

**SURREY COUNTY COUNCIL****CABINET****DATE: 21 JULY 2020****REPORT OF: MRS MARY LEWIS, CABINET MEMBER FOR CHILDREN,  
YOUNG PEOPLE & FAMILIES****MR MEL FEW, CABINET MEMBER FOR RESOURCES****LEAD OFFICERS: TINA BENJAMIN, DIRECTOR FOR CORPORATE PARENTING  
AND PATRICIA BARRY, DIRECTOR FOR LAND AND  
PROPERTY****SUBJECT: LOOKED AFTER CHILDREN PROPERTY PROJECTS – NEW  
CHILDREN’S HOMES AND SHAW FAMILY CENTRE****SUMMARY OF ISSUE:**

This report seeks Cabinet’s approval to progress the delivery of two children’s homes and the re-provision of the Shaw Family Contact Centre, in support of the Looked After and Adopted Children’s (LAAC) Service strategy for children growing up in the care of the council. The proposals in this paper form an important part of improving the way we care for our children: indeed, they are fundamental to that.

Providing comfortable and safe homes for our children in care is a priority of all parents, no less of the SCC as corporate parents. We have also agreed unanimously in full council that our children should live, learn and grow up in Surrey wherever possible. We want them to be ‘close to home’ where we can influence their experiences and promote better outcomes for them.

We agree with Ofsted’s recommendations that children should grow up in family sized units and some of our older buildings, such as Faircroft and Karibu, are too big for the small number of children that we can look after in them.

We have a statutory duty to children in our care to ensure they remain in touch with their birth families and significant others. This is called ‘contact’ and is often the subject of court orders and regulations. For many children their ‘contact’ is restricted to four to six times a year. It is therefore essential that the quality of this contact provides children with the best possible experience.

It is not safe for such contact to take place in their foster home or a community setting. Therefore, the building in which contact takes place must provide a safe and child friendly environment, which supports the best possible interaction and experience for them. The proposals in this paper for the re-provision of the Shaw Family Contact Centre will provide this on that site.

This paper seeks, therefore, Cabinet approval to deliver the following schemes, as detailed in this report:

- Providing two new Community Children’s Homes;
- The rebuilding of the Shaw Family Contact Centre.

**RECOMMENDATIONS:**

It is recommended that Cabinet:

1. transfer the capital of £5.5m from the pipeline budget for the 3 proposed schemes;
2. develop/replace the Shaw Family Contact Centre and two new Community Children's Homes at the capital costs set out in the report;
3. agree for the service to go out to tender for the above projects;
4. agree that subject to final approval of capital spend on each project, delegated authority is given to the Cabinet Member for Finance in consultation with the Cabinet Member for Children Young People and Families, the Executive Director of Children, Families and Learning and the Executive Director for Resources.

**REASON FOR RECOMMENDATIONS:**

The reasons for each of the above recommendations is to ensure the two new children's homes and the new Shaw Family Contact Centre can be delivered on time and within budget.

**DETAILS: General**

1. Two of the current portfolio of Children's Homes are no longer 'fit for purpose' (Faircroft in Cobham and Karibu in Epsom). It is proposed to replace these with two new Children's Homes on different Council-owned sites, followed by the disposal or redevelopment of the current sites.
2. The proposed re-provision of Faircroft and Karibu Children homes will provide:
  - One new Children's Home with 4 beds.
  - One new Children's Home with 4 beds, and 2 'No Wrong Door' places located on the same site, but with a degree of separation from the main house. The 'No Wrong Door' facility will provide temporary places for young people while family issues are resolved.
3. This will provide homes conducive to:
  - Enabling a safe and more homely environment for children
  - Enabling proper staff supervision of all areas of the home
  - Maximising occupancy and the placement stability of the home by being able to match a smaller group of children with each other
  - Reducing running costs through provision in small purpose-built units with modern building efficiency, rather than large old buildings which require significant maintenance.
4. Two vacant Council sites have been identified for the new children's homes:
  - The former Sycamore Centre, West Hill, Epsom KT19 8HR – 4 registered places
  - 10 Ashley Road, Walton-on-Thames, KT12 1HS – 4 registered places plus 2 places in "No Wrong Door" annex
5. A detailed feasibility study has largely been completed for both and, subject to cabinet approval, a detailed planning application will be submitted shortly.

