

REPORT TITLE: Sufficiency Strategy Home@theHeart: Transforming 48 London Road into a Children’s Home and Staying Close flats

Cabinet Date	29 March 2023
Cabinet Member	Cllr Stephen Davies, Cabinet Member for Children’s Safeguarding and Early Years
Key Decision	Yes
Purpose of Report	To seek Cabinet approval for (a) the re-purposing of a Council owned property at 48 London Road (currently used to provide Youth Support services under the council’s Youth Support Services contract) by converting it into a 5 bedroomed Children’s Residential Home and 3 staying close flats as part of the delivery of the Council’s Sufficiency Strategy Home@theHeart 2022-2026; and (b) to seek delegated authority to procure building works for the purpose carrying out such conversion works and (c) to procure day-to-day delivery of accommodation and support services, with 24/7 staffing, to support the young people who will be living in this property.

Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1) Approves the repurposing of the Council owned property at 48 London Road (currently used to provide Youth Support services under the council's Youth Support contract) by converting it into a 5 bedroomed Regulated children and young people's home and 3 staying close flats for children in care and care experienced young people; 2) Approves the allocation of £182k from GCC capital funding to meet a proportion of the £1.073m refurbishment cost of the proposed remodelling works at the 48 London Road property; 3) Approves the spending of £891k of DfE capital funding to meet the remaining proportion of the £1.073m refurbishment cost of the proposed remodelling works at 48 London Road property; 4) Delegates authority to the Assistant Director for Asset Management and Property Services in consultation with the Deputy Leader and Cabinet Member for Finance and Change to: <ol style="list-style-type: none"> a) Conduct a competitive procurement process under the council's Major Project Framework Agreement (or its successor) in respect of a call-off contract for the supply of such remodelling works. b) Award such contract to the preferred tenderer. 5) Delegates authority to the Executive Director of Children's Services in consultation with the Cabinet Member for Children's Safeguarding and Early Years to: <ol style="list-style-type: none"> a) Conduct an engagement exercise with providers in the Children's Accommodation and Support Services market with a view to identifying the most appropriate procurement strategy to deliver the day-to-day delivery of accommodation and support services, with 24/7 staffing, to support the young people who will be living at the 48 London Road property. b) Conduct a competitive procurement process, informed by the findings from such market engagement exercise, in respect of a contract for the day-to-day supply of accommodation and support services, with 24/7 staffing, to support the young people who will be living at the 48 London Road property; which will be leased to the supplier. Such contract shall continue for an initial period of 5 years and include options to extend its term for a further period of 2 years. c) Award such contract to the preferred tenderer. d) Determine whether to exercise the option to extend the term of such contract(s) for a further period of 2 years on the expiry of the initial 5 year term
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<p>Reasons for Recommendations</p>	<p>To ensure compliance with the duty outlined in the Children Act 1989 and Sufficiency Strategy Guidance (2010).</p> <p>To deliver the Council’s Sufficiency Strategy Home@theHeart 2022-2026, by</p> <ul style="list-style-type: none"> • increasing the availability of placements for children in care in Gloucestershire • providing quality provision for young people in county and improving the council’s ability to place the most vulnerable young people in placements that comply with regulatory requirements. • providing services that support young people throughout their pathway to independence. • reducing the number of high-cost residential placements used.
<p>Resource Implications</p>	<p>This project has both capital and revenue implications:</p> <p><u>Recommendations 1 to 4</u></p> <p>The indicative capital costs arising from the building works required in order to convert the 48 London Road property into a 5 bed children’s home together with 3 flats for moving on to independence living is £1.073 million.</p> <p>The £1.073 million will be funded from:</p> <ul style="list-style-type: none"> • DfE capital funding of £891k which has been secured for this purpose. • With remainder of the balance, £182k, through the allocation approved at Cabinet on 22 June 2022. <p><u>Recommendation 5</u></p> <p>The estimated revenue costs in respect of the day-to-day supply of accommodation and support services, with 24/7 staffing, to support the young people who will be living at 48 London Road over a proposed five-year contract is £5.3 million. If the council elects to exercise its two-year extension option thereunder, the total estimated contract value is £7.5 million.</p> <p>All revenue funding will be reconfigured from the existing external placements budget and the existing AMPS budget for 48 London Road with the estimated efficiencies to be achieved over the lifetime of contract to be in excess of £1 million as costs will be capped within the contract.</p>

