

Monmouthshire Scrutiny

Performance and Overview Scrutiny Committee ~ Feedback to Cabinet of Meeting held on 21st April 2026

Report Item 4: The Development of Children's Residential and 16+ supported Accommodation Placements – Progress Update

The Committee undertook thorough scrutiny of the report, highlighting the following important issues for the Cabinet Member's consideration:

Key points raised by the Committee:

Delivery timescales and blockers (Placement Development Strategy)

- Whether the two remaining schemes will complete by October 2026.
- What the main blockers are (beyond finding suitable buildings).
- How future slippage will be avoided (earlier due diligence and improved commissioning).

Response: The two remaining schemes remain on track for completion in October 2026. Previous delays were largely procurement/commissioning timescales and identifying properties meeting legal/regulatory requirements; earlier legal and land registry checks have been introduced to reduce future delay risk.

Managing mixed-age placements and changes in household dynamics

- How mixed-age dynamics are identified and managed safely.
- How compatibility is assessed and issues managed day-to-day.
- How stability is maintained when residents move on and new children arrive.
- What safeguards support stability (key workers, staffing continuity, responsive plans).

Response: Matching is based on assessed needs, personalities and circumstances, supported by stable staffing and named key workers. Transitions (move-ins/move-ons) are planned with active monitoring and care plans adjusted promptly to maintain stability and wellbeing.

Location criteria: town-based versus rural settings

- Whether location is assessed as well as building design.
- How amenities/independence are balanced against a need for quieter settings.
- How the statement of purpose/cohort affects location choice.
- Whether there is a preferred model or a purely needs-led approach.

Response: Location is considered alongside design through each home's statement of purpose and the needs of children. Town locations can support independence and amenities access; rural/smaller settings can be appropriate for higher support needs, quieter environments and higher staff-to-child ratios—there is no single preferred model.

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Evidence of improved outcomes from in-house provision and how these are monitored

- What evidence shows improved outcomes vs external placements.
- How outcomes are monitored over time.
- What oversight provides assurance (reviews, visits, key-worker input).
- How longer-term outcomes into adulthood are assessed.

Response: Outcomes are tracked through a suite of qualitative and ongoing indicators (attendance/engagement in education, wellbeing and emotional regulation, relationships, stability, participation, family contact where appropriate). Monitoring occurs via statutory LAC reviews, social worker visits and key-worker engagement, and is considered over time into young adulthood (EET pathways).

Reduction in original target numbers for residential/supported accommodation

- Why targets have been reduced since the strategy was agreed.
- Whether this reflects demand, capacity, or both.
- How stabilised numbers have influenced the revised targets.
- Impact of the UASC model on local supported accommodation need.

Response: Targets were adjusted due to stabilised demand and an improved delivery model for unaccompanied asylum-seeking children, with some young people preferring placements outside the county. Sufficiency remains under review and may change if demand changes.

Value for money and assurance decisions remain child-centred (not convenience-led)

- How in-house provision improves both outcomes and costs.
- Safeguards to keep decisions child-centred.
- How cost and quality are assessed together.
- How learning feeds into future sufficiency planning.

Response: The primary objective remains improved, stable outcomes as corporate parents. In-house provision supports quality, matching and stability and reduces reliance on a high-cost external market; costs and outcomes are monitored together to inform future decisions.

Cost comparisons and whether a member dashboard would support oversight

- Current average weekly cost of external residential and IFA placements.
- Comparison with in-house unit costs (incl. staffing and overheads).
- How members will track cost, demand and capacity trends.
- Whether a simple dashboard could support scrutiny.

Response: Average external residential placements were reported at ~£7k-£8k per child/week (and rising), compared with ~£4k per child/week for in-house provision (inclusive of staffing/building/overheads). A dashboard presenting cost, demand and capacity will be considered to support ongoing member oversight.

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Market instability and 2030 regulatory reforms: confidence in sufficiency and provider intelligence

- Confidence the planned in-house scale meets likely demand (next 3–4 years).
- Impact of 2030 reforms on supply, capacity and cost.
- What is known about providers' intentions (exit/convert/continue).
- How often sufficiency is reviewed and how providers are engaged.

Response: The position is uncertain nationally and locally. The Council is engaging with providers and commissioning partners to understand intentions ahead of reforms (exit/convert/continue) and will keep sufficiency under regular review, recognising the evolving market.

High refurbishment costs, slippage, and whether purpose-built provision should be considered

- Key drivers of refurbishment costs (compliance, safety, fit-for-purpose design).
- Whether there has been slippage and the main causes.
- How capital value for money is assured.
- Whether purpose-built homes should be considered longer-term.

