



Nottingham
City Council

Semi Independent Accommodation and Support for Looked After Young People

Commissioning Options

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Background

Nottingham City Council has a statutory duty to provide sufficient accommodation for its Looked After Children. For those young people aged 16 years above (who have left school), it is often appropriate to provide this accommodation in a semi independent setting, in order to successfully prepare young people for independent living.

NCC has an internal semi independent estate which provides consistent, quality accommodation and support. In addition to this NCC's external commissioning of these services is managed through a framework of suitably qualified and experienced providers. A tendering process resulted in a framework of nine successful providers who now receive all referrals for semi independent placements. The provider who is able to offer accommodation and support which best meets the young person's needs, is awarded the placement.

The Framework contract was implemented on 01.11.2011 and is due to expire on 31.10.2015. In 2014/15, only 23% of external semi independent placements were made through the Framework. The remainder were spot purchased. These figures have been consistent throughout the lifetime of the Framework.

At the time of the initial procurement, the market was relatively unknown and providers have been unable to respond to referrals within the required timeframe (with many referrals requiring a same day response). Due to the profit margins of the business, it is not financially viable for some providers to establish and absorb the costs of any empty provision – therefore they have been unable to meet demand. There has also been a lack of flexibility amongst some providers in relation to level of need and requirements. This has resulted in a reactive market, insufficient availability of local provision, inflated costs and inconsistent offers for young people.

Since the Framework's implementation, the market has developed significantly. As the provision is unregulated, there are very few barriers to new providers establishing themselves. This proves beneficial in terms of ensuring a diverse market which provides choice and encourages healthy competition - however it is also poses a risk in terms of quality and consistency of services provided.

It is essential that any new arrangement delivers:

- **Improved outcomes (and standardised outcomes measures)**
- **Consistent accommodation and support quality**
- **Continued local sufficiency**
- **Greater value for money**

Fig 1: Semi Independent Placements

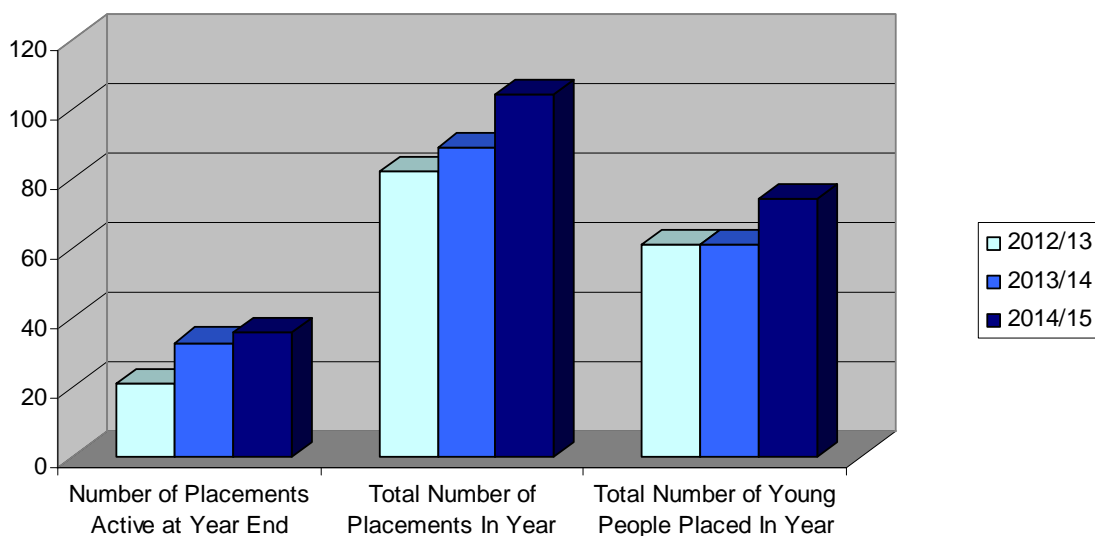


Fig 1 demonstrates that the number of external placements and the amount of young people requiring placements has increased year on year between 2012/13 and 2014/15. It is unknown whether this trend will continue going forwards. The implementation of the Staying Put Scheme for young people to remain in their fostering placements up to the age of 21 has the potential to reduce the number of young people requiring semi independent accommodation. If the number of young people residing in residential care decreases (which is the intention of NCC), it is likely that the decrease will also be seen across semi independent placements.