### CONSULTATION: Community Children's Homes

6. We will start a formal consultation process with the relevant staff when the schemes have been developed further. It will also be important to undertake an informal process with the young people currently living in the homes. This will relate to both their personal transition planning and to give them the opportunity to be involved in planning for the future, on behalf of other young people.
7. The current Service Manager and Assistant Director have been fully involved in the design planning and site visits in relation to suitability.

### RISK MANAGEMENT AND IMPLICATIONS: Community Children's Homes

8. Risks will be varied and not only associated with land and asset management but also the impact this has on the service provision.
9. Specific risks that relate to statutory processes, including planning, could require changes to the current proposal. In addition to work already undertaken to mitigate risks, each project will be subject to ongoing detailed consideration by officers and alternative proposals brought forward for consideration where necessary.
10. Project specific risks associated with building projects will be captured within a risk register and regularly updated and managed by the Land & Property team.

### FINANCIAL AND VALUE FOR MONEY IMPLICATIONS: Community Children's Homes

11. The proposed projects detailed above suggest the following capital programme:

Children's Home	20/21 £'000	21/22 £'000	22/23 £'000	Total £'000
Sycamore Centre, Epsom	100	800	900	<b>1,800</b>
10 Ashley Road, Walton	100	900	900	<b>1,900</b>
<b>Total</b>	<b>200</b>	<b>1,700</b>	<b>1,800</b>	<b>3,700</b>

12. If disposed of as part of this project, the existing Children's Homes could realise a significant capital value which is not currently included in the MTFS.

#### Efficiency Savings or Cost avoidance

13. Increased capacity in the Surrey estate (both in terms of bed volume and ability to match and meet needs) will prevent more children being placed out of county.
14. The average unit cost of an external residential placement is £4,700 per week, compared to an average in house provision of c. £3,900. In addition to these savings, having children remain in Surrey means that other direct costs can be avoided (such as costs of facilitating family contact), efficiencies are realised (such as savings on social worker travel time) and potential future costs avoided (positive outcomes for children mean lower likelihood of needing specialist or acute services in the future).
15. The cost of maintenance of the two existing homes, Karibu and Faircroft, is £47k and £34k per year respectively, compared with an average for comparable SCC Children's Homes of £38k. However, both are large inefficient, intimidating buildings with significant grounds that do not meet the service's requirements.

16. The projected capital costs for the two sites would incur borrowing and MRP costs (3.5%) of c. £130k per annum. These are already factored into the Council's approved MTFS as part of the pipeline budget.

#### **DETAILS: Family Contact Centre**

17. The Shaw Family Contact Centre within Surrey is currently housed in buildings no longer fit for purpose.
18. It is proposed to construct a new purpose-built Family Contact Centre on the existing Shaw site while the service continues to operate from its existing accommodation.
19. The feasibility study has proposed a new family contact centre of approx. 440 sq m GIA. The budget cost is c £1.8m.

#### **CONSULTATION: Family Contact Centre**

20. The request for changes to the Shaw centre, originated from the current staff team.
21. The condition of the building precludes offering the practice standards they would wish for children and families.
22. The detailed implications of the re-build will be discussed with the staff team, with the support of HR colleagues.
23. Staff and families will be consulted on design implications as the project develops.
24. A formal consultation has not yet been undertaken, but will be completed in the next stage of the scheme's development, following approval to proceed.

#### **RISK MANAGEMENT AND IMPLICATIONS: Family Contact Centre**

25. Risks will be varied and not only associated with land and asset management but also the impact this has on the service provision.
26. Specific risks that relate to statutory processes, including planning, could require changes to the current proposal. In addition to work already undertaken to mitigate risks, each project will be subject to ongoing detailed consideration by officers and alternative proposals brought forward for consideration where necessary.
27. Project specific risks associated with building projects will be captured within a risk register and regularly updated and managed by the Land & Property team.

