

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

5080

Author:

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Department:

People

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Subject:

Procurement of Supported Lodgings services

Total Value:

£696,000 (Type: Revenue)

Decision Being Taken:

1. To procure a supported lodgings services for a 2 year period estimated to commence by June 2024.
2. To note the decision of the Section 151 Officer to approve expenditure of up to £696k on the contract for the 2 year period (ref: 2120).
3. To provide delegated authority to the Director for Commissioning and Partnerships to approve the tender award.
4. To provide delegated authority to the Head of Quality and Contracts to sign the contract issued because of this tender and any subsequent amendments or extensions.

### **Background/Context**

**In 2020 a significant legacy was left to Barnardo's by a supporter.**

**Conversations with Nottingham City Council and Nottingham City Place-Based Partnership started in spring/summer 2020 and agreement was reached to work with care experienced young people in Nottingham City. Various services were delivered as part of the legacy, focussing predominatly on improving the care leavers pathway.**

**Supported Lodgings, a scheme where people share their homes with a young person, offering somewhere secure to live and helping them develop skills for independence was one of these services, starting in 2021. Barnardo's recruited the hosts, trained and supported them throughout their time as hosts and ensured the young people undertook an independent living course. Hosts were recruited to support young people aged 16-18, with core costs for the service (Barnardo's staffing and related costs) being met through the legacy funding and a payment per supported lodgings placement, which was paid to the host, coming from Nottingham City Council. The legacy funding allocated to this schemes comes to an end in March 2024.**

**The service has developed slowly over the last two years with the current position being eight hosts available, and, as of October 2023, five young people being supported. Five further young people have been supported through the service of which one returned home, one moved into their own accommodation post-18, two moved to supported accommodation (due to the need to move out of Nottingham relating to their immigration status) and one placemnt broke down as the mental health support needs were too high for the host to manage following hospital admission.**

**The service has not been utilised as well as it might have been, partly due to matching issues (only five of the hosts are within Nottingham City with one more being within 20 miles) and due to social workers reporting that young people would 'sooner have a flat of their own' therefore more have moved into supported accommodation. Recruitment to new carers has not been given full priority, due to the perceived low demand.**

### **Demand**

**224 young people are due to leave care at 18 over the next two years (01.11.23-31.12.25). While care leavers are given priority for housing, Nottingham City's social housing is very oversubscribed and finding suitable accommodation for care leavers is becoming ever more challenging.**

**As a result, as of 30 September 2023 ten young people aged 18+ are currently living in supported accommodation at a cost of £7,332 per week. Nottingham currently also has twelve former Unaccompanied Asylum-Seeking Children (UASC) aged 18+ who remain the responsibility of the local authority after they are 18 as they have not yet been granted refugee status which would give them access to benefits or enable them to work.**

**Young People (excluding former UASC where the right to remain has not yet been established) over 18 in supported lodgings are entitled to claim housing benefit, whereas they are not able to in supported accommodation due to the way the support and housing is set up as "child" placements with support costs. This would therefore reduce the cost of supported lodgings further to social care for over 18's.**

## Outcomes

Supported lodgings is unique within the space of semi-independent accommodation in that it allows young people to be connected in an ongoing way with a family or individual by living in their home, while having the freedom and support to develop skills for adulthood. Many of the other options including good-quality supported accommodation can offer a high level of support, but it is provided by staff who come and go into the setting. Where good matches are made between hosts and young people, the relational nature of supported lodgings can provide a solid base for young people to learn, ask for help and journey at their own pace towards adulthood. For some, supported lodgings will not be right for them. However, supported lodgings provides an additional option and the more informal way in which support is provided could be an appropriate and good option for many more young people than it is currently offered to.

## Plans for implementation

The contract would run for up to 2 years from the point of award, incorporating Key Performance Indicators around the recruitment of hosts. Social Care Managers are committed to ensuring that supported lodgings are explored as an option for all children before other placements are agreed. Service outcomes and utilisation will be closely monitored, and remedial action agreed between the provider and the authority depending on the reasons for any underperformance where required.

Going forward, all 16- or 17-year-olds in care will be considered for supported lodgings before other more costly services unless there is a strong reason why this would not be appropriate, i.e. if there is no suitable host available - either due to the host availability generally or where the needs of the young person are considered best met in another care setting. The service will be available for all young people in care over 16, enabling them to prepare for independence. Priority will be for those aged 17+ where no move on has been identified for them post 18 to ensure costs for care leavers are minimised.

Work will be undertaken with young people to ensure this is seen as a positive option, helping them move towards independence by giving them the skills and confidence to manage independently but ensuring that should accommodation not be available immediately they turn 18, they have the benefit given to many young people not in care, of a supportive family like environment. This process would be supported by the Leaving Care Panel to ensure supported lodgings had been explored as a first option before funding for any other type of accommodation would be approved.

## Tender proposal

If Nottingham City Council decides to continue with the supported lodgings service, then it will need to provide core funding (for staff to recruit, train and support hosts and manage the contract with the authority) as well as the host fee per child supported.

