

REDEVELOPMENT OF A PROPERTY IN CALDICOT TO PROVIDE SUPPORTED LIVING ACCOMODATION FOR CARE EXPERIENCED YOUNG PEOPLE

SINGLE-STAGE BUSINESS CASE - MEDIUM VALUE AND RISK - (£250K TO £2
MILLION VALUE OF PROCUREMENT)

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Consultees:

- Councillor Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services
- Ben Thorpe, Development Surveyor
- Craig Williams, Lead Commissioner
- Tyrone Stokes, Finance Manager
- Diane Corrister, Head of Children's Services
- Sam Mills, Regional Project Manager
- Kevin Fortey, Housing with Care Fund Project Manager, Regional Partnership Board

1 INTRODUCTION

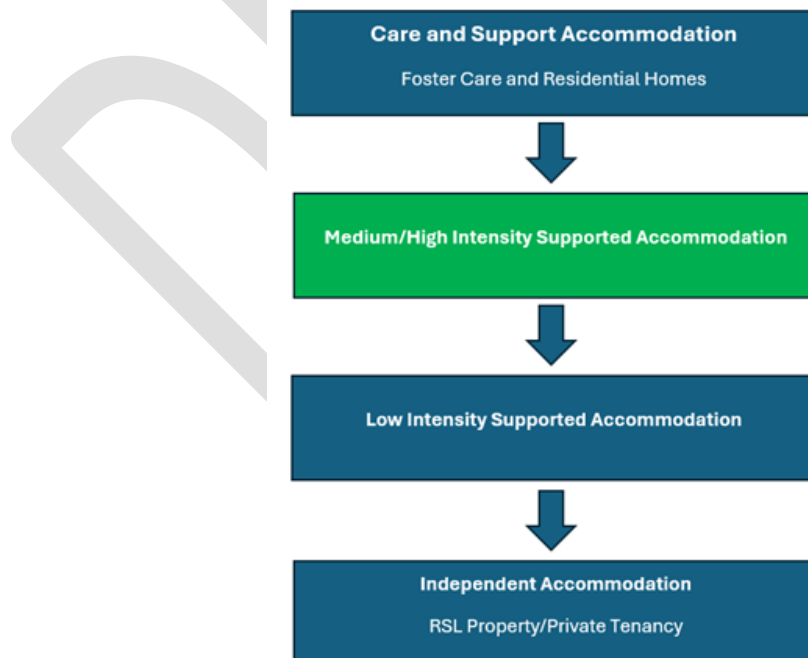
Children's Services seek approval to redevelop a property in Caldicot that the council owns to become a supported lodgings provision for 5 care experienced young people aged 16-21.

A care experienced young person is a child or young person who is living or has lived in care at any stage of their lives. This includes children who have experienced, or are currently, living in residential care, foster care, kinship care, or at home under a full Care Order or Supervision Order.

The property is a large, detached property situated within a residential area. It is a council owned property within the social care and health directorate asset base. The property is currently unoccupied after previously being used for respite fostering for Children with Disabilities, a service which ceased on the retirement of the respite foster carers.

In order to meet the project aims and the young people's support needs appropriately, the property will require repurposing. Fortunately, the property is in reasonable condition which will reduce expenditure and redevelopment time and allow for the provision to become operational within a relatively shortened timeframe.

The provision will provide a homely setting for 5 young people with 24-hour support to assist the young people to develop their independent living skills. During their stay in the provision the goal is to equip the young people to progress onwards to accommodation with a lower intensity of support or into independent accommodation. In this sense the provision will form the first step in a young person's pathway to independence.



Alongside of repurposing the property the intention is to seek to commission and enter into a contract with a suitable external provider that has experience of providing accommodation-based support to young people. This will be achieved through an open procurement process and will be evaluated on both quality of service provision (65%) and cost (35%).

Developing a council owned supported accommodation provision managed by a suitable external provider is in keeping with the WG policy to eliminate profit from children's care and is an important next step in MCC's desire to increase overall sufficiency of placements for children.

This business case therefore seeks approval to:

- To repurpose the council owned property in Caldicot to allow for the development of supported accommodation provision for care experienced young people
- To allow for a maximum draw down of £300,000 [from the £3m borrowing headroom agreed at Full Council meeting 18th April 2024] to enable the service to proceed with the project, subject to an anticipated successful HCF application.
- To enter into a contract with a suitable external provider to provide the housing-based support for young people residing at the property.

This business case is set out within the context of the decisions made at full Council 18th April 2024 regarding proposals for the overall development of children's residential and 16+ supported accommodation placements, subject to appropriate business cases and cabinet approval. It has also been agreed that progress against the decisions made by Council will be reported to the Performance and Oversight Scrutiny Committee on a 6-monthly basis.

