

Manchester City Council Report for Resolution

Report to: Children and Young People Scrutiny Committee – 23 June 2021
Executive – 30 June 2021

Subject: The Lodge – Foyer Model Accommodation

Report of: Strategic Director for Children and Education Services

Summary

As part of Manchester's Our Children Sufficiency Strategy and the Children's Directorate Financial Strategy, we are committed to working closely with Housing Providers and Partners to ensure that all care leavers have access to sustainable and affordable accommodation to meet their needs. It is significant that the delivery of new Affordable Homes and alternative accommodation models in the city are dependent on robust partnership relationships with Registered Providers, which currently have the financial and delivery capacity to deliver.

As part of Children Services Reform Partnership Programme, a Post 16 Accommodation Project has been established to develop a range of post 16 provision in partnership with ethical providers. This offer includes supported lodgings, foyer, stepping stone, inter-generational and self-contained accommodation, thus ensuring an appropriate, timely and successful move to independence. This work is also reflected within Manchester's Supported Housing Strategy which is currently being co-produced with all partners ensuring that there is Council wide agreement across revenue and benefits, planning and commissioning.

Mosscafe St Vincents, a registered housing provider has identified a property which would be developed into foyer model accommodation for up to 30 young people. The location is close to Manchester's existing Foyer which would mean efficiencies for scheme management and maintenance and the sharing of resources across the services offer with complimentary provision. This provision would ensure residents are supported to have access to training, counselling and use of meeting spaces and training facilities. In addition, it is proposed the facility will include easy access to a GP, pharmacy, social space and training kitchens.

The proposed operating model has 4 key aims:

- Improve the outcomes for our children by providing a quality setting for pathway to independence placements.
- Develop sustainable accommodation to meet the future demand of young people in care, stepping them into independence.
- Reduce the number of children in high-cost long-term residential care at age 17 years.
- Develop links with sustainable community-based support to ensure young people have access to support when needed.

Recommendations

1. The Children and Young People Scrutiny Committee is asked to note and comment on the report.
2. The Executive is invited to: -
 - (1) Comment on the report.
 - (2) Delegate authority to the Strategic Director – Children and Education Services, in consultation with the Executive Members for Childrens and Education to commission foyer model of accommodation for up to 30 children looked after, delivered by Mosscafe St Vincents
 - (3) Delegate authority to the Strategic Director – Children and Education Services, in consultation with the City Solicitor to negotiate and formalise a ten year agreement with Mosscafe St Vincent , with associated contract clauses to the annual value of £731,500 per annum.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city
The proposed building makes use of environmental energy sources and build, benefitting from solar panel energy. An opportunity for the young people to become a Climate Change ambassador with a valuable City and Guilds certificate.

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Continuing to improve accommodation options for looked after children; developing pathways to independence will contribute to reducing inequality and support Manchester’s young people to be happy, safe and successful adults.
A highly skilled city: world class and home grown talent sustaining the city’s economic success	Continuing to improve accommodation options for looked after children; developing pathways to independence will contribute to improving educational outcomes, aspirations and job opportunities for young people supporting Manchester’s young people to be happy, safe and successful adults.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Continuing to improve provision, through co-production, for children and young people will ensure increased opportunities and outcomes for our looked after children and care leavers.

A liveable and low carbon city: a destination of choice to live, visit, work	The purpose build building makes use of solar panel energy. The location support increased use of public transport for the young people and the opportunity for young people to become a climate change ambassador for Manchester
A connected city: world class infrastructure and connectivity to drive growth	Investment in quality accommodation will enhance the City's attractiveness to potential residents and contribute to the development of high quality neighbourhoods.

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The proposals contained in this report are reflective of the Children and Education Services Budget 2021/22 presented to the Executive 17th February 2021 to reduce the cost of supported accommodation whilst at the same time improving the access to high quality and affordable accommodation for care leavers.

The proposals set out in this report will cost £0.732m per annum; delivering an estimated annual saving of £0.841m net of the cost of the new provision.

The financial costs will be met from the existing budget allocation for supported accommodation.

Financial Consequences – Capital

There are no direct capital costs arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Children and Education Services Budget 2021/22 presented to the Executive 17th
February 2021
Our Children's Sufficiency Strategy 2020 - 22
Commissioning Behaviours and Principles 2020