<p>Background Documents</p>	<p>Care Planning, Placement and Case Review Regulations 2010. https://www.gov.uk/government/publications/children-act-1989-care-planning-placement-and-case-review</p> <p>Sufficiency Strategy for Children and Young people Homes@theHeart 2022-2026 https://glostext.gloucestershire.gov.uk/documents/b21955/Item%207%20Appendix%201%20-%20Sufficiency%20Strategy%20Wednesday%25-Jan-2023%2010.00%20Cabinet.pdf?T=9</p> <p>Childrens Commissioner report 2020 - unregulated provision https://www.childrenscommissioner.gov.uk/wp-content/uploads/2020/09/cco-unregulated-children-in-care-living-in-semi-independent-accommodation.pdf</p> <p>Unregulated Government Response 2021 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962686/Unregulated_government_response_Final.pdf</p> <p>Children’s Commissioner Stability index 2020 https://www.childrenscommissioner.gov.uk/report/stability-index-2020/</p> <p>Revenue and Capital Expenditure Outturn 2021/2022 Cabinet Report Revenue and Outturn - FINAL 13th June 2022 002.pdf (gloucestershire.gov.uk)</p>
<p>Statutory Authority</p>	<p>Children Act 1989</p>
<p>Divisional Councillor(s)</p>	<p>Countywide</p>
<p>Officer</p>	<p>Chris Spencer, Executive Director of Children’s Services Tel: 01452 583667 Email: chris.spencer@gloucestershire.gov.uk</p>
<p>Timeline</p>	<p>Following approval, the following timeline is aimed for</p> <p>May 2023- To conduct a mini competition under the Gloucestershire County Council approved Major Project Framework (or such replacement Framework) for the building works.</p> <p>June 2023- Upon conclusion of the mini competition, and in consultation with Cabinet Member for Finance and Change, enter into a contract with the preferred provider evaluated as offering the Council best value for money for delivery of the capital works.</p> <p>By December 2023- To conduct a compliant tender process for the operational delivery of the service and upon completion, in consultation with Cabinet Member for Children’s Safeguarding and Early Years, enter into a contract with the preferred provider evaluated as offering the Council best value for money for delivery of the services.</p>

	Mobilisation delivered by Summer 2024 – Mobilisation with service fully operational, from September 2024.
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Background

1. As corporate parents, Gloucestershire County Council is committed to ensuring children and young people in its care achieve the best possible outcomes and are well supported to step confidently into adulthood. When they cannot remain within their family, Gloucestershire County Council is committed to providing children and young people with permanence and stability in care settings which meet their changing needs over time.
2. The 'sufficiency' duty to provide or procure placements for Children in Care (referred to as children looked after in legislation) is explicit within the Children Act 1989. The duty has since been strengthened by the introduction of Sufficiency Statutory Guidance (2010) and the Care Planning, Placement and Case Review Regulations 2010.
3. The sufficiency duty requires Local Authorities and partners to ensure, through direct provision or commissioned services, that a range of placements sufficient to meet the needs of all children are available locally, or that there is a plan in place to move towards that position.
4. Gloucestershire Sufficiency Strategy Home@theHeart has been approved by Cabinet on 25 January 2023, it describes how Gloucestershire intends to provide sufficient care placements for its children in care.
5. Home@theHeart aims to reduce the number of children in care while also increasing care capacity in both fostering and residential places.
6. A number of capital projects are identified in the Sufficiency Strategy Home@theHeart approved by Cabinet on 25 January 2023 These aims to deliver a mix of different placements (children's homes, parents and baby placement, transition to independence flats etc..). The following proposals will be subject to appropriate decision making under the Council's Constitution:
 - Townsend House Parent and Child residential assessment centre in County (6 residential parent and child places)
 - 6-8 Barnwood: Residential children's home and satellite provision for registered emergency bed (2 bed residential home and 1 bed emergency provision)
 - 48 London Road Registered residential children's home with Staying Close flats (Up to 5 bed registered children's home with 3 independent staying close flats)
 - The Rise, Shipton Oliffe 2 bed separate flats (support families with respite as part of PBS (Positive Behaviour Service); short breaks for complex young people (not able to access Hartwood house or emergency provision)