2 STRATEGIC CASE

2.1 Context

Aligned to its Corporate Parenting responsibilities, under Section 75 of the Social Services and Wellbeing (Wales) Act 2014 the Local Authority has a legal duty to ensure that there are sufficient and appropriate placements for children who are Looked After. Under Part 6 of the Act the Local Authority has a duty "where reasonably practical" to provide Children Looked After/Care Experienced Children with accommodation which is (a) within the authority's area, and (b). meets the needs of those children.

There is a national shortage of residential placements for children and young people. This has been exacerbated by an insufficiency of local authority foster placements, and more recently by instability within the private provider market following the Welsh Government policy initiative to drive profit out of children's care. Within Monmouthshire, this lack of available placements applies also to supported accommodation provision which is used to support care experienced young people aged 16 plus who are on their pathway to increased independence. Such provision that is available, is quickly saturated

because of difficulties in securing move-on accommodation given the wider context of housing issues within the county and the shortage of affordable housing.

A lack of throughput across the system can mean that young people remain in foster care or residential settings for longer than is in-keeping with their need for increased independence; and simultaneously blocks placements for other children.

The current shortage of and increased competition for available local placements combined with an over reliance on the 3rd sector is creating numerous pressure and risks for the Council including:

- Financial pressure because of the cost of spot-purchased placements.
- Young people being placed away from their communities and support networks creating additional barriers for young people to overcome when they are preparing to leave care.
- Variable quality in terms of achieving good outcomes for young people and ensuring that they have been afforded the opportunity for age-appropriate skill development.
- Risk of a young person being placed somewhere that is not in keeping with their needs or stage of development or is beyond their capabilities.
- Risks of not being able to find a placement for a child / young person and the need to enter into placement arrangements that are outside Welsh Regulations (OWRs).
- Workforce pressure because of children / young people being placed in numerous different locations; the time it takes to source external placements; and the psychological impact of working in a context where placement insufficiency is a day-to-day risk factor.

The current ambition, as set out in the report presented to Council on 18th April 2024, is to significantly increase the number of all in-house placement types including fostering, residential and supported accommodation placements over the next 1 – 3 years. This will ensure that the needs of Monmouthshire's Looked After Children and those young people who are leaving care are consistently met with increased opportunity to be placed closer to their homes and communities. Increasing the number of placements that are within the control of the Local Authority will also enable increased stability and certainty in our wider care planning for children and young people.

Our commissioning data and analysis confirms that to ensure sufficiency of appropriate placements for children and young people we must significantly increase the number of all placement types. Specifically, the service has identified that at least 20 further placements that are suitable for young people aged 16 plus are needed, 5 of which would be achieved through the repurposing of the property in question.

2.2 Case for Change

2.2.1 Spending objectives

The development of the property in Caldicot as a supported lodgings accommodation is in keeping with the Council's objective to provide placements closer to home and is aligned to the current Welsh Government commitment to eliminate profit from children's social care. Equally, the development will promote the service objective to ensure that young people leaving care have the right level of support available to them aligned with their individual needs and experiences.

The cohort of children transitioning out of care in Monmouthshire have a range of support needs that require a variety of support and accommodation options post 16. The care and support plans bespoke to each young person post 16 should balance any safeguarding issues as well as supporting the young person to develop the skills they will need to live successful, happy and safe lives on their own terms as young adults. The type and level of support that each young person requires will be influenced by issues such as what brought them into care; their experiences whilst in care; their exposure to adversity, harm or abuse; their individual learning needs and stage of development; and the opportunities afforded to them to build personal resilience and independence.

For some young people, leaving the relative safety of a child's placement can be a huge step – to help them navigate this change successfully they require the 'stepping stone' of a supported environment. Other young people may well feel they have outgrown a child's placement but not yet have the skills to adapt to living without considerable and specialist support. The additional levels of support that these groups of young people require during their pathway to independence is not currently available within the council's existing provision.

Therefore, one of the central objectives of the current development is to fill the gap in our existing provision by supporting young people who have medium to high support needs. Primarily the development will meet the needs of children looked after who are:

- Aged 16+ and transitioning out of residential or foster care and require a stepping-stone to independent living; or
- Aged 16+, and where current models of accommodation / support are deemed unsuitable due to their risk factors or level of support required.

The needs profile of young people will feature multiple needs including but not limited to:

- Trauma / Adverse Childhood Experiences (ACEs)
- Attachment difficulties
- Linguistic barriers
- A limited support network outside of professional support
- Risk taking behaviours
- Vulnerable to exploitation (including risk of domestic abuse, financial, criminal or sexual exploitation)
- Additional complex needs including poor physical or mental health, or substance misuse.

