

<b>SUBJECT:</b>	<b>Development of a Supported Accommodation Provision</b>
<b>MEETING:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>22<sup>nd</sup> May 2024</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>Caldicot</b>

## **1. PURPOSE:**

1.1 To provide details and seek approval for the repurposing of a council-owned property in Caldicot for the purpose of developing a supported accommodation provision for care experienced children.

1.2 Approval is sought based on a Business Case that is attached as Appendix 1.

## **2. RECOMMENDATIONS:**

2.1 To approve the Business Case for the repurposing of the council owned property in Caldicot to allow for the development of supported accommodation provision for care experienced young people.

2.2 To note that a Housing with Care Fund (HCF) application has been made to fund the works up to a value of £300,000.

2.3 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.

2.4 To enter into a contract with a suitable external provider to provide the housing-based support for young people residing at the property.

## **3. KEY ISSUES:**

3.1 Children's Services has identified a property in Caldicot that the council owns and which is suitable to be developed into a supported accommodation provision for up to 5 care experienced young people aged between 16 – 21 years of age.

3.2 In order to meet the needs of the young people and the identified objectives of the service the property will require repurposing.

3.3 The provision will provide a homely setting for 5 care experienced young people, where 24-hour support will be available 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.

3.4 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. A robust evaluation process and on-going contract monitoring will be put in place to ensure that quality standards are maintained and that young people are provided with the individualised support they require.

3.5 The business case is set out in the context of the decisions made at full Council on 18<sup>th</sup> April 2024 which set out proposals for the overall development of children's residential and 16+ supported accommodation placements and increased the available borrowing headroom to £3M for that purpose.

3.6 The Local Authority has a legal duty to provide sufficient and appropriate placements for children who are looked after which includes a range of supported accommodation options for young people who have left, or who are preparing to leave care. However, at present, the Local Authority has insufficient suitable supported accommodation placements and very limited options for young people who have medium to high support needs.

3.7 The current situation creates a number of pressures and issues 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.

3.8 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.

3.9 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.

3.10 The key objectives for this business case are:

- To redevelop the property in Caldicot 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 3<sup>rd</sup> 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.

3.11 Works for the repurposing 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.

3.12 Implementation risks and wider risks to the Local Authority in developing the provision are set out below.

## Implementation / Service Risks

<b>Risk</b>	<b>Mitigation</b>
Unable to secure a service provider	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.
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

<b>Risk</b>	<b>Mitigation</b>
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.

#### **4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):**

4.1 The business case seeks to increase the sufficiency of appropriate placements closer to home for care experienced children and supports the repatriation of Monmouthshire children back into the county. The provision will enable care experienced young people to develop their life skills and support their pathway to independence so that their future life chances and economic mobility are improved. The provision is designed for care experienced young people who have medium to high support needs, which is currently a gap in provision. This additional stepping stone approach will help vulnerable young people sustain future stable accommodation and tenancies.

4.2 The money currently being spent on this cohort of children includes residential and independent foster care placements, some of which are located out of county. The project will allow the development of provision in county. This will support young people's sense of identity, belonging and connectivity with support networks, as well as providing the opportunity for new jobs and training / career opportunities for the wider social care workforce.

4.3 Planning is required in order to ensure the Welsh language is encouraged within the scheme and community engagement will need to be at the forefront of the development moving forward.

## **5. OPTIONS APPRAISAL**

5.1 An options appraisal is set out in the business case. In summary the council could chose to do nothing and refrain from moving ahead with the scheme. This would avoid any of the implementation or wider risks identified at 3.12. This option is not recommended in that i) it would not fill the gap in existing provision and continue to mean that children preparing to leave care are not provided with the right level of support in keeping with their needs and ii) that the council would lose the potential to generate any savings against the current approximate spend of £625,273.57.

5.2 Two minimal options are identified the first being to withdraw from the current property and wait for an alternative property to become available that requires less refurbishment. This would avoid any risks specific to the current property, but is discounted on the basis that i) it would cause significant delay in the development of suitable in-county placements for young people and ii) it is likely that any other property would require an acquisition as well as repurposing which would likely to be considerably more costly.

5.3 The second minimal option is to proceed with the repurposing of the property and seek to develop the support element in-house. This option is discounted because i) it is felt that there is strong experience and expertise within the sector providing accommodation-based support and ii) that children's services does not currently have the resources or capacity to undertake the support element and iii) it is likely that a procurement route will be quicker.

5.4 The option as set out within the business case, for the Council to repurpose the existing asset (i.e. the property in Caldicot) and seek to enter into a contract with a suitable provide organisation to provide the support, is the preferred option.

## **6. EVALUATION CRITERIA**

Success criteria for the business case have been identified as follows:

- 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.

## **7. REASONS:**

7.1 In summary, the business case represents an important step in the Council's ambition to increase the overall number of in-house placements for children including supported living

accommodation. This will increase the service's ability to appropriately plan and control care pathways for children and young people in keeping with their needs and reduce the Council's dependency on an uncertain provider market.

7.2 The proposed development of the property will meet the wellbeing and safeguarding needs of care experienced young people and provide an affordable means by which the Council can provide good quality support. The business case supports the Council to fulfil its statutory duty to provide sufficient and suitable for children who are looked after and is in keeping with national and local policy direction.

7.3 The business case represents a viable way forward for an existing un-used asset within the social care and health directorate, with the opportunity to maximise potential grant funding and generate savings for the council.

## **8. RESOURCE IMPLICATIONS:**

### **CAPITAL Costs of Refurbishment**

8.1 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.

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

8.3 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.

8.4 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.

8.5 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.

8.6 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**

8.7 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 an external provider contract to provide the care).

8.8 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.

8.9 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).

8.10 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

<b>Annual Revenue Costs</b>	<b>Based on successful HCF application</b>	<b>Based on borrowing to complete the repurposing</b>
	<b>£</b>	<b>£</b>
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
<b>TOTAL ANNUAL REVENUE COSTS</b>	<b>352,531</b>	<b>373,834</b>
<b>ANNUAL REVENUE PACKAGES TO FUND COSTS</b>		
Average cost of identified current care packages paid through the Children’s budget	(625,273)	(625,273)
<b>Based on 100% occupancy POTENTIAL ANNUAL REVENUE SAVINGS</b>	<b>272,742</b>	<b>251,439</b>



Based on 80% occupancy

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

## 9. **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

## 10. **BACKGROUND PAPERS:**

Council Report 18<sup>th</sup> April 2024 - Developing children's residential and 16+ supported accommodation placements

## 11. **AUTHOR:**

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