Proposal for 48 London Road

7. This proposal is to develop the 48 London Road site in Gloucester to create:

- a 5 bed Children’s Home to provide registered accommodation for young people in need aged 12 – 17 years of age, delivering a therapeutic trauma informed model of care.
 - 3 single occupancy flats to allow young people to transition from the residential home; supporting young people from predominantly 16-21yrs (25 yrs. for exceptional cases) as they transition into independence through “Staying Close” arrangements.
8. 48 London Road is a Council owned building which was originally a large family home. It is currently used by Prospect Staff as part of our Youth Support Contract as office space, meeting, and training space for Young People. Planning is well advanced to relocate staff, while minimising disruption for young people and the length of time the property is vacant.
9. This proposed development will support:
- 9.1. Increasing the availability of placements for children in care in Gloucestershire:
- Residential care will continue to be an important option in meeting the needs of some children coming into care. Many local authorities, including Gloucestershire, are increasingly reliant on placing children in private residential homes, sometimes many miles from the child’s parents and social networks.
 - Locality and distance from home are key factors for children in care and every effort should be made to provide where possible local provision that is within 20 miles of the child’s family home.
 - The proportion of children’s home placements which are more than 20 miles from their home has increased over the last 10 years, as have the proportion of children in care placed outside of Gloucestershire. Meanwhile the number of children who are looked after by other authorities but placed in Gloucestershire has remained fairly steady. Gloucestershire is now a “net-exporter” of children in care. In January 2023, there were 90 children and young people in the care of GCC who were placed in residential provision including those who were jointly funded. Of these only 19 placements were in Gloucestershire (approx. 20%) meaning 80% of children in residential settings are placed outside of our borders.
 - The key benefits for children and young people to be placed locally are:
 - They are able to remain at their local schools, have access to health and CAMHs services which if they were placed out of county would need to be delivered through reciprocal arrangements via local health services or commissioned, potentially causing delays in children accessing support when they need it.
 - They are able to remain local to their families, keeping their community connections and friendship groups.
 - The proposed development for London Road will also support bringing children back into the County from across the country.
- 9.2. Providing quality provision for young people in county and improving the council’s ability to place the most vulnerable young people in placements that comply with regulatory requirements.

- Currently some children in care, particularly older teens who are not placed with foster carers, or in a children's home, are placed in independent or semi-independent accommodation with limited support. This type of provision is not regulated by Ofsted but will be from September 2023. It is likely that a number of current providers of this type of provision will not meet the registration requirements, leading to a reduction of independent / semi-independent accommodation available for young people aged 16 to 21 and a significant increase in costs. Having the addition of the three "Staying Close / Moving on" flats will help counterbalance this predicted reduction of accommodation as well as meeting Ofsted registration requirements.
- Developing a local portfolio of placements is offering Gloucestershire the opportunity to develop strong oversight of local placements which should result in higher quality provision that meets needs while also delivering better value for money.

9.3. Providing services that support young people throughout their pathway to independence:

- Stability for children in care is an important indicator of quality and is associated with better long-term outcomes. The number of Gloucestershire children experiencing three or more moves a year was well above the regional or national average in 2019/20. While performance has improved in 2020/21 it remains above average.
- Having the addition of the three "Staying Close / Moving on" flats will allow young people who are currently placed out of county from the age of 15yrs the opportunity of having a planned move back into county, prior to their 18th birthday. Moving young people into a new residential placement on the cusp of their 17th birthday would require a further placement move into semi-independent provision within less than 6 months due to the nature of Ofsted registration requirements for residential homes. Having a "Staying Close" option means that young people who transition to London Road will have accommodation options post 18years with the same provider, promoting greater achieving placement stability, continuity of care as well as meeting the registration requirements of Ofsted.

