

SUBJECT: Progress update in the development of children’s residential and 16+ supported accommodation placements

MEETING: Performance and Overview Scrutiny Committee

DATE: 21st April 2026

1. PURPOSE

- 1.1 This report sets out the progress made in the development of in-house children’s residential and 16+ Supported Accommodation placements.
- 1.2 The strategy for developing placements was endorsed by the council on Thursday 18th April 2024. It was agreed that there would be 6-monthly / regular updates provided to Committee, the first of these having been presented on 8th October 2024 and the second on 29th April 2025.

2. RECOMMENDATIONS

For Committee to scrutinise the progress made against the objectives of the strategy report presented to council 18th April 2024

3. KEY ISSUES

Context

- 3.1 Placement sufficiency for Children Looked After has been an ongoing issue. The number of children Looked After has increased locally, as well as nationally, over the last 10 years and provision has not grown sufficiently to meet this demand. This has resulted in more children residing outside of our county boundaries. Shortages in available placements has meant that we have not always been able to match children’s specific needs with the optimal placement for them. There has also been an over-reliance on the private “for profit” market.
- 3.2 Whilst we continue to work in partnership with Housing colleagues and Registered Social Landlords to support the transition of Children Looked After into supported accommodation post 16 years, this provision is limited, which has resulted in young people becoming ‘blocked’ in children’s placements and not receiving the support required to transition into independence.
- 3.3 There is an unfailing commitment to the recruitment and retention of in-house foster carers. As part of our placement development work, the financial and support offer to in-house carers has been enhanced which has resulted in a recent uptick in the number of carers going through the approval process. However, the number of Local Authority foster carers is not increasing at a rate sufficient to meet our needs. Monmouthshire continues to have a reliance on commissioning “for profit” foster placements for children from independent fostering agencies (IFAs). This is addressed within the Council’s fostering strategy and is not an area of focus within this report.
- 3.4 The Health and Social Care (Wales) Act 2025 was passed by Senedd and received Royal Assent in March 2025. This means that the elimination of profit from the care of children who are looked after is now enshrined in law. As it currently stands, from April 2026, it will no longer be possible in Wales to register as a ‘for-profit’ provider, and from April 2030 it will be illegal to make new placements for children with a ‘for-profit’ provider. Local Authorities and the not-for-profit sector have made progress in developing placements in light of the legislative changes; however, not yet at the speed or scale that is required to ensure sufficiency by 2030.
- 3.5 The private ‘for profit’ provider market has become significantly destabilised following the Welsh Government’s policy direction and subsequent legislative changes. The destabilisation of the

market has further decreased the sufficiency of IFA and residential placements, resulting in increased costs of placements and the number of unregulated homes operating, also at increased cost.

Placement Development Strategy

- 3.6 On April 18th, 2024, the council endorsed the Children Services' strategy to respond to the current external context and the challenges associated with the provision of children's placements. The strategy sought to set out the pathway for increasing the availability of in-house residential and supported accommodation placements in a way which was both sustainable; would better meet the needs of Monmouthshire children and young people; and would decrease the Council's dependency on an uncertain provider market.
- 3.7 Predicted numbers of additional placements required to meet demand were based on current trends and numbers of children looked after at that time (April 2024). The strategy also took account of the placements that the service had already in the pipeline, i.e. 4 bespoke therapeutic placements via two, 2-bed residential children's homes, one in the North of the county and one in the South.
- 3.8 The policy laid out a requirement for the development of:
- Residential Placements – 12 additional placements via standard 3 -4 bed residential homes;
 - Bespoke Therapeutic – 2 additional placements required - via 1 small 2-bed home;
 - Supported Accommodation for 16plus - 20 additional placements required.
- 3.9 Since the original strategy we have continued to review and update our commissioning and placement sufficiency needs. This has led us, at this point in time, to reduce the target number of placements across all 3 types of provision to 8 (residential) 4 (therapeutic) and 13 / 14 (supported accommodation). This adjustment is attributable to a number of factors including:
- The number of children looked after has stabilised and shows a slight decline;
 - Preventative services are helping to safely reduce the number of children in care;
 - We are making marginal gains with the number of in-house fostering placements;
 - We have developed specific accommodation for UASC via an alternative service model.
- 3.10 Under the new Act there is a requirement to ensure on-going sufficiency planning. Given the on-going demand and complexity of children's presenting issues, Children's Services will continue to plan and review our sufficiency needs, taking into account the availability of placements as well as the specific and individual needs of children currently within the service. Predicting demand remains a challenging and dynamic process, complicated by uncertainty within the care market nationwide, as well as consideration regarding the length of time that it can take to bring projects into operation.
- 3.11 In respect of the provision of the care element for residential children's homes, there are essentially 2 service delivery models: - either through an in-house Local Authority residential service; or via a procurement route where the Local Authority tenders for a not-for-profit organisation to provide the care. The preferred approach agreed was to allow for both options to be pursued depending on the individual project. In respect of the Supported Accommodation provision, the preferred route for providing the care, was via a procurement process.
- 3.12 With regard to the accommodation element, the council endorsed proposals to develop in-house residential and 16+ supported accommodation by looking to repurpose existing assets in the first instance. Where re-purposing is not viable, the Council endorsed the acquisition of suitable property or land for the development of residential placements or supported accommodation subject to appropriate business cases and cabinet approval.