The overall aim of the service is to reduce young people's support needs and prepare them for transition into more independent provisions. The service will deliver medium to high support to these young people with support workers on site and available twenty-four hours a day. As described, the young people will have a range of support needs, some of which will be complex and require enhanced accommodation-based, transitional support. The support offer will be person centred and outcome focused. The aim will be to develop the young person's capacity to live independently so that they are able to step down to alternative suitable accommodation by the age of 18 when safe and appropriate to do so, and if not at least before their 21st birthday. Supporting skill and knowledge development will include:- developing resilience and problem solving, making informed decisions, practical skills in day to day living and budgeting, pursuing goals in education or employment, managing external interactions and building support networks.

The project will:

- i) Provide a relatively small-scale provision exclusively for Children Looked After (between 16 – 18 years old) or young people aged between 18 – 21 years old who have previously been looked after. It will provide for a cohort of care experienced children who have medium to high support needs.
- ii) Support a cohort of young people stepping down from residential and /or foster care who may be at risk of eviction and homelessness early into their transition out of care because of not being able to sustain a tenancy, or safeguarding concerns arising due to the support levels not being adequate.
- iii) Allow young people who may not be suitable for the existing provisions to have the opportunity to step down from residential and/or foster care safely as part of their preparation for independence, rather than remain in placements which no longer best meet their needs.
- iv) Allow young people to be given the best opportunity to prepare for independence and increases success of maintaining their tenancy in more independent living arrangements, prior to 18 wherever possible, and if not then at least prior to the 21st birthdays.
- v) Allow a safe movement of children within and through the care system from provisions that are no longer proportionate to their needs, allowing these to be made available for other young people who require this.

Accommodation based support for young people who are aged over 16 does not come under RISCA regulations and therefore there is no requirement for it to be a registered provision. It is proposed that the support element of the service will be provided by a suitable external provider. Careful consideration has been given as to whether the Local Authority could or should run the provision itself. However, the Local Authority does not currently have the required resources or workforce to develop the service within the required timescale and it is apparent that a commissioning / procurement route will be quicker. There

are a number of external providers who are experienced in running such provisions. Initial contact with providers indicates healthy interest from existing and new partners in running the service, including partner organisations who are running similar schemes in neighbouring authorities.

The refurbishment of the property is required in order to provide safe and appropriate accommodation in accordance with statutory frameworks. Each of the 5 young people will have their own bedroom with access to 3 shared bathrooms. The property will have a large kitchen-diner area with a further 2 communal lounges for the young people to utilise. There will be a staff bedroom located on the ground floor and staff office on the first floor. The intention is to create a homely environment with access to shared facilities and communal spaces for recreational activity and to facilitate positive peer relationships. There is accessible outdoor space with a rear garden that we intend to develop to include outdoor social areas and growing spaces for the young people to utilise.

The building is situated close to the town centre and within walking distance of a range of local amenities and community-based resources, as well having good public transport links. Being located within Monmouthshire the young people living there will be able to have good connections with their families.

Whilst the aim is to create stability, the nature of the project is that young people will move on at different times and that the make-up of the household will change over time. Each change or move would be planned and matched to ensure that young people would only be placed in the property if it was the right placement both for them and the other young residents already there.

In summary, the primary objective of the Business Case is for up to 5 young people to be suitably matched and to be enabled to live comfortably and well in the property for as long as it meets their individual pathway planning needs.

The key objectives for this business case are:

- To redevelop the property to provide a five-bedroom supported living accommodation for care experienced young people.
- To redevelop an existing asset through fully utilising available grant funding, with no match requirement.
- To redistribute revenue into Council owned properties.
- To support the 3rd sector via tendering for the operational delivery of the scheme.
- To increase the number of young people who are placed closer to their homes and communities and in a way that meets their personal outcomes and care planning needs. In turn this will improve welfare considerations and efficiencies for the children's services workforce due to reduced travel time.
- To secure better value for money and the potential to reduce revenue costs associated with the current arrangements.

- To improve services for care experienced young people through ensuring that there are appropriate placements available to them which enable them to develop their independent living skills in a safe and supportive environment.
- To allow the Council increased autonomy in care planning and matching decisions for all children who are looked after.
- To allow the Council to meet legal and regulatory requirements under SSWBA regulations.

2.2.2 Existing Arrangements

All children who are looked after have an allocated social worker and a care plan which sets out their individual outcomes within the context of i) why the child needed to come into care; ii) the primary purpose and objective for the time that they are in care; iii) how their family and community relationships will be maintained and developed; iv) their educational arrangements; and v) their pathway plan to leave care.

