

<b>Subject:</b>	<b>Development of a Residential Children's Home</b>
<b>DIRECTORATE:</b>	<b>Social Care &amp; Health</b>
<b>MEETING:</b>	<b>Cabinet</b>
<b>DATE:</b>	<b>17<sup>th</sup> July 2024</b>
<b>DIVISION/WARDS AFFECTED:</b>	<b>All</b>

## **1. PURPOSE:**

1.1 To provide details and seek approval for the development of an in-house residential children's home in partnership with Pobl.

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

## **2. RECOMMENDATIONS:**

2.1 To approve the Business Case for Children's Services to enter into a renewed leasehold agreement with Pobl on a property in Caldicot for a minimum of 10 years (as per conditions of grant) for the purposes of providing an in-house residential children's home.

## **3. KEY ISSUES:**

3.1 Children's Services has identified a property in Caldicot which is suitable to be developed into a registered residential children's home for up to 4 children.

3.2 The property was previously utilised within the Social Care and Health Directorate, in partnership with Pobl, to provide overnight respite for adults with learning disabilities. A Cabinet decision was made to cease this provision on 6<sup>th</sup> September 2023 and the building is currently unused, albeit that the lease has been maintained.

3.3 In order to meet the needs of the children and the identified objectives of the service the property will require repurposing. The repurposing of the property will be led by Pobl who is eligible to apply for a Welsh Government grant via the Regional Partnership Board capital programme. Under the terms of the grant, housing associations must match fund between 30 – 35%. Pobl's capital costs will be

factored into the cost of the leasehold, and in turn this has been modelled into the annual revenue costs of the residential home.

3.4 The residential service will be designed to create a homely environment for up to 4 well-matched children. The placement will allow for children to be placed closer to their homes and families and given its proximity to Caldicot town centre children placed there will have good access to community-based resources and local amenities.

3.5 Alongside the development of the property, the intention is to develop an in-house residential service whereby the Council would register the provision with Care Inspectorate Wales (CIW) and become the registered provider. A residential workforce, management structure and RI (Responsible Individual) function would be put in place to ensure that quality standards are maintained and that children are provided with the personalised care and support they require.

3.6 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.

3.7 The Local Authority has a legal duty to provide sufficient and appropriate placements for children who are looked after. However, at present, the Local Authority has insufficient suitable placements and is over-reliant on independent fostering agencies and spot-purchased residential placements from profit making organisations.

3.8 The current over reliance on the external market is in the context of high demand and competition for placements and is creating numerous pressure and risks for the Council including:

- Financial pressure because of the cost of spot-purchased placements.
- Children being placed away from their home, communities and support networks.
- Variable quality in terms of achieving good outcomes for children.
- Risks of not being able to find a placement for a child and the need to enter into placement arrangements that our outside Welsh Regulations (OWRs).
- Workforce pressure because of children 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.

3.9 The current ambition, as set out in the report presented to Full Council on 18<sup>th</sup> April 2024, is to significantly increase the number of all in-house placement types both fostering and residential over the next 1 – 3 years. This will ensure that Monmouthshire's Looked After Children's needs are consistently met with increased opportunity to be placed closer to their homes and communities; and will enable increased stability and certainty in our wider care planning for children.

3.10 As at the end of March 2024 there were 199 children looked after by Monmouthshire County Council, of which 45 were placed with independent fostering agency carers and 37 placed in residential placements.

3.11 Our commissioning data and analysis confirms that to ensure sufficiency of appropriate placements for children we must significantly increase the number of all placement types. Specifically, the service has identified that at least 12 further standard residential children’s homes placements are needed based on current placements, 4 of which would be achieved through the refurbishment of this property; and 4 of which are being achieved through the refurbishment of an acquired property in Monmouth.