- 3.13 The council extended the borrowing headroom of up to £3 million to support direct acquisition of suitable properties subject to agreed business cases, and only in the event that grant money was not available. To date we have not had to draw down on this borrowing headroom.
- 3.14 Scott Hereford joined the service in August 2024 as the Residential and Resource Service Manager to lead on this area of work.

Residential and Supported Accommodation Developments

- 3.15 **Property 1 in Caldicot, 16+ Supported Accommodation for up to 5 young people** (Business Case Agreed by Cabinet – 22nd May 2024).

Following the update in October 2024, the planned refurbishment works were completed on the 15th November 2024. The home has been sympathetically designed and furnished to create a homely environment for the young people. Whilst not required to be Registered with Care Inspectorate Wales, the accommodation meets regulation standards. The refurbishment works procured by the normal council arrangements and as per the conditions of the Housing with Care Fund (HCF) grant.

- 3.16 The procurement process for the support element was completed and a service provider appointed on the 17th of September 2024. An Open Day was carried out on the 31st of October 2024, where Children's Services teams, local councilors from Caldicot, the Cabinet member for Health and Social Care, and local neighbours were invited to explore the home and to explain the ethos and purpose of the service.
- 3.17 The service commenced November 24th in keeping with the target opening date originally identified. Following opening, 4 young people moved into the home over a 6-week transition period. Since then, 2 young people have moved-on, and 2 new young people have moved-in. The 2 young people who moved, are now residing in provisions with lower levels of support.
- 3.18 All 4 young people residing in the property have settled in well and are working towards achieving their goals, which includes the following:
- Budgeting/managing their finances
 - Food shopping and cooking skills
 - Independently travelling
 - Housekeeping
 - Sourcing seeking college and employment opportunities
 - Positive decision making.
- 3.19 Oversight of the service contract is undertaken monthly with the management group comprising of Children's Services Managers and Managers from the provider organisation. The monthly meetings review the young people's placements with the aim of resolving any issues / challenges that may arise.
- 3.20 A Referral Panel is established, which has proven to be the most effective way for reviewing and discussing the suitability for a potential placement at the home. Within this forum the panel consider the care planning of the Social Work teams and the short, mid, and long-term outcomes for the young people. This supports the joint working of all parties and agencies to work together to support the young person to achieve their goals and aspirations.
- 3.21 The formal contract monitoring process has commenced with Children Services, the provider and Children's Services Commissioning Officer.
- 3.22 The property was an existing Council asset, so no funding was required to support an acquisition. A Housing with Care Fund Grant (HCF) application was submitted in April 2024 for £300,000 to cover the costs of the refurbishment. This comprised £220,000 for build costs, £30,000 for fees and £50,000 for furnishings and fittings. The grant application was successful, and the project was delivered within its allocated budget. The revenue costs of the project are being met through core budget as per the business case (i.e. the existing costs of care packages were transferred to the

new project as the young people moved in). The expected savings identified in the business case were realised and contributed to the service's savings mandate 24/25.