Fig 2: Semi Independent Placements at 31.03.15

	Number	Percentage
Internal	8*	21%
External	31	79%

*Number of active placements, not number of placements available (capacity). As of October 2015, the number of internal placements had increased to 16. A matching Panel has been established to ensure maximum and appropriate use of internal vacancies.

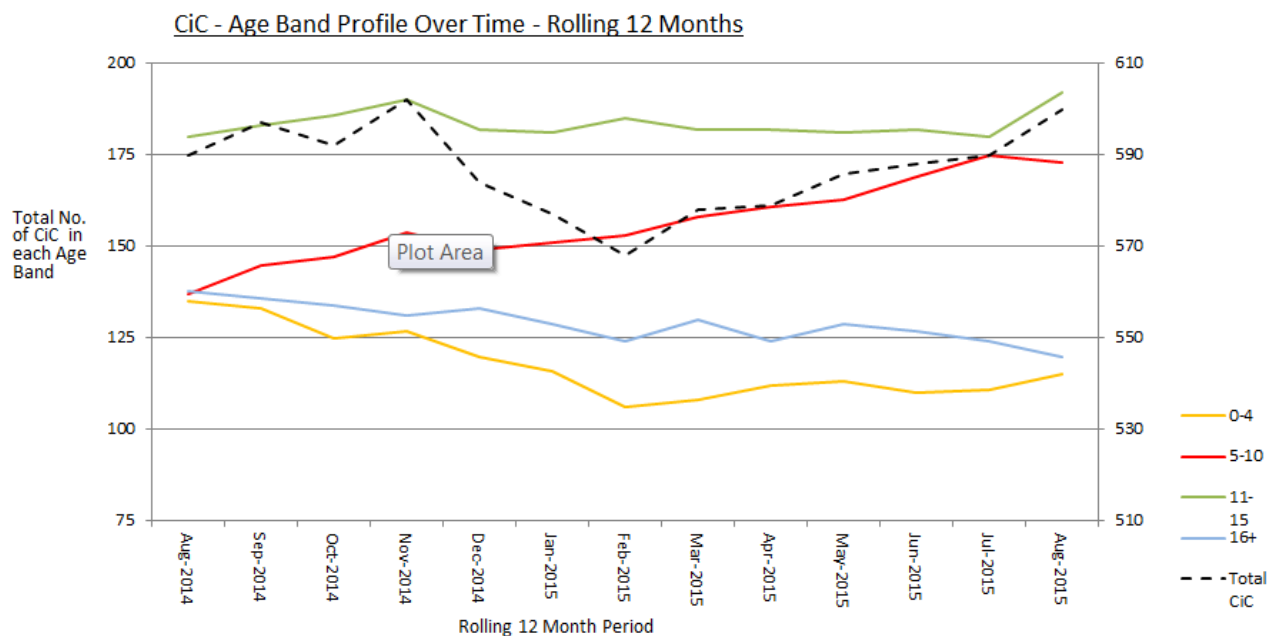
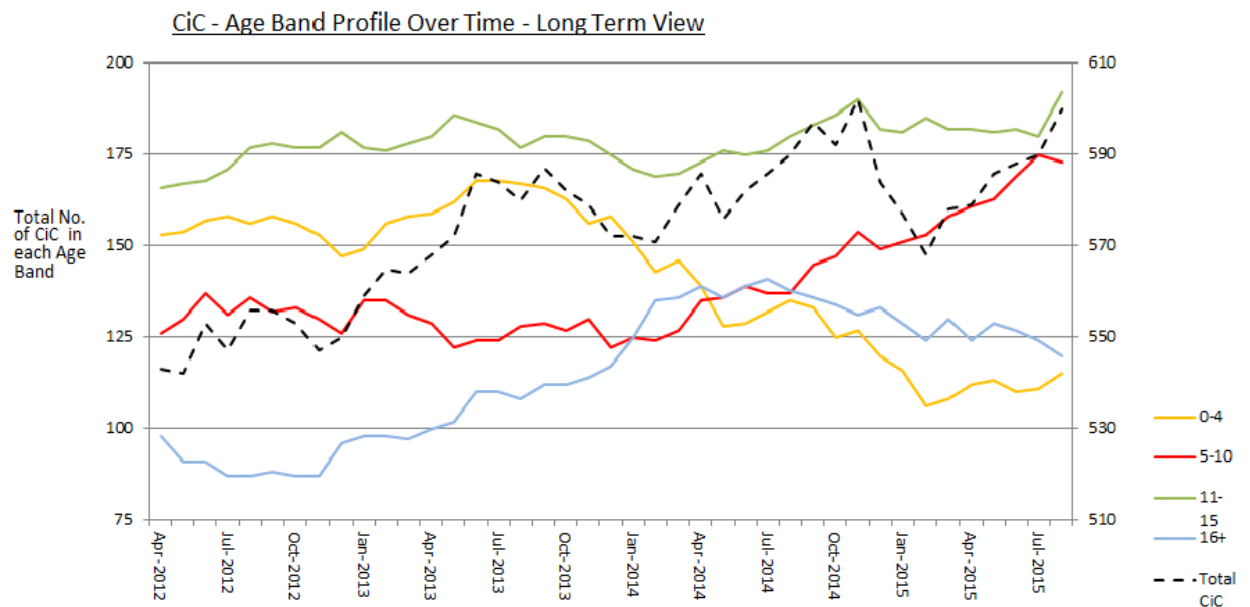
Fig 3: Cost

