Commissioning and Placement to undertake.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 Lavender House is a council owned asset attached to the short breaks service Inglefield House, all utilities are funded by the LA. The provision of support to the young people who reside there is provided by a commissioned provider, who currently support five care leavers at any one time, within a mixed model, under a block contract with HBC, across Lavender House (3 children in care/care leavers with 24/7 support within group living) and two additional “trainer flats” (2 children in care/care leavers within a tailored floating support model of up to 10 hours per week, dependent on need). The current contract has been in place since April 2022 and has an annual value of £218,900 per annum. The contract is due to expire in March 2025. When this occurs, the council will retain the property, however, any young people resident will require new placements due to the support element of the provision ending.
- 3.2 The current provider have been approached regarding an extension to the contract, and are willing to continue providing support, however, they have highlighted that there were no inflationary uplifts during the course of the current contract, and to continue, they would require an inflationary uplift which will bring them in line with projected costs in the current climate. The requested uplift is £56,212 taking the overall contract value to £275,112 per annum. Supporting 5 young people within the mixed model, within this new budget would equate to a equal weekly fee of £1146.30 per week, as opposed to the regional average weekly fee of £1582.00 per week (as of September 2024 – Placements Northwest).
- 3.3 Placements Northwest, have indicated that an indicative uplift of 5.6% is available for providers on the Northwest Framework, for new placements after 1 April 2025. This is not expected to be requested by all providers. Some may request higher, however, these will be subject to additional scrutiny. Providers can also request uplifts on existing placements, however these are at the discretion of placing authorities.
- 3.4 Lavender House has been assessed and identified as not being fit for purpose, due to its size and configuration. This has meant that a new building needed to be sought which better met the needs of the young people. Recently, a building has been acquired and, with some minor cosmetic adaptations, will be ready for use early in 2025. This will enable the current cohort of young people to be involved in service design prior to transition to a more suitable building and living environment.
- 3.5 The current provider are, and always have, been ready to accept the use of additional trainer flats, within the current contract price, unfortunately, this has not developed to date and the organisation now have excess staff in employment. Current developments within the Sufficiency Strategy have opened up this possibility, and there is a tangible option of reconfiguring the proposed residential estate to accommodate further placements within newly developed flats, within the newly proposed contract value.

- 3.6 When this occurs, the increase of young people will theoretically reduce the perceived weekly placement fee significantly, due to the numbers of young people being supported by the organisation overall within additional trainer flats.
- 3.7 There are several options available to the local authority at this juncture:
- 3.8 **Option 1:** Extend the contract for 12 months, with a view to fully re-commission the service via open competitive tender, by March 2026

Benefits:

- There will be no break in service for Care Leavers in Halton.
- All young current young people's placements will remain stable, without the need for transition to a new provider company, and allow for the continuity of stable and known support from the current provider.
- This will support the principles outlined in the Children and Young Peoples Partnership Plan, in addition to supporting the long-term vision of the Sufficiency Strategy, in line with Ofsted expectations.
- The transfer of buildings, and the development of the additional flats, will be uninterrupted, and will benefit from the insight of young people through co-production.
- The proposed weekly fee is comparably less than current average market value.

Risks:

- The service specification requires an update to incorporate the expectations of the Supported Accommodation Regulation 2023.
- 3.9 **Option 2:** End the contract at its natural termination point and look to re-commission the new service at a later date

Benefits:

- The local authority would avoid the initial uplift request as a contract value.

Risks:

- Existing young people in placements would be required to transition to different providers.
- There would be a break in service provision, given a full open and competitive tender is likely to run until August/September 2025.
- A lack of internal provision for up to six months would mean that a mixture of external providers, for the same five young people, could charge £168,000 over the break in service.
- This approach could significantly impact on the Sufficiency Strategy timelines, given the readjustments required.
- Any new service specification will require an update to incorporate the expectations of the Supported Accommodation Regulation 2023.

- 3.10 **Option 3:** End the contract at its natural termination point and do not re-commission the service

Benefits:

- The local authority would not need to budget for the service in subsequent years.

Risks:

- Existing young people in placements would be required to transition to different providers.
- There would be no dedicated accommodation provision for Care Leavers in Halton, which impacts on planned transitions and pathway planning for young people who would have been identified for the service.
- Given the market trajectory, the same five placements may result in annual expenditure of above £336,000, and more if inflationary uplifts are exaggerated year on year.

The preferred Option is **Option 1**.

## **4.0 POLICY IMPLICATIONS**

- 4.1 The current service model aligns well with the Care Leavers Strategy, the Sufficiency Strategy and the overall Children and Young Peoples Partnership Plan.
- 4.2 Within a rejuvenated specification, more can be done to further embed the above into service delivery.
- 4.3 The method of procurement complies with both The Procurement Act 2023 and the Council's Procurement Standing Orders.

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 There is a clear financial benefit to the block contract approach, given the below-market value of each individual placement within.
- 5.2 Going forward, the contract value will remain the same, whereas annual fee uplifts are expected from all other independent providers. This uplift is unpredictable and cannot be forecast until approximately November/December each year, when advised by Placements Northwest, making budget setting difficult. This reduced weekly fee will remain static and avoid the uplift process in 2025.
- 5.3 There is no budget set for the increase, however, the Authority are making significant savings through the High Cost Placement reductions, via a combination of step down arrangements, negotiated fee reductions, package

reductions and placement moves from high cost settings. There is agreement from Finance that this would be allocated from Corporate Contingency.

## **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

- 6.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence – the service has a dedicated focus in this area under the Supported Accommodation Regulations, and the renewed service specification will be defined and triangulated around these.
- 6.2 Building a Strong, Sustainable Local Economy – the service is significantly beneficial in terms of finance, per placement. It also keeps young people close to home, with a view to encourage care leavers into local employment opportunities.
- 6.3 Supporting Children, Young People and Families – this area is self-defined in the service specification and within the ethos of the service being delivered.
- 6.4 Tackling Inequality and Helping Those Who Are Most In Need – Our Care Leavers are some of the most vulnerable residents and the service is dedicated to inclusive support which is focused on building resilience and independence, moving young people away from disadvantage, and promoting their success.
- 6.5 Working Towards a Greener Future – None.
- 6.6 Valuing and Appreciating Halton and Our Community – None.

## **7.0 RISK ANALYSIS**

- 7.1 Discussed in detail above within the options appraisal.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

- 8.1 There are none identified, the service is inclusive, non-discriminatory, and offers support to all young people regardless of their background or individual differences.

## **9.0 CLIMATE CHANGE IMPLICATIONS**

- 9.1 None identified.

## **10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

'None under the meaning of the Act.'