9.4. Reducing the number of high-cost residential placements used.

- Gloucestershire does not currently have any in-house non disability related residential provision. As a result, the Council purchase all of its residential placements from third parties. In the financial year 2021/22, the spend for residential placements (excluding secure and Parent and Child placements) came to £20 million.
- The financial business case to support the proposed facility includes the capital opportunity costs, set up costs, appropriate staffing levels, premises and support costs as well as lower occupancy rates over the first two years of the contract. Over the lifetime of the 7 year contract estimated benefits of £1 million have been identified.

- This estimate excludes reductions in rent where young people are eligible for housing benefit, or the cost savings associated with reduced travel time for Social Workers and other practitioners when young people are placed locally.

Options

10. Option 1 – Continue to purchase residential placements and staying close flat via spot purchase and framework contracts.

This option is **not recommended** for the following reasons:

- If we do not provide a residential provision at the London Road site as proposed, at least 5 children who could have been placed locally will be placed outside Gloucestershire and at least 3 young people will lose the opportunity to access staying close/ college/work/training arrangements local to their community and near to their family.
- The proportion of young people in residential homes who are placed out of county would remain high and continue to rise.
- There is limited local residential provision in Gloucestershire, whilst market engagement and work with providers is taking place to develop the local provision, this is a longer term strategy.
- Other risks include that Care Leavers, as they become young adults, will not be local with risks to their training, and risk of increasing their chances of being not in employment, education or training (NEET).

11. Option 2 – Deliver this proposal from a non GCC building and / or other location in Gloucestershire.

This option is **not recommended** for the following reasons:

- Prioritising the use of GCC owned buildings for delivering the placement mix needed for Gloucestershire (including children's homes, parent and baby placement, transition to independence flats etc.) avoids the need to purchase costly additional buildings and allows for building work to start as soon as approval has been received from Cabinet.
- £891k of DfE Capital funding has been allocated to 48 London Road, using a different building would lead to the loss of this capital funding.
- 48 London Road has been selected as the location allows:
 - Opportunity to develop on the same site a 5 bed Children's Residential Home and an entirely separate, co-located, "Staying close/move on" flats for 3 young people/ young adults, supporting stability and transition for the young people who will be placed there.
 - Dual registration as the Residential home and the Staying close / move on Flats occupy the same site.
 - Easy access for young people to education, training, leisure activities available in Gloucester.

12. Option 3 – Deliver the service In-house or through joint venture.

This option is **not recommended** for the following reasons:

- The Council would need to be Ofsted registered which would take some time and require the relevant management resource and expertise to be in place.
- The Council does not have the workforce readily available to deliver such service.
- Developing an in-house service and / or a joint venture will take time and will not be able to deliver the portfolio of placement needed before the next 4/5 years.

13. Option 4 – Repurpose the 48 London Road property and procure the delivery of Children’s Accommodation and Support Services at such property.

This is this the **recommended option** as:

- While we are continuing to engage with providers to build additional local capacity in county; this proposal allows us to increase the number of residential placements and moving on flats capacity in Gloucestershire within the next 18 months.
- It will allow Commissioning to robustly oversee and quality assure the provision, while forming part of our Area operating model.
- This model offers flexibility and innovation from a provider who is dedicated to Children’s Home provision. The Council will be looking to purchase services from a provider who is able to offer a trauma informed workforce dedicated to children in care and Care Leavers with high levels of need.
- In the medium to long term there is the opportunity to achieve cost efficiencies within the placement budget.

Risks

14. There are several risks and mitigations associated with the proposals, as set out below:

- a. **Risk:** The market is not interested in delivering the services

Mitigation: Market engagement with local and national providers to ensure the proposed Children’s Accommodation and Support Services is attractive (in terms of its length, option for economy of scale by delivering services across more than one building, etc.)

- b. **Risk:** There is a risk that the proposal (building work and service delivery) cannot be delivered within the set financial budget.

Mitigation: Robust project management in place.

- c. **Risk:** The proposal for 48 London Road is not effective in responding to children and young people’s needs, risks, and circumstances.