Year	Annual Cost	Change (%)	Average Weekly Cost**
2012/13	£ 658,507	n/a	£ 583
2013/14	£ 960,085	31%	£ 681
2014/15	£ 1,333,836	28%	£ 664

**inclusive of accommodation and support

The level of support young people require in semi independence can vary significantly dependent on their level of 'life skills'. Ideally the amount of support gradually decreases throughout their placement, but can occasionally increase to meet a change in need for a defined period.

In 2014/15, between zero and 35 hours of support were provided to young people each week, averaging at 9.8 hours. The cost of support was between £12 and £46 per hour, depending on provider, qualifications of staff and level of need required. This model of care can prove inefficient and therefore other models are being considered.



UPDATE AT 07.12.15

Due to the Placement Service noting a decline in semi-independent placement referrals, further analysis has been undertaken to support decision making. The below figures demonstrate a significant decrease in placements. The total placements projected for 15/16 is 60, compared to over 100 in 14/15 and over 80 in 13/14. Due to this, and the future unpredictability of demand, commissioning models will need to mitigate any financial risk to the local authority.

Actual Placements Made in 2015/16 (year to date 01/04/15 - 01/12/15):

Month	No. of placements
April	8
May	4
June	8
July	5
August	6
September	1
October	5
November	3
Projected total in year	60

Active Placements in Month:

Month	No. of placements		
	2013/14	2014/15	2015/16
August	38	48	31
September	41	47	26
October	47	42	22
November	35	33	19

The vision is that young people will leave care as resilient, self-sufficient, aspirational individuals, equipped with the skills to achieve long term successful independence.

NCC requires providers to deliver quality semi independent accommodation and associated services that will satisfy the individual needs of Looked After young people aged 16 years and above, in preparation for independent living.

The type of accommodation required will be dependent upon the young person's level of need, and may change throughout their time in semi independence, as their skills develop. NCC will require a mixed market of shared, staffed accommodation and independent flats/houses with floating support.