3.23 Property in Monmouth, a registered children's home for up to 4 children aged under 16 years, (Business Case Agreed by Cabinet 6th March 2024).

Following the April 2025 update, the planned refurbishment works were completed in July 2025. The home has been thoughtfully redesigned to create a warm, welcoming, and family orientated environment where young people can feel safe, cared for, and supported. The furnishings and layout have been chosen to reflect a calm and homely atmosphere, helping young people feel a sense of belonging and comfort. Young people were involved in deciding how they wanted their rooms to be decorated and furnished.

- 3.24 All improvements have been completed in line with Care Inspectorate Wales requirements, and the accommodation fully meets the relevant regulatory standards. The works were procured through the council's standard processes and delivered in accordance with the conditions of the Housing with Care Fund (HCF) grant.
- 3.25 Following the completion of the refurbishment works, an open day was held to formally introduce the home to the local community. Direct neighbours were invited to visit the home, take a guided look around the newly refurbished spaces, and meet the full staff team. The event aimed to promote openness, strengthen positive relationships, and foster a sense of neighbourly community living, ensuring that the home is well connected and welcomed within its local area.
- 3.26 A workforce recruitment exercise has been successfully completed. A full time Registered Home Manager, a full time Assistant Manager, nine Residential Childcare Workers, and two Residential Night Childcare Workers were appointed. All newly appointed staff undertook a robust and comprehensive induction programme, supported by a structured training pathway. This included a full suite of mandatory training aligned with both Care Inspectorate Wales and Social Care Wales requirements, ensuring the workforce is fully prepared, compliant, and confident in delivering safe, high quality care.

Registration

- 3.27 The home achieved full registration with Care Inspectorate Wales in July 2025. This confirms that the service meets all regulatory requirements and is authorised to operate as set out within the home's Statement of Purpose. The registration reflects the work undertaken to ensure the environment, staffing arrangements, and governance meet the standards necessary to provide safe, consistent, and high quality residential care for young people.

Matching

- 3.28 A rigorous and robust compatibility and matching process was undertaken to ensure that the young people living together can do so safely, positively, and in a way that supports their individual needs. As a result, four young people are now living at the home, each supported by an individualised care and support plan developed in partnership with their allocated social workers. These plans set out their specific needs, goals, and personal outcomes, and are designed to promote their wellbeing and provide the appropriate safeguards. Since moving into the home all four young people have settled in well and are showing strong signs of stability and positive adjustment.
- 3.29 All four children are consistently attending education and engaging positively with their learning environments. They have also joined a range of local social clubs and activities, helping them build confidence, develop friendships, and establish meaningful routines. Their participation in these opportunities has supported them to integrate well within the local community, fostering a sense of belonging and contributing to the warm, family orientated atmosphere within the home. Overall, the young people are thriving in their new environment, demonstrating progress both

socially and emotionally, and benefiting from a stable, nurturing setting that enables them to grow and achieve their personal goals.