The pathway plan assessment informs the young person pathway post 16 and sets out what support a young person will receive as part of their pathway to independence. Pathway planning for a child who is in care commences when they are 14 years of age. Pathway planning includes active consideration by the allocated social worker as to what support the child / young person will require to develop age-appropriate self-care and independent skills; together with some agreed personal outcomes and wellbeing goals around accommodation options, connection with family and other networks, levels of support, education / employment and so forth. From the age of 15 ½, a child is allocated a Personal Advisor who supports the pathway planning process jointly with the social worker. In some situations, particularly when it is something the young person wishes, pathway planning opens up further consideration as to whether it is safe and possible for the young person to return to live with their families. Where this is not possible there are currently a number of different options available as described below, which vary in terms of the type of accommodation and the level of support provided.

The current accommodation and support models available to care experienced young people (aged 16 – 21 years old) in Monmouthshire are:

- **When I am Ready placements** – this options allows a young person to remain in their previous foster placement. The foster-care receives a payment from the Local Authority and technically becomes the landlord. The model of care can transfer over anytime after the young person's 16th birthday. Given that the young person can remain in the placement post 18, this can provide continuity for the young person. The scheme has not seen a huge take up from foster carers, primarily as it limits their ability to foster.

Number of placements: 11

- **Independent Living** – is when a young person takes on their own tenancy independently, including a local authority or housing association tenancy, private tenancy, accommodation provided by a college or university, and house sharing

Number of placements: 7

- **Low level supported accommodation** - At present MCC has 2 provisions accommodating our Unaccompanied Asylum-seeking Children aged 16 plus. The accommodation and (low level) support element are provided by an external provider and offers floating support Monday to Friday, and access to an off-site house manager outside of this time. There is one 5-bed provision in Newport and one 4-bed provision in Cardiff.

Number of placements: 9

- **Semi-independent / Transitional Accommodation** – this is provided via supported hostels with self-contained accommodation and low to medium support for young people aged 16 – 24 including those with care experience or young people who are homeless. There are three provisions in Monmouthshire that we use for our 16 plus young people, all of which are provided by Pobl at:

Hill House (Chepstow) – which has 9 beds

Woodstock (Abergavenny) – which has 12 beds

Sunnyside (Chepstow) – which has 4 flats with floating support

Monmouthshire Children Services has access to 6 of these beds

As at 29.04.2024 the authority had 69 children/ young people who are currently being accommodated in residential care homes or with foster carers **who are 16+ or who will be turning 16 in the next 2 years**. Based on an understanding of their current care and support needs, many of these young people will require a step-down provision with medium to high support (such as the current project) to support them with their transition out of a care environment.

This table shows the placement types for the current 14 plus cohort of young people.

| Placement Type | Children and Young People Placed in County | Children and Young People Placed Out of County | Total Number of Children and Young People |
|-----------------------------|--|--|---|
| Monmouthshire Foster Carer | 4 | 5 | 9 |
| Independent Foster Carer | 4 | 8 | 12 |
| Monmouthshire Kinship Carer | 13 (includes PWP) | 4 | 17 |
| Residential Care | 6 | 9 | 15 |

| | | | |
|---|-----------|-----------|-----------|
| Semi-independent / transitional accommodation (all 3 rd Party) | 0 | 16 | 16 |
| Total | 27 | 42 | 69 |

Out of the above numbers **35** young people are **already aged 16 or over**. These young people are currently being accommodated in various placements type.

- 11 young people in UASC accommodation provisions
- 4 young people in Pobl accommodation provisions
- 3 young people in residential accommodation
- 4 young people accommodated by an IFA.
- 5 young people are with LA foster carers.
- 3 young people are with kinship carers.
- 5 young people are placed with a person with parental responsibility

To develop a prospective business case an initial group of 6 children have been identified who would benefit from a planned move into the property upon it being available for occupation. These children are currently in placements that are not best suited to their needs. The refurbishment of the property is required to provide safe and appropriate accommodation for five Monmouthshire CLA, currently residing in for-profit residential homes or short term foster care placements.

Based on an understanding of their individual care and support plans, the service has identified 6 children who would potentially benefit from a placement in the property. All young people are currently in either foster Care or a residential placement. Weekly costs associated with their current placement equate to £14,429.39. These costs are currently met through Children's Services revenue budget.

We have taken the mean cost of the 6 placements to produce a weekly cost of £2,404.90 per young person. This means that the current annual costs associated with 5 placements is £625,273.57 for a full year.