In addition to quality accommodation, Providers will support young people in meeting their specific housing, emotional, health, cultural, education, employment and training needs. On concluding their placement, it is expected that all young people;

- ✓ have a safe place to live independently
- ✓ (either alone, in shared accommodation or with family)

- ✓ have the skills required to maintain their tenancy in the long term

- ✓ are resilient, self-sufficient and aspirational with their life's ambitions

- ✓ understand how to and when to access appropriate support

- ✓ are engaged in or supported in seeking either employment, education or training

- ✓ are healthy and safe, and have access to services relevant to their physical, emotional and mental health needs

- ✓ are able to maintain healthy, appropriate relationships

- ✓ effectively manage their budget and all personal administration

- ✓ make a positive contribution to society

- ✓ have equal opportunity to reach their full potential

Options

Nottingham City Council now has the capacity to place 18 young people across five internal semi independent homes. There are no plans to increase the internal provision in the near future, therefore any further need will be commissioned externally. This section provides an overview of the key pros and cons of the commissioning options for consideration. It is the intention that any commissioning arrangement will be relatively short term, to provide NCC the opportunity to explore longer term solutions (e.g. internal provision and staffing, regional collaboration).

Block Contract

Pros:

- Greater forward planning for the local authority and provider, leading to improved outcomes and placement stability.
- Greater consistency of service delivered.
- An increased percentage of children and young people placed in their preferred location (as providers can plan for and secure local provision).
- Potential reduction in local authority spend on semi independent accommodation and support (due to improved budget forecasting through guaranteed income)
- More efficient use of staff resources (e.g. contract management of only two providers).
- Opportunity to develop long term, productive partnership working.
- Providers able to absorb cost of voids, therefore enabling 'stand by' provision for placements at short or without any notice.
- Ability to establish clear guidelines with regard to accepting placements and when it is appropriate for the provider to decline.

Cons:

- Risk of absorbing the cost of vacancies if not utilising the full capacity of the contract (due to a decline in demand or change in needs). However small size of block contract will lessen the risk of this.
- A significant decline in quality could lead to placement disruption.
- Limited choice / lack of flexibility
- Unpredictable external contributing factors could result in a change in demand, which the provider/contract would then struggle to adapt to.
- Providers being unable to accommodate and support a range of support needs, particularly on an emergency basis.
- Potential of market domination which could impact upon future commissioning intentions.
- Challenges posed by matching young people with differing needs within the same accommodation

Framework

A Framework of quality assured providers, which are ranked based upon their cost and quality.

Pros:

- Diverse, mixed market of providers would offer greater choice and competition
- Encourage and maintain healthy competition amongst the market
- Opportunity for continued quality improvement if the contract allows for providers to be re-ranked each year, based upon the previous years performance
- No risk of paying for vacancies – contract would allow for providers to respond to any changing need
- No risk of negatively impacting the market for future longer term commissioning arrangements

Cons:

- Risk of smaller providers not being financially viable to establish and absorb the costs of empty provision. Therefore, demand would not be met within required timeframe.
- Risk that providers will not be able to recruit and retain the right staff as there are no weekly commissioned hours.
- Risk that providers unable to provide support at short notice
- No real way of preventing current issues from re-occurring

No additional budget is required to implement either option, as the costs will be met through the existing External Placements Budget. A block contract would however require a financial commitment for a maximum amount from this budget to be allocated for a block contract annually. It is therefore required to be approved at the Commissioning and Procurement Sub Committee.

Consultation has taken place with social care professionals, including front line workers and senior managers. A provider engagement event was held for providers to feedback their thoughts/ideas/concerns on each of the above models. Their views have been incorporated into the pros and cons.

The preferred option is to commission both a small block contract **and** a provider framework for three years. The block contract would preferably be for six placements across two homes, with either one or two providers, and with staffed based on site.

The Framework would be utilised either when the block contract was fully occupied or when it did not meet a young person's specific requirements. The type of provision delivered by the Framework could vary from shared homes to independent flats with floating support, depending on the young person's level of independence skills.

A comprehensive Service Specification will be developed in consultation with experts, taking into consideration learning from the past four years. The Specification will clearly define all requirements of any future contract, including a standardised support package and outcomes framework. The entire process, including any evaluation to inform a tender process, will be informed by social care experts and young people.