1. Summary

- 1.1 As part of Manchester's Our Children Sufficiency Strategy we are committed to working closely with Housing Providers and Partners to ensure that all care leavers have access to sustainable and affordable accommodation to meet their needs. As part of the Reform Programme a Post 16 Accommodation Project has been established to develop a range of post 16 provision in partnership with ethical providers. This offer includes supported lodgings, foyer, stepping stone, intergenerational and self-contained accommodation, ensuring timely move to independence post 18. This work is set within Manchester's Supported Housing Strategy which is currently being co-produced with all partners. This ensures that there is Council wide agreement across revenue and benefits, planning and commissioning.
- 1.2 Mosscafe St Vincents, a registered housing provider has identified a property which would be developed into foyer model accommodation for up to 30 young people. The location is 5 minutes walking distance from Manchester's existing Foyer (which is currently delivered by Mosscafe St Vincents) which allows for efficiencies for scheme management and maintenance and the sharing of resources across the service offer which would extend to training, counselling and use of meeting spaces and training facilities. Additionally, staff training, recruitment, supervision and contingency would be included within the efficiencies. Amenities located at the Manchester foyer such as the GP, pharmacy, social space and training kitchens would also be available.
- 1.3 The Lodge would be available to provide accommodation for young people aged 16 years and over (No older than 18 years and 6 Mths), stepping them into their own property during that time to ensure they had homes for life at 18 years.
- 1.4 The proposed operating model has 4 key aims:
- Improve the outcomes for our children by providing a quality setting for pathway to independence placements.
 - Develop sustainable accommodation to meet the future demand of young people in care, stepping them into independence.
 - Reduce the number of children in high-cost long-term residential care at age 17 years.
 - Develop links with sustainable community-based support to ensure young people have access to support when needed.

2. Proposed Accommodation Model

- 2.1 The purpose-built high-quality student accommodation was built by a father whose daughter was attending Manchester University. It comprises on 3 floors with 8 cluster apartments which are organised into 8 cluster apartments with 30 units of letting in total:
- 2 apartments - 3 no. bedrooms with ensuite and associated lounge and kitchens
 - 6 apartments with 4 no. bedrooms with ensuite and associated lounges and kitchens.

- All bedrooms are double with an ensuite shower room
- Beautiful lounge with flat screen TV & Freeview in each apartment
- Modern Fully fitted kitchens with appliances
- Communal lounge on ground floor with games area, large flat screen
- Communal laundry on ground floor
- Attractive and energy efficient building meeting all compliance standards, with low running costs, and solar energy.
- Superfast broadband and WIFI provided throughout the building
- Secure Fob entry system
- Bike Storage
- Location close to shops, amenities, colleges and local amenities
- Secure car parking area and garden space to rear.
- Staff office on ground floor and opportunity to create further counselling room space.

Floor plans are included within Appendix 1

3. Mosscafe St Vincents Pledge and Social Value offer

3.1 Social value is additional activity from a provider, outside of the contract specification. To realise the potential benefit of social value we are embedding social value into all procurement and ensuring that all active contracts now have social value commitments within them.

3.2 In line with the registered housing providers pledges Mosscafe St Vincents is committing to the following:

3.3 Providing a Range of Homes –

- a) the project provides 30 new High Quality homes suited to the needs of young people with self-contained en suite accommodation and a range of communal and social spaces.
- b) Intensive housing management services will ensure young people know their rights and understand how tenancy agreements work and prepare them for sustaining their own tenancies in future with pre- tenancy training.
- c) Residents will learn skills towards sustaining tenancies and their independence with food and nutrition and budgeting and money management.
- d) All tenancies will be fully furnished and MSV support workers will support young people to 'set up home' working with charities and suppliers in their future tenancies. Access to hardship funds will be available.

3.4 Employment and Skills

- a) The Foyer support workers will engage with all young people to connect with others at the project and the Manchester Foyer and the activities programme, tailored to their individual needs.
- b) The Project workers will encourage young people to engage in training, voluntary work, education and employment and will utilise the strong network and partnerships at the Manchester Foyer to do so.

- c) Each young person will be provided with a peer mentor and supported in pathways to education, training and employment including opportunities through MSV and the Greater Manchester Housing Providers Partnership.

3.5 **Life skills and mentoring**

- a) The project will support young people to connect with others who have lived experience, to encourage and promote their wellbeing.
- b) Support young people to connect with their community and to utilise local assets, local facilities such as the GP and pharmacy services at the foyers are available.
- c) A full programme of training activities and events will be provided in the communal spaces at Boundary Lodge, cooking and food preparation at the Foyer.
- d) An opportunity to become a Climate Change ambassador with a valuable City and Guilds certificate and opportunities for Youth engagement at Greater Manchester.

4. **Financial Implications**

- 4.1 **Cost** - The commissioning of accommodation for young people in care in partnership with Housing Providers is a long-term commitment. Mosscafe St Vincent's are proposing to acquire the building for this specific purpose, undertaking a programme of works, with the total scheme cost being funding through MSV investment and Homes England grant funding. Early discussions with Homes England on a similar model gives some assurance for grant support, with the value for money considerations forming a fundamental part of decision making. For this MSV require the certainty of a ten-year contract. This would be accompanied by open book accounting and contract break clauses. These are standard contract clauses that allow parties to cease the contract with a certain notice period and can be enacted by either party.
- 4.2 The costs of supported accommodation with external providers is increasing as is the demand, though currently we are not satisfied with all of the quality and outcomes achieved. If we continue to do nothing, the cost of Supported accommodation will rise and become unsustainable. The average placement cost has risen to almost £1,100 per week in six months, an increase of approx. £200 per week per placement.
- 4.3 The operating model has been costed at £0.732m per annum with estimated costs of £467.67 per week per person for 52.14 weeks per year. This is based on:
- Social rent £95 per week
 - Property services including all utilities £51.23 per week
 - Staffing and security costs plus operational *running* costs £321.44 per week
- 4.4 An annual increase is proposed which will be divided into 2 elements; salary elements would be based on the Consumer Price Inflation (CPI) of January each year of the contract and Local Housing Allowance for rent based costs.