Mitigation: The development of the building and the service will be informed by a strong evidence base and the views of children and young people, partners, and carers to ensure its proposals are in line with assessed needs and informed projections

- d. **Risk:** The proposal to transform 48 London Road into a residential children home and staying close flats is not well integrated in the local community.

Mitigation: The development of the building and the service will be informed by the views of children and young people and local communities. A number of drop in events will be arranged for local communities and key information on this development will be available on the county council website. Our Young People Ambassadors will also be asked for their input.

- e. **Risk:** The proposal to transform 48 London Road into a residential children home and staying close flats is subject to a full planning application

Mitigation: Initial advice was that planning consent was not required. However further dialogue with architects highlighted the need for a full planning permission. The planning request has now been submitted and the proposal will be refined following consideration by the planning committee.

Financial implications

- 15. The proposed development of the London Road site has considered both the capital and revenue implications.

Capital Costs

- 16. The indicative capital costs arising from the building works required to convert the 48 London Road property into a 5 bed children's home, together with 3 flats for moving on to independence living. is £1.073 million.
- 17. The required funding has been identified through the DfE approving £891k out of the Children's Homes Capital Fund, specifically for the London Road project. The funds must be expended by March 2025. The remainder of the funds required were agreed through a Cabinet decision in June 22, with the successful DfE bid reducing the requirement from the previously allocated amount of £800k to the £182k set out above. This funding is included in the Capital Programme approved by Council in February 2023.
- 18. Asset Management and Property Services will create a specification for each of the capital works proposed by the Sufficiency Strategy, in partnership with Children's Services. This joint working will also create the formal lease agreement for the building, which will support the lifetime of the operational contract, with a break clause whereby; any break or breach in delivery will automatically affect the building lease.
- 19. The initial fit out costs will be part of the capital work. The successful tenderer for the proposed contract (relating to the day-to-day supply of accommodation and support services, with 24/7 staffing, to support the young people) will be obliged, under the terms of such contract, to build into their operational costs the replacement and the ongoing upkeep of the furniture, appliances and equipment.

20. The rationale for this approach is both timely and cost effective. It will allow for both tender processes to be undertaken in an efficient and timely manner.

Revenue Costs

21. The revised sufficient strategy emphasises the need to develop high quality placements that offer value for money, to support better outcomes for children and young people, and drive efficiencies within the placement budget to be able to meet demand.

22. The indicative contract value for the supply of Children's Accommodation and Support Services over the full lifetime of the project (5 years plus 2 years) is estimated to be £7.5 million which will be funded from the existing external placements budget.

23. Details of the financial business case to support the proposed 48 London Road facility include:

- Capital opportunity costs relating to the £182k of internal funds used.
- Set up costs for fixtures and fittings, ICT equipment, recruitment, and provider mobilisation costs.
- Staffing levels, based on 3 staff on the rota 24/7 with support hours for the young people in the staying close flats; mental health support is also assumed.
- Other costs include premises and support costs for operating the proposed 48 London Road facility.
- Lower occupancy rates have been assumed over the first two years of the contract, at 60% and 75% for the children's home and 70% and 80% for the staying close flats.
- To improve staff recruitment and retention in the residential sector it is proposed in the future to set up a similar academy to the existing social work academy. A small contribution is being set aside to support this initiative.

24. The cost of the financial business case over the 7 years is £7.9 million which exceeds the contract value by £335k to allow for the cost of capital and a contribution to the workforce academy.

25. The funding to cover the cost of the contract and the contribution to the workforce academy will come from the reduced costs charged to the external placement budget due to young people now being placed in London Road. In addition the property budget currently held by AMPs will also be available to fund the contract costs.

26. The reduced external placement costs are based on the current cost of existing placements which are spot purchased. The average unit cost used in the finance business case for existing placements is £5,300 per week for the children's home and £2,000 per week for the staying close flats. The benefits included on the model are adjusted at the same occupancy levels as assumed on the costing side. Total

funding available due to reduced calling on the external placement budget is estimated to be £8.9 million over the 7 year life of the contract.