Project Costs

- 3.30 The acquisition costs, including the Land Transaction Fee and all associated expenses, totalled £875,000 and were fully funded through a successful Housing with Care Fund (HCF) capital grant. In addition, the refurbishment works and associated costs, amounting to £529,470, were also met through a further successful HCF capital grant. The expected savings identified in the business case were realised and contributed to the service's savings mandate 25/26.
- 3.31 **Property 2 in Caldicot, a registered residential children's home for 4 children** in partnership with Codi Housing Association, using an existing Codi property. (Business Case Agreed by Cabinet 17th July 2024.)
- 3.32 Since the last update, and following the approval of the feasibility study and the completion of the architectural design plans, a full tender process has been undertaken by Codi. A contractor has now been formally appointed, and construction works commenced at the end of January 26. This marks a significant step forward in moving the project from planning into active delivery. There is a new target completion date set for October 2026.
- 3.33 Codi have also met with the Regional Partnership Board and successfully secured the full grant award required to fund the capital refurbishment costs. In addition, a lease agreement between Codi and MCC has been formally agreed and signed off, with financial provision for the lease included within the approved business case.
- 3.34 A neighbour engagement event, jointly facilitated by Codi and senior managers within children services, has been completed. The session provided local residents with clear information about the intended use of the property and offered an opportunity to ask questions, share views, and build positive relationships. This proactive approach supports transparency, understanding, and community cohesion as the development progresses. Regular updates and newsletters are also being provided to neighbours to ensure ongoing communication and transparency throughout the development process.
- 3.35 The service delivery model will be provided through an in-house staffing team, ensuring stability, consistency, and high-quality care. The team will comprise one full time Home Manager, three Senior Residential Childcare Workers, six Residential Childcare Workers, and two Residential Night Childcare Workers. This structure has been designed to ensure appropriate leadership, robust oversight, and 24-hour care and support for the young people living at the home.
- 3.36 **Property in Abergavenny, 16+ Supported Accommodation for up to 5 care experienced young people** (business case agreed by cabinet in 22nd January 2025).
- 3.37 The business case to acquire a property in Abergavenny, to provide a supported accommodation provision for 5 Monmouthshire care experienced young people aged 16-2, was approved by Cabinet in January 2025. The provision will mirror the supported accommodation scheme in Caldicot, achieving good outcomes for children looked after and those young people preparing to leave care.

Project Costs

- 3.38 The purchase of the property was completed on the 20th March 2025 with total costs of £763,075.

The property was purchased using 100% HCF Grant funding. Since the last update, a revised Housing with Care Fund (HCF) grant application for £707,000 to support the refurbishment works has been submitted to, and approved by, Welsh Government.

3.39 Although there were delays in the tendering process to procure an appointed contractor, this has now been resolved, and a contractor has been successfully appointed. Refurbishment works commenced in March 2026, and a revised completion date of October 2026 has been established to reflect the updated project timeline.

3.40 Following a robust and compliant procurement process, a third party provider has been appointed to deliver the service. Regular meetings are in place between children's services and the provider to establish positive working relationships, ensure effective communication, and maintain strong oversight. Joint planning is actively underway to ensure full readiness for the service becoming operational, with clear structures and processes being aligned in preparation for opening.

3.41 **Therapeutic Children's Home, North**

This property continues to be leased from Monmouthshire Housing Association in order to provide a rurally located Registered Care Home for up to 2 children with complex (therapeutic) needs. The care and support element is currently through a private provider. Since the last update, the service has successfully gained registration to provide two residential placements, and two young people are now living together at the home.

3.42 **Therapeutic Children's Care Home, South**

Since the last update the property became available and a minor grants application for the sum of £47,344.50 was submitted to, and approved by, the Regional Partnership Board. This funding has enabled the property to be modernised and reconfigured to create a warm, homely, and nurturing family orientated environment. The refurbishment works have now been completed, and an application has been submitted to Care Inspectorate Wales to register the home as a two bedded bespoke residential provision. The home is currently operational and providing an emergency placement to a young person.

3.43 The service delivery model is being provided by an in-house staffing team comprising one Home Manager, three Senior Residential Childcare Workers, and two Residential Night Childcare Workers. The full team has been appointed and has recently completed a robust induction and training programme, ensuring they are fully prepared, skilled, and confident in delivering high quality residential care.

3.44 Ongoing Property Search

Children Services continue to explore the market for a suitable and appropriate property to develop a further 3 /4 bed, 16+ supported accommodation service. This has proven challenging, not only due to issues of location and affordability, but also because several properties assessed have presented complications relating to Land Registry status, restrictions, and covenants that limit their potential use. Work remains ongoing to identify a viable option that meets the needs of the service and complies with all legal and regulatory requirements.

4.0 WELLBEING OF FUTURE GENERATIONS IMPLICATIONS (INCORPORATING EQUALITIES, SUSTAINABILITY, SAFEGUARDING AND CORPORATE PARENTING)

Implementation of the placement development strategy is having a positive impact on children with care experience and young people leaving care. The strategy is providing opportunities to develop

placements that allows for the repatriation or retention of our young people with their communities with huge benefits for their social and cultural identity. Economic benefits include the development of a residential childcare workforce providing quality, well paid jobs for local people. The children will be engaging in the community, accessing groups, entertainment venues and amenities which will further enhance and support the local economy. The development of the properties to an aspirational EPC rating A will not only improve the internal and external fabric of the Council's assets but also reinforce our commitment to reducing our carbon footprint, making our homes sustainable homes for the future.