Response: Costs reflect compliance with stringent regulatory/safety requirements (including fire safety and sprinklers) and adapting older buildings to children's needs and staff accommodation. Capital spend is funded through the Housing with Care Fund and subject to Welsh Government scrutiny. Slippage was mainly procurement-related; purpose-built options can be considered longer-term, but the current programme prioritised adapting suitable existing properties to deliver at pace.

Impact of slippage on children and how care plans were adjusted

- How many children were affected by slippage.
- What changes were made to care plans.
- Whether delays led to any negative outcomes and how risks were managed.
- Whether delays supported better preparation/transition.

Response: Only a small number of children were affected. Alternative plans were implemented (moves to other placements or longer in existing placements) without negative outcomes; in some cases extra time supported smoother transition and relationship-building.

Formal mechanisms to alert members to material changes in demand/sufficiency

- How material demand changes are identified and reported.
- How sufficiency is monitored (annual reviews, statutory reporting, performance cycles).
- When members/scrutiny will be updated as plans change.

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Response: Sufficiency and commissioning plans are reviewed annually and reported through statutory routes (e.g., Director's Annual Report and Welsh Government returns), alongside regular internal performance monitoring. Scrutiny will receive further updates as remaining schemes progress.

Financial impact of external market inflation and reflection in the Medium-Term Financial Plan

- Current budget impact of rising external placement costs.
- Whether this is reflected in the Medium-Term Financial Plan.
- How planned in-house provision will reduce costs over time.

Response: Rising external placement costs are built into children's services budget planning and reflected in short-term and medium-term planning, alongside anticipated savings as in-house provision increases.

Communication and engagement with children and young people in care regarding strategy changes

- How changes are explained to children and young people.
- How engagement varies by age and need.
- What practical support is used for transitions.

Response: Engagement is age- and needs-appropriate: older young people through corporate parenting structures and involvement in strategic discussion; younger children through child-friendly preparation, visual materials, life-story work and relationship-building to support transitions.

Engagement with local residents before/after homes open

- How residents are engaged before opening.
- Ongoing communication once homes are operational.
- Whether there is a clear local point of contact.
- How concerns are monitored and escalated.

Response: Early engagement via meetings/information events is undertaken prior to works/opening, with ongoing updates and a named local contact. Concerns are addressed early, with continued oversight through statutory visits and feedback mechanisms.

Rationale for a mixed delivery model (local authority residential + third-sector supported accommodation)

- Why a mixed model is used rather than one approach.
- How placement routes are chosen for different cohorts/needs.
- How quality/control is balanced with external capacity.
- Whether the model will be reviewed as demand/markets change.

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Response: Third-sector supported accommodation provides flexibility for 16–17-year-olds and builds on a stronger, established market; in-house residential provision offers greater control over quality, matching and workforce development in a more costly/less developed external market. The mixed model reduces reliance on a single approach and remains under review.

Private children’s homes in-county and potential impact on perceptions of local authority provision

- Number of private children’s homes in-county and trend.
- Risk to public perception of all children’s homes.
- What influence the Council has when concerns arise.
- How concerns are escalated (safeguarding/community safety/police).

Response: Officers hold information on private provision (previously reported as nine, with indications this has increased). Communities may not distinguish between provider types; where issues arise, the Council shares concerns with placing authorities and regulators and escalates via safeguarding/community safety/policing routes as appropriate, recognising limits on direct enforcement.

Further steps to support community cohesion where private provision causes concern

- What more the Council can do regarding private provision.
- How intelligence is shared with regulators/placing authorities.
- How safeguarding duties apply, given limited enforcement powers.
- Importance of early communication and escalation.

Response: While powers are limited, the Council will continue liaison and information-sharing with regulators and placing authorities, and apply statutory safeguarding duties where risks are identified, focusing on early communication, coordination and escalation where needed.

Points requiring a further response by the Cabinet Member:

None raised.

Report Item 5: Investment & Commercial Portfolio – 12 Month Performance Update

The Committee undertook thorough scrutiny of the report, highlighting the following important issues for the Cabinet Member’s consideration.

Key points raised by the Committee:

Castle Gate Business Park – strategic rationale vs underperformance:

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- How strategic is the Council's continued ownership of Castle Gate Business Park, and at what point should it be regarded as an underperforming asset rather than a strategic one?

Response: Officers acknowledged market challenges post-pandemic; occupancy is improving and remains competitive for out-of-town space. The location is strategically important for future development; any long-term decision must consider tenants, jobs and wider economic benefits.

Added value of Council ownership:

- What additional benefits does Council ownership of Castle Gate Business Park deliver compared with private sector ownership?