We have used a group of 6 children because, given the project development time, and as the wider cohort of young people who are looked after changes, it is unfeasible to accurately pin-down the exact 5 young people identified for the placement until more detailed work is undertaken. The group of 6 provides a reasonably accurate illustration of such young people as might benefit from a future placement at the property and their current associated costs.

The identified young people are:

- Currently are in residential and/foster care placements and are either assessed as ready to or are being supported in preparation of a step down from these provisions.
- Currently have needs that are assessed to be medium to high level needs, and as such will require the level of support to be provided at the current project.

2.2.3 Business Needs

| Where we are now | ESSENTIAL Objectives of Business Case |
|--|--|
| Monmouthshire does not have existing any medium to high supported living placements | To develop a medium to high supported lodgings provision for up to 5 young people |
| Monmouthshire does not have experience of providing housing-based support | To contract with a suitable external provider who could provide good quality housing-based support |
| Provider fees for young people in residential or IFA provisions are negotiated on an annual basis | To reduce dependency on external provision and external fee-setting [in the context where a national lack of placement sufficiency is driving costs] |
| Young people do not always have the opportunity to fully develop independent living skills in an appropriately supportive environment | To appoint an experienced support provider to offer a stable, consistent environment, so that the young people can be encouraged to build their independent skills |
| Children are not placed near to their home and communities [being placed away from Monmouthshire leads to disrupted support and family relationships] | To increase opportunities to place children closer to their homes and communities allowing them to develop consistency and stability. |
| The Council is reliant on external placements to agree matching for children / young people and there is little opportunity for forward care planning across the cohort of children who are looked after | To increase the ability to forward plan and have greater control on matching, placement decisions and oversight on support. |
| Social care workers are required to travel to different parts of the country to visit individual children | To reduce the amount of travel time for the social care workforce |
| Children / young people are placed in a range of different organisations which do not support fully integrated working. | To increase opportunities for integrated working to ensure good outcomes for children / young people |

2.2.4 Additional Benefits

This business case presents an opportunity for the Council to redevelop an existing asset to become a 5-bedroom supported living accommodation potentially utilising full grant funding. This will allow for sustainable improvements to be made to the property and its outside space including energy efficiency. As part of the refurbishment, we will be making every effort to increase the energy efficiency of the property with the aspirational A rating in mind. We plan to install solar panels to the roof making an approximate annual saving of £1,253 and upgrade the current central heating system to air source heat pumps.

The business case is in-keeping with the objectives of the Welsh Government and the Regional Integration Fund Capital programme. This means that there is a high likelihood of the Council being successful in its application for a grant to support the refurbishment costs in year 2024/25. Initial discussions with Regional Integration Fund Capital programme manager regarding the development of the property have been met with positivity, with all indications that the grant application will be successful.

2.2.5 Main Risks

The risks for this proposal fall into two main areas – property related risks and service-related risks.

Property Related Risks (to be completed by Ben Thorpe)

| Risk | Mitigation |
|--|---|
| Unknown/excessive project costs. | Engage Property Services to compile detailed schedule of works & property specification and seek competitive quotations. |
| Availability and capacity of suitable building contractor. | Procure contractor on the basis of having the capacity to carry out the works within the required timescale. |
| Time delays in project completion due to unforeseen circumstances, project scheduling, changes in scope, or external factors beyond the project team's control. | Complete detailed monitoring of the project through each stage from inception and planning to completion of works. |
| Property Title is assumed clean, free of any restrictions or encumbrances. Assumed property is registered with H M Land Registry as freehold with title absolute. | Legal due diligence to be carried out. |
| Condition of Property not fully known. | The property has been maintained and improved by the Council's Property Services team for many years. |
| Structural works may be required - Assumed free from defect. | MCC Building Control to be contacted for comment on proposed structural alterations. Carry out structural survey and/or provide calculations as required. |
| Services - Detailed investigations of the property's services have not been undertaken, however there is no change proposed to the existing. It is assumed that the services and | The property is connected to mains services including electricity, gas, water, and drainage. |

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|---|---|
| <p>associated controls are in working order and free from defect.</p> <p>Planning – Existing use is C3 dwelling houses.</p> <p>Contamination and Hazardous Substances (i.e. Asbestos)</p> <p>Building Regulations risks</p> | <p>COU is not considered to be required given the proposed use is permitted development if required to change to C3(b).</p> <p>An asbestos report dated 2014 is available and identifies minimal low risk asbestos present in the property. A full R&D survey will be carried out prior to works commencing.</p> <p>If required following discussions with Building Control, survey works can be commissioned although it is not likely to be needed.</p> |
| <p>Improvement Works - The property requires general and specific improvement works to meet required standards and to safeguard the occupants. Associated costs are subject to survey findings and subsequent recommendations.</p> | <p>Schedule of works and specification to be determined by MCC Child Services, Property Services and Estates.</p> |
| <p>EPC - From the 1st of April 2018, under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, all domestic and non-domestic rented property which are to have a new tenancy, must have an EPC rating of at least an “E”.</p> | <p>The property is a domestic property that will not be subject to the private rented market. The property has an Energy Performance Certificate (Cert. No. 1534-2724-0000-0318-7292) valid until April 2034, with an energy rating of D. Energy efficiency improvements are proposed including solar and new ASHP system.</p> |