27. Over the lifetime of the 7 year contract estimated efficiencies of over £1 million have been identified based on the assumptions of costs and funding available.
28. This estimate excludes reductions in rent where young people are eligible for housing benefit, or the cost savings associated with reduced travel time for Social Workers and other professionals when young people are placed locally.

Climate change implications

29. The provision of additional local residential placements in Gloucestershire will reduce the need of placing children out of county and therefore reducing travel distances for young people, families and practitioners. As well as helping to maintain personal and familial connections that are important to young people, this proposal will also contribute to carbon reduction and ensure that the Gloucestershire pound is invested in Gloucestershire.
30. Gloucestershire County Council is committed to incorporating appropriate carbon reduction and renewable energy generation measures into existing building developments.
31. Providers' environmental and sustainability policies will also form part of the procurement and commissioning process.

Equality implications

Has an Equalities Impact Assessment (EIA) been completed? Yes

32. Cabinet Members should read and consider the Equalities Impact Assessment in order to satisfy themselves as decision makers that due regard has been given.
33. An Equalities Impact Assessment (EIA) Statement has been completed which considers the Sufficiency Strategy: Home@theHeart in relation to the Public Sector Equality Duty. This assessment highlights the potential for commissioning intentions and priorities identified within the Sufficiency Strategy for Children's Services to achieve positive impacts for Gloucestershire's children in care, care leavers and disabled children, and economic impacts for Gloucestershire as a whole.
34. The proposal for 48 London Road, if approved, will enable children and young people in the care of the Local Authority and placed in residential provision to live closer to their support networks with a provision that has been specifically tailored to the needs of Gloucestershire children and young people. We will promote a mix

of staff to reflect the local community and the needs of the young people. This will improve a range of outcomes including health, education and relationships that would not have been possible otherwise.

Data Protection Impact Assessment (DPIA) implications

35. Due to the level of Personal and Special Category Data needed as part of this project, a Data Protection Impact Assessment (DPIA) is a legal requirement. A DPIA assessment has commenced to identify the personal data risks, these will be actioned within the tender and mitigated within the contract terms. The current assessment shows that the provider will need Cyber Essentials Plus accreditation, which will be included in the contract terms. During the contract mobilisation and implementation, we shall continue to review the DPIA and ensure that the providers are compliant with the legal duties and our expectations.

Social value implications

36. Ensuring children in our care have good quality accommodation which meets their needs, risks and circumstances is key to their safeguarding and wellbeing over the longer term. This is the essence of the Sufficiency Strategy Home@theHeart and the development proposed for 48 London Road
37. The proposed development for 48 London Road will deliver considerable social value through better outcomes for children in our care and, in turn, the wider community of Gloucestershire.

Consultation feedback

38. In developing the Sufficiency Strategy: Home@theHeart, extensive consultation was carried out. There was engagement with care experienced young people as well as providers and in-house foster carers to capture different aspects of developing and sustaining homes for children in care.
39. Consultation with young people that took place in June 2021 has identified that young people have voiced that they wish to feel valued, feel safe, that their voices are heard, and they know about what is happening to them. They want to have a home that is local where they have the right support around them to develop and engage in the community and develop the right skills for their journey.

Officer recommendations

40. The Sufficiency Strategy: Home@theHeart and the proposed development for London Road:
 - respond to a specific duty outlined in the Children Act 1989 and Sufficiency Statutory Guidance (2010),
 - aim to ensure that children and young people who need to be in care, can grow up in high quality provision that is well matched to and effectively meets their

immediate and long-term needs, providing them with stability and permanence at the earliest opportunity.

41. It is recommended that Cabinet approves or (as applicable) delegates authority to the Executive Director of Children's Services in consultation with Cabinet Member for Children's Safeguarding and Early Years to implement the proposals set out in the above Recommendations and in Option 4 set out in paragraph 13 above.

Performance management/follow-up

42. Performance management metrics for the provision will be established by commissioners and subject to regular review as a part of our existing quality assurance framework. The performance management arrangements will include engagement with children, young people and their parents/carers who will inform oversight meetings.