#### **FINANCIAL AND VALUE FOR MONEY IMPLICATIONS: Family Contact Centre**

##### Capital cost Profile and Funding

28. The Shaw Centre project capital spend is estimated at:

Family Contact Centre	20/21 £'000	21/22 £'000	22/23 £'000	Total £'000
Shaw, Woking	500	900	400	<b>1,800</b>
<b>Total</b>	<b>500</b>	<b>900</b>	<b>400</b>	<b>1,800</b>

### Efficiency Savings

29. At this stage, we would expect the design of the proposed new Shaw Family Contact Centre in Woking will reduce the overall running costs by providing a new efficient building.
30. The proposed capital spend for the centre of £1.8m would incur borrowing and MRP costs (3.5%) of £63k per annum. These are currently included within the Council's approved MTFS as part of the pipeline budget.

## OVERALL FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

31. Table 1 below shows a summary of the approved LAAC Capital budget (including pipeline) within the Council's MTFS and the items being recommended for approval within this paper.

Table 1: Summary of LAAC Capital budgets

	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	Total £'000
LAAC Pipeline Budget	5,200	15,100	15,100	5,000	40,400
<b>Total</b>	<b>5,200</b>	<b>15,100</b>	<b>15,100</b>	<b>5,000</b>	<b>40,400</b>
<u>Less: Proposed expenditure</u>					
Children's Homes (1&2)	200	1,700	1,800	0	3,700
Contact Centre (Shaw Centre)	500	900	400	0	1,800
<b>Total</b>	<b>700</b>	<b>2,600</b>	<b>2,200</b>	<b>0</b>	<b>5,500</b>
<b>Budget surplus/(deficit)</b>	<b>4,500</b>	<b>12,500</b>	<b>12,900</b>	<b>5,000</b>	<b>34,900</b>

32. This shows that the proposed schemes would be deliverable within the existing pipeline allocations with c.£34.9m of budget remaining.
33. Due to the stage of development it is important that an appropriate level of contingency is built into estimates to allow for further development and design changes. At present all construction estimates contain a 15% contingency.
34. When assessing the financial viability of individual schemes this needs to be considered against the existing budget that is in place and factored into the MTFS in terms of interest and MRP costs. Any additional capital expenditure would also incur interest and MRP costs of 3.5% so the expectation would be that additional expenditure would be able to either generate income or reduce costs to cover these costs.
35. At present there are no direct efficiencies from the LAAC strategy built into the Council's MTFS. Potential areas of saving will be explored as plans are developed. Reductions in forward maintenance budgets (capital and revenue) for buildings

planned to be replaced: this would require those elements to be removed from corporate maintenance budgets in order to realise a saving for the MTFS.

#### **SECTION 151 OFFICER COMMENTARY**

36. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium-term financial outlook is uncertain. The public health crisis has resulted in increased costs which are not fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the proposal to develop the elements of the LAAC strategy covered by this Cabinet report as there are opportunities for efficiencies and cost containment to be delivered.

37. The current capital requirement is already factored into the Medium-Term Financial Strategy, but any revenue efficiencies will need to be added as the schemes are developed.

#### **LEGAL IMPLICATIONS – MONITORING OFFICER**

38. The Council as owner of the land which it is seeking to develop for the Looked After Children Property Projects may dispose of, or develop, any land it owns. Existing rights and interests of the Council in land it owns are not affected by the Public Contracts Regulations 2015. Regulation 10 (1) (a) exempts such transactions from the Public Contracts Regulations 2015.

39. If a disposal of any of the land referred to in this paper is required, the Council would need to show that it has obtained best value. This is a legal requirement under Section 123 of the Local Government Act 1972. To show best value, the Council may need to show that it has taken specialist (external) advice confirming that the disposal represented best value. Under Section 123(2) of the Local Government Act 1972 the Secretary of State's consent would be required before the Council could dispose of land at less than best value.

40. We are currently awaiting an updated version of the reports on title. If this Strategy relates to Education/school land, any disposal of existing sites will need specific consent from the Secretary of State.