Service Related (Implementation) Risks

| Risk | Mitigation |
|--|--|
| <p>Unable to secure a service provider</p> | <p>The Council will be using an Open Procurement Route via Sell2Wales. Several potential providers have expressed an interest in the tender. A Market Engagement Event held on the 22nd of March 2024 was attended by several provider agencies.</p> |

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|---|--|
| Delays / inability to identify and match suitable young people who need the supported accommodation provision | <p>The service has an in-depth knowledge of individual young people and how they might match.</p> <p>Work is currently taking place to consider the whole cohort of children / young people who are looked after to consider potential candidates for the home.</p> <p>MCC will work with the region to offer up potential placements to achieve a good match / avoid voids (should the need arise)</p> |
| Repurposing costs exceed what is currently provided for. | There is a contingency for unexpected works in the costs and a process for additional grant funding application via the Notification of Event (NoE) process. |
| Unsuccessful grant application leading to MCC meeting cost of refurbishment. | <p>There has been regular contact with the grant funding team and indications are that the application will be viewed favourably. The return on investment this project represents is positive.</p> <p>Regular and detailed contact with grant funding team will be maintained to ensure compliance with application process.</p> <p>The costs of drawing down on borrowing have been factored into the business case.</p> |
| | |

Wider Service Risks

| Risk | Mitigation |
|--|---|
| Commissioned service provider provides poor quality service | Quality of service is heavily weighted within the service specification and evaluation process. There will be ongoing contract monitoring. |
| There is a 10-year purpose period as a condition of grant award with claw back if it is not used for its intended purpose. | Commissioning data and projections of children who need looked after or care leaving services are not expected to fall to the extent that this provision would not be required within a 10 year period. |
| The property is not required to provide placements for care experienced children in the future. | The property could be re-purposed for several different uses; a business case and options appraisal would be undertaken. |

| | |
|---|---|
| Service provider gives notice on the contract or are unable to meet the terms of the contract | On-going partnership work will be in place to support the provider in all aspects of service delivery. |
| Any delay in implementation may impact on the ability to fully meet savings proposals for 2024/25 | <p>The service is contingency planning for when potential placement moves for children are not achieved (which can arise for a number of reasons).</p> <p>Care and progression planning across the overall cohort of children looked after should allow for other potential positive movement and changes within placements for children which present opportunities for savings.</p> <p>On-going budget monitoring is in place to highlight as and when any additional measures need to be put in place.</p> |
| Risk of voids | If voids arise, and there are no young people identified within Monmouthshire who will need the placement in the short-term, there is potential to 'sell' the placement to another Local Authority. |

2.2.6 Constraints

If capital costs are supported or fully met through the Housing with Care capital grant (or any other capital grant) this will considerably reduce the borrowing costs for the Council.

However, there will be constraints around the use of the property going forward (i.e. to provide a service in keeping with a provision for care experienced young people / children who are looked after / with complex needs) and a requirement to pay back in the event of the property being repurposed or sold. The term for these constraints is 10 years. These constraints do not outweigh the benefits of securing a capital grant to support the proposal.

2.2.7 Dependencies

Operational delivery is dependent on approval of a suitable provider via the authority’s procurement framework.

3. OPTIONS ANALYSIS

3.1 Critical Success Factors

- The property is repurposed to a high standard.
- A capital grant is received to reduce any borrowing strain on the Council.

- A service provider is successfully appointed and a contract and monitoring arrangements are in place.
- The first cohort of children successfully matched and in-situ.
- Young people achieve good outcomes through their placement in the new scheme.
- Young people are supported to move on to living independently.