The rate of inflation is the change in prices for goods and services over time. Measures of inflation and prices include consumer price inflation. There may be unforeseen additional costs based on Government's decision with regard to the living wage.

- 4.5 **Invest to Save** - Manchester has on average 100 young people placed in supported accommodation at any one time with a current average placement cost of c£1,100 per week. There are 17 young people aged 16 placed in residential homes who will require pathways to independence. These placements costs on average £3,500 per week.

Table one: Invest to Save

Existing provision	Number of young people	Cost of placement (£/week)	Total Cost Full Year Cost (£)
Supported Accommodation	30	1,100	1,720,620
New provision			
Supported Accommodation	30	467.67	731,529
Total Saving (full year)			989,091
Total Saving (full year) 85% occupancy			840,727
Total Saving (6 months with 85% occupancy)			420,363

- 4.6 The Foyer would be funded through an invest to save model based on the diversion from existing placements. An invest to save model would provide part year savings to the Council of £420k, with September 2021 commencement target and 85% assumed occupancy of provision. Cost savings for each full subsequent year would be £0.841m at 85% occupancy.
- 4.7 As stated earlier in the report of Manchester's Our Children Sufficiency Strategy there is a commitment to work closely with Housing Providers and Partners to ensure that all care leavers have access to sustainable and affordable accommodation to meet their need. Alongside side this the Directorate's 2021/22 budget proposals include a £1.030m savings through the provision of a quality and innovative offer of support and accommodation accessible to care leavers as standard. If delivery commences in September 2021 the saving will achieve 40%, £420k of the £1.030m saving.

5. Need

- 5.1 Currently Manchester has on average 100 young people placed in supported accommodation; 75% are aged 17 years and over, and all are requiring accommodation post 18. By working in partnership with Mosscafe St Vincents we can support those young people through the Foyer model to identify their home for life with the right skills to maintain it.

5.2 Analysis in recent years has identified gaps in existing services for supporting young people in care age 16 and over, this is evidenced in the continued number of young people aged 18 years who have not identified their home for life and are continued to be funded via children's social care.

6. Procurement

6.1 Whilst we would justify sole sourcing under the procurement rules on the basis set out in the report; proceeding is not without risk of challenge that we cannot completely mitigate. The risk might be considered to be low in this respect given that there may not be many operators who could deliver this opportunity or have the capacity to do so in the existing location.

6.2 The grounds for sole sourcing under the Public Contract Regulations (Reg. 32 PCR 2015) here are:

- The location of the proposed property to the existing Foyer is ideal in terms access to health and mentoring services and staffing contingencies. It is unlikely that another property will become available in this location, with an organisation willing to manage the capital expenditure.
- The nature/size/type of the property and that it is highly sought after in terms of location and size mean that time to offer out to other parties would not be available to us
- Mosscares St Vincents are the existing provider of the Foyer and therefore well placed to deliver the provision in the identified location
- Mosscares St Vincents are purchasing and investing in the property at no capital cost to the council
- The Commissioning Team have been working with Manchester Housing Providers to develop these models and only Mosscares St Vincents have identified a solution at this time.
- There would be statutory break clauses within the contract, based on performance and continued value for money

7. Next steps

7.1 Foyer models of accommodation have worked well with good evidence base in other authorities in GM, and MSV are a provider who already deliver our foyer for 62 young people in Manchester.

7.2 We will continue to work with young people and providers to develop quality needs led accommodation models for our children and young people. By introducing this foyer model of accommodation, we will increase the choice of sustainable accommodation to meet the future demand of young people in care stepping by them into independence and providing them with skills to share accommodation. We will reduce the number of children in high cost long-term residential care at age 17 years by stepping them into pathways to independence earlier.

7.3 This accommodation will form a key element of the development of pathways to independence and we will develop sustainable community based support, wrapped around the young person.

7.4 Subject to the decision of the Executive the following next steps will be completed:

1. MSV would confirm an offer for Boundary Lodge with the vendor, the block is available from June but the vendor requires a decision to secure vacant possession and to ensure he does not relet for student accommodation for the next academic year.
2. MSV would simultaneously apply for Homes England Capital grant funding for the acquisition and works to the building.
3. The service details around management and support would be agreed with between MSV and MCC to offer homes and support to 16-18 year olds young people, and service specification agreed.
4. A 10 year agreement would be entered into with Manchester City Council to let the building as a whole on the basis of a block rental, setting out the roles and responsibilities.