The projects are being informed by consultation with and involvement of Care Experienced Young People and with community engagement where appropriate. Care experienced young people have been members of the selection panel for the Residential Service Manager post and also in the procurement process for a not for profit supporting living provider.

5.0 OPTION APPRAISAL

N/A

6.0 EVALUATION CRITERIA

6.1 Currently there are 2 main projects under development (one residential home and one supported accommodation provision) with one further supported accommodation provision being searched for. According to our current commissioning needs this would complete the development programme, as it currently stands, subject to on-going review.

6.2 Since the last update, 2 projects having been successfully completed.

6.3 Summary or progress against the placement strategy

Home	Care	Placements	Model	Target Operational Go Live Date
Standard Residential Children's Home (pre-16 years) 12 places originally required (now reduced to 8)				
Monmouth	Residential	4	LA Owned, Care Delivered by LA	Completed July 25 (Slipped by 13 months)
Caldicot Property 2	Residential	4	RSL owned, Care Delivered by LA	New target Oct 2026 (slipped by 10 months)
Standard placement development currently on hold in light of updated commissioning needs				

Therapeutic Children's Homes 6 places originally required (now reduced to 4)				
Existing provision (South)	Therapeutic Residential	Currently 1 Potentially 2	LA Owned – Care delivered by LA (2 placements)	Completed March 2026 – to timescale

Existing provision (North)	Therapeutic Residential	Currently 1 Potentially 2	RSL owned and 3rd sector delivery	Completed – to timescale
Therapeutic placement development now on hold in light of reviewed commissioning needs				

16+ Supported Accommodation originally 20 places required (now reduced to 13/14)				
Caldicot Property 1	16+ supported accommodation	5	LA Owned and 3 rd sector delivery	Completed Nov 24 – to target timescale
Abergavenny	16+ supported accommodation	5	LA Owned and 3 rd sector delivery	New target Oct 2026 (slipped by 10 months)
3/4 more placements potentially required and 3 rd property being searched for				

- 6.4 Project slippage has been a feature of 3 of the major schemes. This has meant that some children’s plans have had to be adjusted and also that service has been delayed in being able to realise the full benefits of the projects. Slippage has been caused through a number of reasons including:- the challenges with partners operating under different governance arrangements; delay in the tendering process and the time it takes to go through tendering; availability of contractors and the timescales set by contractors; unforeseen works / additional works required. The service is now able to set more realistic timescales and has a greater insight into some of the risks and challenges that can beset project completion. Alongside this, the service has developed additional expertise in partnership working externally and internally; project management and planning; submitting applications and reporting against grant funding; supporting and developing a residential workforce; developing successful residential service models to secure good outcomes for children and young people.

7.0 RESOURCE IMPLICATIONS

7.1 Resource implications for the current schemes have been addressed above.

7.2 In terms of funding to support our future objectives we will continue to pursue grant options for the acquisition and refurbishing of any properties. Future business cases will set out the financial arrangements for individual projects with modelling based on either scenario, either with or without grant money, with a proposed mechanism for funding should grant money not be available.

7.3 The development of placements to date has contributed significantly to the ability for Children’s Services to meet required saving mandates, whilst achieving improved outcomes for children and young people. The impact on the service of current project slippage has been factored into budget planning / saving mandates and is informing the ongoing care planning for individual children.

8. REASONS

8.1 This report is being brought into Committee to provide members with assurance that the policy objectives are being pursued and that value for money is being achieved for the Council in terms of property acquisition and use of Council assets.

9.0 CONSULTEES

Children Service Leadership Team

Nick Keyes, Head of Estates

Councillor Ian Chandler, Cabinet Member for Social Care, Safeguarding and Accessible Health Services.

10.0 BACKGROUND Papers

Developing Children's Residential and 16+ Supported Accommodation Placements Report
18th April 2024

Development of Children's Placement Policy (Update) 8th October 2024 and 29th April 2025

11.0 AUTHOR

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