3.2 Main Options

Table 1: Summary of Options Appraisals

Summary of Options Appraisals

| | |
|----------------------|---|
| OPTION 1 | Do Nothing |
| Description | The Local Authority does not develop the property as a supported accommodation scheme and continues to commission placements through housing options or spot-purchasing from the external market |
| Net Costs | £0 however, the council would lose the potential to generate any savings against the current spend of £625,273.57 (based on illustrative cohort of children) |
| Advantages | The Council will avoid any of the implementation or wider risks identified above. |
| Disadvantages | Leaves the Council with an on-going deficit of supported accommodation placements for young people. |
| Conclusion | Not recommended |
| <hr/> | |
| OPTION 2 | Do Minimal |
| Description | Do not proceed with the refurbishment of this property and seek alternatives. |
| Net Costs | £0 however, the council would lose the potential to generate any savings against the current spend of £625,273.57 (based on illustrative cohort of children) |
| Advantages | The council would not utilise its current borrowing headroom, which would then be retained for an alternative, potentially more suitable / less costly property. |
| Disadvantages | On-going searches for potentially suitable properties within Monmouthshire have been undertaken and are on-going. Suitable properties for development do not come onto the market frequently; and there are limited options in respect of re-purposing existing assets. Delay in identifying an alternate suitable property would delay the opportunity to develop a supported accommodation provision by an indefinite, potentially extended, period. |
| Conclusion | Not recommended |
| <hr/> | |
| OPTION 3 | Repurpose the property and provide the support in-house |
| Description | Proceed with the refurbishment and look to provide the support element in-house rather than through a 3 rd party |

| | |
|----------------------|---|
| Net Costs | Not Known |
| Advantages | Children’s services would retain full autonomy and decisions about the provision would be made entirely by the service. There would be no requirement to procure a service or for contract monitoring. The service would be required to build an in-house workforce which could be scaled up in required. |
| Disadvantages | The service would lose the opportunity to partner with a 3 rd party provider with expertise in providing housing-based support. |
| Conclusion | NOT RECOMMENDED |
| OPTION 4 | Redevelopment of the property with 3rd party service delivery |
| Description | The Local Authority proceeds with the development of the property but seeks to commission a suitable partner to provide the support |
| Net Costs | Based on similar models, the weekly anticipated cost for an external provider would be £1,355.88 per week per bed, equating to an annual revenue cost of £352,531. |
| Advantages | This would mean that the delivery and implementation risks are shared with another organisation who are vastly experienced in the delivery of post 16 housing based support and will enable us to appropriately match children based on the level of support required. This fully supports the wider strategic aims of the council in terms of developing in-house / regional sufficiency. It is felt that currently the provider market for supported living is sufficiently developed to generate a competitive response to a tender. |
| Disadvantages | A partnership arrangement would reduce the level of autonomy that the council has in terms of care planning and matching. |
| Conclusion | Recommended |

3.3 Recommended option

Option 4 is the recommended option.

4. PROCUREMENT ROUTE

Works for the refurbishment will be procured through normal council arrangements utilising the framework contractors.

For the support element, the Council will be using an Open Procurement Route via Sell2Wales. A Prior Information Notice (PIN) was issued via Sell2Wales on the 5th of February 2024, with several potential providers expressing an interest in the tender by the 11th of March 2024. A Market Engagement Event was held on the 22nd of March 2024 which was attended by several provider agencies. The Tender will be officially published via Sell2Wales subject to business case approval.

5. FUNDING AND AFFORDABILITY

CAPITAL Costs of Refurbishment

The Local Authority has applied to Welsh Government for a £300,000 capital grant to repurpose the property via the Housing with Care Fund 2024/25 (HCF). This would provide a 100% grant funded resource for the development of provision, in line with the elimination of profit agenda. We will continue to monitor the progress of this application as we progress with this project.

There is the acknowledgement that we will enter the initial stages of repurposing without grant approval and therefore at a degree of risk.

We have mitigated the risk of non-approval via our robust partnership and consultation with the Capital Projects Team at ABUHB. The return on investment this project represents is extremely high with a five-bedroom accommodation being developed for £300,000. All indications are we have a very strong case, and our application will be successful. The process can take up to 2 months for full approval.

We require access to the capital borrowing headroom pending the HCF grant application being submitted and approved; or in the event that it is not approved.

In light of the above we have modelled both scenarios i) that the capital scheme is fully funded via a grant and ii) that the capital element is met through prudential borrowing.

The revenue costs of prudential borrowing are already factored into the Council's medium term treasury budgets and therefore there are no consequential borrowing cost implications on the Children's services budget. However, for transparency and to aid in a meaningful like-for-like comparison between the existing model of service delivery and this proposal, an indicative annual borrowing cost has been included within the business case calculation.

Annual Revenue Costs

Currently, the cost of providing the care and support that will be replaced through the development of this property is approximately £625,273.57 over 5 children (based on illustrative cohort of 6 children currently in spot-purchased provision). The cost of commissioning the support element of the scheme has been calculated based on an equivalent service model in a neighbouring authority (i.e. Local Authority owned property with a 3rd party contract to provide the care).