3.12 The key objectives for this business case are:

- To enter into a leasehold agreement with Pobl for a minimum of 10 years (as per conditions of grant) on the property in Caldicot. The property will be redeveloped to suit our needs by utilising Welsh Government and Pobl Funding (30-35% of total redevelopment).
- To develop a Monmouthshire Children’s Services residential operational team to provide the care and support for the scheme by a redistribution of revenue that is currently going into the private sector.
- To provide a homely children’s residential setting that is designed to meet the needs of children who are looked after by MCC.
- To improve services for children who are looked after through ensuring that more children can be placed close to their homes and communities in a way that meets their personal outcomes and care planning needs.
- To allow the Council to meet legal and regulatory requirements under SSWBA and RISCA regulations.
- To secure better value for money and the potential to reduce revenue costs associated with the current arrangements.
- To allow the Council increased autonomy in care planning and matching decisions for all children who are looked after.
- To improve welfare considerations and efficiencies for the children’s services workforce due to reduced travel time.
- By bringing the residential service fully in-house to increase opportunities for integrated working to ensure good outcomes for children who are looked after.

3.13 This is a relatively low risk opportunity for the Council as there is no requirement to draw on borrowing headroom either for acquiring the property or repurposing it. Such risks that exist are associated with implementation and wider service delivery.

**Service (Implementation) Related Risks**

Risk	Mitigation
Pobl being unsuccessful in their grant application.	1) Withdraw from the project and seek alternative suitable properties to acquire from the open market and

	<p>lead grant funding application ourselves OR</p> <p>2) Consider a revised business case with an alternative funding mechanism to finance the refurbishment.</p>
<p>Regulatory process – delays in the refurbishment or difficulties in achieving registration.</p> <p>This would mean some uncertainty in the care planning for specific children and the potential to extend the time when we would be ‘double running’ [i.e. covering start-up costs of the new home and the costs of children’s current placements prior to a move].</p>	<p>The refurbishment will be carried out by Pobl using trusted framework contractors.</p> <p>Children’s Services have recruited a Service Manager to oversee the project and work closely with Pobl and CIW to achieve registration as expediently as possible.</p> <p>The service has significant knowledge and experience in meeting regulatory requirements associated with residential placements.</p>
<p>Regulatory process – delays / inability to recruit a residential care workforce</p>	<p>A full recruitment campaign will be run with promotional activity.</p> <p>The service currently has a [relatively] stable workforce and a good reputation as an employer within social care.</p> <p>Posts would be advertised on a permanent basis.</p> <p>The LA salary for residential care workers is competitive comparatively to for-profit employers.</p>
<p>Delays / inability to identify and match suitable children who need the placement</p>	<p>The service has an in-depth knowledge of individual children and how they might match.</p> <p>Work is currently taking place to consider the whole cohort of children who are looked after to consider potential candidates for the home.</p> <p>MCC will work with the region to offer up a potential placement to achieve a good match / avoid void.</p>
<p>Refurbishment costs exceed what is currently provided for</p>	<p>The notification of events mechanism can be utilised to submit revised project costs in the event of the unexpected. A detailed specification and contract will be</p>

	established. The financial element of this risk will primarily be borne by Pobl.
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### Wider Service-Related Risks

Risk	Mitigation
<p>Risks associated with service delivery of a residential children's home placement including failure to meet regulatory requirements; poor inspection outcomes; children not safeguarded.</p> <p>This could represent reputational risk for the Council.</p>	<p>Children's Services have recruited a Service Manager to oversee the project and act as the Responsible Individual (RI).</p> <p>The service has significant knowledge and experience in meeting regulatory requirements associated with residential placements.</p>
<p>Costs of providing the service outstrips what is allocated because of voids or agency staffing costs</p>	<p>A 25% void rate has been built into the illustrative business plan. A 25% void rate retains a saving.</p> <p>There is a small contingency built into the running costs.</p> <p>There is opportunity to 'sell' placements to other Local Authorities.</p>
<p>Inability to sustain an in-house residential team provision</p>	<p>The care and support element would be tendered to a not-for-profit organisation [at a future point the not-for-profit market may be sufficiently developed to allow for this]</p>
<p>Pobl seek to terminate the partnership at the end of the agreed lease period, leaving us with a placement shortfall for 4 children.</p> <p>Annual rent increases will impact overall revenue budget.</p>	<p>Ongoing partnership work with Pobl to regularly review leasehold conditions and seek clarity on the continuation/extension of agreement in a timely manner. Giving the authority ample time to develop an alternative provision if required.</p> <p>Prior to entering leasehold establish process for annual rental increases and build resilience into financial modelling.</p>

#### 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 children who are looked after and supports the repatriation of Monmouthshire children back into the county. For children and young people this enables better access to local education, play and youth services which will support their social and emotional development, increase their social networks and improve their future economic mobility.