While Barnardo's have previously provided this service in partnership, if Nottingham City is to cover the full cost going forward then to ensure best value and to comply with procurement regulations, the service will go out to competitive tender. It is anticipated that the tender will be completed, and award made by 1 March 2024 with a new contract starting no later than June 2024, which would allow time for TUPE considerations and service set up if another provider were to be successful.

It is proposed that a 'soft block' is used which enables the providers to bid for fixed core costs plus an amount per placement but with a maximum annual value of £348,000 for 20 placements. Weighting will be given to providers with the lowest overall cost and then where bids are close, the lowest proportional core cost which reduces the risk to the authority of underutilisation.

**Briefing notes documents:**

**Supported lodgings cost comparison.docx**

**Other Options Considered:**

**To deliver the supported lodgings service in-house. This would require substantial modelling and investment in staffing. This option will be explored over the next 18 months to see if it will provide better value for money than externally providing the service.**

Not to continue the service - this would mean existing placements would need to be terminated by March 2024, destabilising the young people in situ. The overall savings possible through the supported lodgings block compared to the relatively low risk of underutilisation making the service cost more than alternative options, is substantial and all host placements increase the overall sufficiency of placements for looked after children.

**To tender using a higher cost per child placed rather than offering a block contract. While there are no costs incurred until placement are made in terms of paying hosts, a core staffing team is required to enable suitable recruitment and on-going support to hosts and without a guaranteed core element, at least until the service is well established, it is unlikely organisations would consider tendering.**

**Background Papers:**

**Published Works:**

**Affected Wards:**

**Citywide**

**Colleague / Councillor  
Interests:**

**Any Information Exempt  
from publication:**

**Yes**

**Exempt Information:**

**Description of what is exempt:**

**Additional information uploaded on the Start Tab contains commercially sensitive information relating to the incumbent provider.**

**An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972**

**3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

**The public interest in maintaining the exemption outweighs the public interest in disclosing the information because information relates to the way the incumbent provider has priced their model of support which is considered commercially sensitive as the pricing structure will form part of the competitive tender.**

**Documents exempt from publication:**

**Supported lodgings cost comparison.docx**

**Consultations:**

**Consultation will be undertaken with existing hosts and children living with them before the tender is made public. However, until approval has been gained for the future tender, it is felt that this could destabilise placements and cause undue worry to individuals if we cannot assure them that the service will be commissioned going forward. Previous feedback collated by the provider under the terms of their contract is being used to create the specification.**

**Crime and Disorder Implications:**

**n/a**

**Equality:**

**EIA not required. Reasons: EIA will be attached before sending to portfolio holder - in progress.**

**Social Value Considerations:**

**When tendering for children's social care accommodation and support services, incorporating social value considerations is crucial to ensure that the services provided not only meet the basic requirements but also contribute positively to the well-being and development of the children involved. The specification will include the requirement to: Demonstrate a commitment to a child centred approach. Illustrate how the service will empower children to express their opinions, participate in decision making and develop a sense of autonomy. Enable children to engage with their local community and promote a sense of belonging. Demonstrate an understanding of and respect for cultural backgrounds of children, incorporating cultural sensitivity. Ensure training provided to staff and hosts enables the necessary skills and knowledge to meet the diverse needs of children.**

**Decision Type:**

**Portfolio Holder**

**Subject to Call In:**

**Yes**

**Call In Expiry date:** 01/02/2024

**Advice Sought:** Legal, Finance, Procurement

**Legal Advice:** The Council has a statutory duty to ensure that children leaving care have access to suitable and appropriate housing and support. A competitive tender exercise will be undertaken in respect of the contract in compliance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. Advice provided by Sarah O'Bradaigh (senior solicitor) on 21/11/2023.

**Finance Advice:** See attached document. Advice provided by Terry Shaw (Interim Strategic Finance Business Partner) on 03/01/2024.  
Advice documents: 2311-Financial Advice-Supported Lodgings.docx

**Procurement Advice:** This decision relates to the commissioning and procurement of a supported lodgings service for young people, as a cost effective alternative to other forms of supported accommodation provision for care leavers. A competitive tender will be undertaken to award a 2 year contract, in compliance with the UK Public Contracts Regulations 2015 and the Council's Contract Procedure Rules. The award of a block plus activity based contract is intended to secure the best value for money and savings for the council, and the tender will incentivise the best price.  
  
The value of this decision is understood to be the true anticipated cost over the proposed contract period. I have confirmed with the report author that the cost is based on current market information and makes reference to potential inflation or other foreseeable impacts on cost during this time. Any savings from this procurement exercise will (where applicable) be allocated in respect of the Council's corporate savings target for procurement. Advice provided by Jo Pettifor (Procurement Team Manager) on 13/11/2023. Advice provided by Julie Herrod (Procurement Officer) on 08/12/2023.

**Signatures**  
Cheryl Barnard (PH - Children, Young People & Education)  
SIGNED and Dated: 25/01/2024  
Catherine Underwood (Corporate Director for People)  
SIGNED and Dated: 23/01/2024