Taking into account the varying cost impact of the 2 potential borrowing scenarios as above, we have modelled the revenue costs against a 100% occupancy rate and an 80% occupancy rate.

These tables are illustrative because the identified savings / or the impact on savings arising from a void cannot be easily identified due to the variability of existing package of care. Equally, there may be situations where placements result in cost avoidance. This potential saving has been profiled into the overall £1.3m Children’s Services practice change mandate for 2024/25. As the project is scheduled to come online in the later part of the year, part savings will fall into 2025/26 as a consequence. Any delay in implementation may impact on the ability to fully meet savings proposals for 2024/25 (see wider service risks).

80% occupancy is a cautious approach which we have adopted given the importance of matching children and allowing appropriate time for transitions particularly during the early period of the residential home.

Based on 100% occupancy

| Annual Revenue Costs | Based on successful HCF application | Based on borrowing to complete the repurposing |
|---|--|---|
| | £ | £ |
| Service Provider Contract | 300,000 | 300,000 |
| General Maintenance | 10,000 | 10,000 |
| Service Manager 0.5FTE | 42,531 | 42,531 |
| Annual repayment costs (over a 25 year period) set at rates on 08/05/2024 | 0 | 21,303 |
| | | |
| TOTAL ANNUAL REVENUE COSTS | 352,531 | 373,834 |
| | | |
| ANNUAL REVENUE PACKAGES TO FUND COSTS | | |
| Average cost of identified current care packages paid through the Children’s budget | (625,273) | (625,273) |
| | | |
| | | |
| Based on 100% occupancy POTENTIAL ANNUAL REVENUE SAVINGS | 272,742 | 251,439 |
| | | |

Based on 80% occupancy

| Annual Revenue Costs | Based on successful HCF application | Based on borrowing to complete the repurposing |
|---|--|---|
| | £ | £ |
| TOTAL ANNUAL REVENUE COSTS | 352,531 | 373,834 |
| | | |
| ANNUAL REVENUE PACKAGES TO FUND COSTS | | |
| Average cost of identified current care packages paid through the Children's budget | (625,273) | (625,273) |
| | | |
| | | |
| Based on 80% occupancy POTENTIAL ANNUAL REVENUE SAVINGS | 218,193 | 201,151 |
| | | |

Revenue Generation (if applicable)

If voids arise, and there are no children identified within Monmouthshire who will need the placement in the short-term, there is potential to 'sell' the placement to another Local Authority. Standard practice for inter Local Authority purchasing of placements is to charge a mark-up of 20% of the weekly cost which would equate to £1,627 per bed per week (with HCF contribution) £1,725 per bed per week (without HCF contribution).

6. DELIVERY ARRANGEMENTS

Key milestones and indicative timelines

- Submit HCF application May 2024 (completed)
- Framework Contractors Mini Tender May 2024
- Appoint Contractor June 2024
- Commencement of Works July 2024
- Appoint Service Provider July 2024
- Service Provider Contract Commencement - August/September 2024
- Completion of Works October 2024
- Provision becomes operational November 2024/January 2025.

Delivery Arrangements

| Task | Person Responsible | Time frame | Reports to |
|---|--|-------------------------|-------------------|
| Project management for refurbishment and improvement | Property services Ben Thorpe Nick Perry | 17/06/24 – 09/09/24 | Nicholas Keyes |
| Service specification and Contract with Service Provider | Craig Williams | 29/07/24 ongoing | Jane Rodgers |
| Development of the service in-line with service specification | Lupupa Nshimbi | 29/07/24 – October 2024 | Diane Corrister |
| Care planning and transition arrangements for young people who are identified as suitable to be placed in the new provision | Lupupa Nshimbi | Ongoing | Diane Corrister |
| On-going contract monitoring | Craig Williams | Quarterly | Jane Rodgers |
| Oversight of young people placed in the scheme | Lupupa Nshimbi in partnership with the external provider.) | Ongoing | Diane Corrister |
| | | | |

Contingency Plan

The need for a contingency might arise if it becomes clear that the development of the property won't be achieved, or no suitable providers respond to the tender, or no suitable children are identified to move in. In this case contingency options will be considered follows:

- The council will review the specification and re-tender for either the works or the support element.
- The council will look at the option of developing the support element in-house.
- The council will seek to sell individual residential placements to neighbouring Local Authorities.
- The council will liaise with the regional partnership board to seek a change of use for the property in keeping with the objectives of the council and the overall objectives of the capital programme (to avoid claw back).
- The property could be re-purposed for several different uses; a business case and options appraisal would be undertaken.

DRAFT