41. As detailed plans are formulated, the necessary consultation and Equality Impact Assessment will need to be completed.

#### **EQUALITIES AND DIVERSITY**

42. Children's Homes and Family Contact Centres provide support for some of Surrey's most vulnerable young people.

43. These improvements aim to ensure some of Surrey's most vulnerable young people are cared for within safe environments that provide for their material needs and provide support as they move into adulthood, and will provide improved facilities to provide support to families through the new Shaw Family Contact Centre facility.

## CORPORATE PARENTING/LOOKED AFTER CHILDREN

44. As Corporate Parents for all the children looked after by Surrey, it is important we ensure the Children's Homes we run are an example of best practice, including the quality of the accommodation. In order to achieve this the estate requires a capital investment programme.

## SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

45. The council has a duty to provide good quality placements for all children looked after. This is known as the Sufficiency Duty. In order to deliver the best possible service to our children, we would want as many as possible to live within Surrey. This property development proposal will significantly enhance the quality of accommodation we can provide. Appropriate, safe homes within Surrey, will support our children's personal, social and academic progress.

## ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

46. An initial Environmental Sustainability Assessment (ESA) has been undertaken (Annex 1) as this matter requires a Cabinet decision.
47. The key points from the ESA are:
- a. Energy use would be a component of the operational phase costs of the new buildings. Design philosophy that has been adopted to create new buildings will support low energy consumption, reduce solar gain and promote natural ventilation. Any proposals will be in line with this policy and any new building will be to the expected standards in the local planning authority's adopted core planning strategy.
  - b. Delivery of new builds will involve the usual amounts of travelling for materials and workers. Through the design and procurement phase an updated ESA will be undertaken.

## WHAT HAPPENS NEXT?

48. The approval by Cabinet of the proposals for two new Children's Homes and the new Shaw Family Contact Centre will allow Land and Property to take forward these schemes for further development, planning approvals and delivery.

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**Contact Officer:** Michael Coleman, Assistant Director- Project Delivery, Land and Property

Contact Number: 07814 583923

**Annexes:**

Annex 1: Environmental Sustainability Assessment

**Annex 1:****New Children's Homes and Shaw Family Centre Environmental Sustainability Assessment****Issues identified, possible actions and prioritisation**

<b>Area</b>	<b>Relevant Topic Y/N</b>	<b>Issue</b>	<b>Possible Action</b>	<b>Taken forward?</b>
<b>Designated sites, protected species and biodiversity</b>	Y	Further environmental investigation of the three sites will be undertaken to confirm that there are no issues. No species protection issues have been currently identified.	Further environmental assessments will be carried out as part of the development and planning processes.	
<b>Resilience to risks posed by the environment to service delivery</b>	N			
<b>Materials and water</b>	Y	Energy use and reduction in waste would be components of the operational phase costs of the new buildings, as schemes are developed.	SCC's design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any new infrastructure on the site will be built to the local planning authority's adopted core planning strategy.	
<b>Energy</b>	Y			
<b>Waste</b>	Y			
<b>Transport</b>	Y	<p>Delivery of construction projects does involve an amount of travel for labour, and delivery of materials.</p> <p>Families will need to travel to the Shaw Family Contact Centre. The right balance must be struck between providing a service to the highest possible quality in a suitable location in an efficient environment, with the need for families to travel to access the service.</p> <p>Air Quality Management Area not yet identified</p>	<p>This will be considered as part of the procurement process for individual projects.</p> <p>The Family Contact Centre is a specialist facility, designed to offer a specific service. The current location is close to Woking rail station and regular bus services.</p>	

<b>Landscape and trees</b>	Y	Trees on the Shaw Family Centre, Ashley and Sycamore sites may need removal, subject to the final design and agreement at the relevant stage.	Arboricultural surveys have been carried out on each site to identify the potential issues and discussions are ongoing with the Council's Arboricultural Officer to identify the least impactful solution and potential remediation measures.	
<b>Heritage</b>	N			
<b>Education / raising awareness</b>	N			

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