4.2 The money currently being spent on private care companies out of county will be redirected to a local in- house residential children's home, which will provide new jobs and training / career opportunities for the social care workforce.

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

## **5. OPTIONS APPRAISAL**

5.1 A full options appraisal is set out in the Business Case. Cabinet could choose to take no further steps to develop its residential provision and continue to rely on a spot-purchasing approach. Given the current context and the introduction of the Health and Social Bill this would be a risky strategy and is not recommended.

5.2 Two minimal options are identified, the first being to opt out of entering into a partnership arrangement with Pobl and seek an alternative property, most likely through the open market. This is not recommended on the basis that this would be a lost opportunity to work collaboratively with a close partner and make good use of an existing available asset through a relatively low risk mechanism.

5.3 The second minimal option is to proceed with the current acquisition and development and to seek a not-for-profit organisation to partner with the Local Authority and become the registered provider. This option is discounted because i) it is felt that currently the not-for-profit provider market for children's residential care is not sufficiently developed to generate a competitive response to a tender, and ii) that this would prove to be a more costly option.

5.4 The option as set out in the Business Case, to renew the leasehold arrangement with Pobl and develop an in-house registered residential children's home, is the recommended option.

## **6. EVALUATION CRITERIA**

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

- Application for capital grant to be submitted by Pobl. (Timeframe subject to ongoing dialogue between Pobl colleagues and capital grant team at ABuHB)
- Renegotiate lease hold agreement with Pobl.

- Property refurbished.
- Management structure and workforce established.
- Provision successfully registered with CIW.
- The first cohort of children successfully matched and in-situ.
- Children achieve good outcomes through their placement in the new home.

## **7. REASONS**

7.1 This proposal accords with the strategic intention of increasing the Council's sufficiency of in-house placements and reduces reliance on the external market.

7.2 The business case represents good value for money in terms of being able to support Monmouthshire children who are looked after to be placed closer to home and communities and achieve good outcomes. The revenue costs of providing the service in-house can be achieved within the existing budget envelope with the potential to generate a saving.

7.3 The council would not be required to reduce its current borrowing headroom, which would then be retained for an additional property. Furthermore, with Pobl leading the refurbishment, this will allow us to direct our limited internal resources to other on-going or future placement developments.

## **8. RESOURCE IMPLICATIONS**

8.1 Currently, the cost of providing the care that could be replaced through the development of this provision is approximately £1,121,395.60 over 4 children (based on illustrative cohort of 6 children currently in spot-purchased residential provision).

8.2 The estimated revenue cost of running a residential children's home set out in Table A of the Business Case is calculated at £786,519 (based on other similar Local Authority schemes data).

8.3 We have modelled the revenue costs against an 100% occupancy rate and a 75% occupancy rate. 75% 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. This illustrates potential annual savings of £334,875 (at 100% occupancy) and £251,155 (at 75% occupancy).

8.4 Given that the target completion date is March 2025 the savings are not profiled into the Children's Services practice change mandate for 2024/25. As a consequence savings will fall into 2025/26. It should also be noted that these savings are illustrative only. The variability of the cost of existing care placements makes it difficult to accurately identify potential savings. Equally, there may be situations where placements in the new home result in cost avoidance (i.e children becoming

looked after and requiring placements) rather than direct savings which could only be achieved through children changing placements.

## **9. CONSULTTEES**

- Councillor Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services
- Andrew Ford, Head of Commercial Enterprise Pobl
- Peter Davies, Deputy Chief Executive / Chief Officer for Resources and Section 151 Officer
- Nicholas Keyes, Head of Property Services
- 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 18th April 2024 - Developing children's residential and 16+ supported accommodation placements

## **11. AUTHOR:**

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