Response: Ownership enables a flexible approach balancing income with wider outcomes (e.g., flexible workspace initiatives, temporary accommodation for local organisations during refurbishments, and community/charitable use) while still prioritising occupancy and income growth.

Letting strategy and competitiveness:

- Has the Council tested whether its letting strategy and terms at Castle Gate Business Park remain competitive in the current market?

Response: Terms have been reviewed with multiple commercial agents and were confirmed as competitive; the Council will continue proactive marketing and tenant engagement.

Risk reduction and portfolio stability:

- Are there any recent developments that reduce risk within the investment portfolio?

Response: A key Castle Gate lease renewal has been secured (a major tenant committed to a minimum further five years), improving income stability and reducing short-term risk.

Disposal criteria and capital release:

- What criteria would trigger a decision to dispose of an investment asset rather than retain it for long-term income, and has the Council considered whether releasing capital could better support core services?

Response: No single trigger; decisions weigh performance, income potential, market conditions, risk, and economic/community impacts (including employment and regeneration). Capital release is considered alongside the long-term revenue and influence benefits of ownership.

Frequency of review and exploring alternative uses:

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- How often are investment assets reviewed, and how frequently are alternative approaches or future uses considered?

Response: Continuous review with formal monthly meetings with managing agents covering performance, occupancy, risks and market intelligence; wider strategic forums (including regional engagement) also explore future opportunities.

Cardiff Capital Region engagement:

- What does engagement with the Cardiff Capital Region mean in practice for Castle Gate Business Park, and how does it influence future planning?

Response: Castle Gate is positioned within the region's investment context to attract appropriate sectors (notably those aligned to the compound semiconductor cluster); Council ownership supports influence over tenant mix and promotion through regional prospectuses.

Alternative uses/development and planning constraints:

- Are there opportunities for alternative uses or additional development at Castle Gate Business Park (e.g., renewables, transport uses, alignment with the Replacement LDP), and are local businesses being prevented from accessing space?

Response: Options are being explored (including better utilisation of space and the car park), but must align with planning policy, employment land protections and safeguarding town-centre vitality. Restrictions apply where proposed uses fall outside permitted classes; flexibility may be considered case-by-case to avoid businesses leaving the county.

Governance and checks on investment decisions:

- What governance, checks and balances are now in place to oversee investment decisions and avoid past acquisition risks?

Response: The Council no longer pursues large-scale/out-of-county acquisitions; oversight sits within established governance, with performance/risk reported through scrutiny and any acquisition/disposal requiring formal approval.

Rent collection and arrears management:

- How are rental income and arrears monitored, and when is action taken against tenants who fall behind on payments?

Response: Automated systems and regular managing-agent engagement provide monitoring and early-intervention trigger points; enforcement/termination decisions are taken case-by-case, and forfeiture/re-letting has occurred where necessary.

Incentives and tenant retention:

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- How dependent is improved performance at Castle Gate Business Park on tenants remaining long-term, given that incentives may be required to attract new tenants?

Response: Retaining existing tenants supports stability; incentives (e.g., rent-free periods) may be needed in current market conditions and are balanced against long-term income and occupancy.

Renewables and decarbonisation (including EV charging links):

- Is the Council expanding renewable energy generation across its commercial estate (including solar canopies), and can this be integrated with EV charging? How does decarbonisation work at Castle Gate link to financial performance and tenant affordability?

Response: Solar and other renewables are being expanded where feasible (including solar canopies); integration with EV charging is being explored. Castle Gate is a pilot site in a regional decarbonisation programme considering measures such as improved building management systems, LED lighting and renewables to reduce running costs for both the Council and tenants.

Other assets – Newport Leisure Park and Monmouth Market Hall:

- Is the current return on investment at Newport Leisure Park meeting expectations, and how does it compare with the target rate? What is the longer-term vision for Market Hall in Monmouth once the museum vacates the space?

Response: Leisure Park ROI is ~1.8% (improved, slightly below 2% target) with letting activity expected to increase returns to ~2.4% in 2026–27. For Market Hall, space will be marketed for complementary uses to increase footfall; marketing will begin in advance to minimise void periods.

Chair's Conclusion:

The Chair thanked the Cabinet Member and officers for the report and responses. The Committee noted the importance of the investment and commercial property portfolio to financial resilience, while recognising continuing market challenges, particularly at Castle Gate Business Park. Members welcomed improved occupancy, proactive asset management, strengthened governance and lease renewals that have reduced risk, and emphasised the need for ongoing monitoring of performance and opportunities (including decarbonisation and regional partnerships), with further updates as the position develops.

Points requiring a further response by the Cabinet Member:

None raised.