

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2021****REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL****MRS MARY LEWIS, CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE AND FAMILIES****LEAD OFFICER: PATRICIA BARRY, DIRECTOR FOR LAND AND PROPERTY
TINA BENJAMIN, DIRECTOR FOR CORPORATE PARENTING****SUBJECT: DELIVERY OF CARE LEAVER ACCOMMODATION AND CHILDREN'S HOMES****ORGANISATION Empowering Communities
STRATEGY PRIORITY
AREA:**

14

SUMMARY OF ISSUE:

This report seeks Cabinet approval to progress the delivery of a new children's home and to support a programme for the delivery of new care leaver accommodation. Both support the delivery of Care Leaver Accommodation and Children's Home strategy for children growing up in the care of the council.

By 2030 we want Surrey to be a uniquely special place where everyone has a great start to life, people live healthy and fulfilling lives, are enabled to achieve their full potential and contribute to their community, and no one is left behind. The programme supports the Refreshed Organisational Strategy, and Empowering Communities, by focussing on vulnerable individuals who without support from Services may be left behind and experience poor outcomes. The programme enables them to live and thrive in the County; empowering them to make positive contributions and have an active role within their local community.

Providing comfortable and safe homes for our children in care is a priority of all parents, no less Surrey County Council as corporate parents. We have also unanimously agreed 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 are aware that some of the current children's homes are larger than we need and cannot fully meet the expectations of Ofsted, the regulator of children's homes. Current best practice suggests that the best homes for our children are family sized and look like the homes of their peers. We agree with Ofsted's recommendations that children should grow up in family sized units and some of our older buildings are too big for the small number of children that we can look after in them

There is growing demand for, and a shortage of, accommodation for care leavers within Surrey. Consequently, each year the Council places young adults in accommodation outside of Surrey at a cost premium and away from their families and support networks. The programme outlined in this paper proposes the provision of accommodation and the opportunity for redevelopment and maximisation of existing Council-owned assets to provide residential dwellings above front-facing service delivery space.

The business case aligns with Surrey County Council (SCC) Forward Plan and Community Vision for 2030 and improving the outcomes for children and families whilst also building on the 'place' agenda.

This paper seeks Cabinet approval for:

- the capital funds for the delivery of a new children's home
- support and capital funds for the delivery programme for care leaver accommodation

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Agrees to allocate £2.2m (excluding VAT) for the delivery of a children's home on part of the Former Adult Learning Centre (ALC) site in Dorking from the designated capital pipeline budget for Care Leaver Accommodation and Children's Homes;
2. Agrees to allocate £30m (excluding VAT) from the designated Care Leaver Accommodation and Children's Home pipeline budget for the delivery of a programme of 150 beds for care leaver accommodation at a target cost of approximately £200k per bed (development cost). This provision will be across a number of sites, the locations of which are to be approved by the Service and under consultation with the local County Council Member, and delegates authority to approve individual schemes within overall budget constraints to the:
 - Executive Director - Children, Young People and Families, in consultation with;
 - Executive Director – Resources
 - Cabinet Member for Resources and Corporate Support
 - Cabinet Member for All-Age Learning
 - Cabinet Member for Children, Young People and Families

REASON FOR RECOMMENDATIONS:

- The proposal will provide a third new family sized children's home in an area of identified need.
- The proposed delivery method for care leaver accommodation offers an opportunity to maximise the development of existing Surrey County Council (SCC) freehold assets and potentially release assets for repurposing.
- The delivery model will reduce the Council's overall revenue expenditure for care leaver accommodation.
- The delivery of care leaver accommodation will make a positive difference to the lives of young adults in care and provide access to local facilities.

DETAILS:

New Children's Home

1. Following the approval and delivery of two new Children's Homes in July 2020, the Service required a third to be located in the East of Surrey to provide much needed accommodation for children living in its care in more suitable 'family sized units' as recommended by Ofsted.
2. It is proposed to redevelop part of the former ALC site in Dorking for a new Children's Home. This will provide a new Children's Home with four beds, and two '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. The development will provide a home conducive to:
 - i. Enabling a safe and more homely environment for children
 - ii. Enabling proper staff supervision of all areas of the home
 - iii. Maximising occupancy and the placement stability of the home by being able to match a smaller group of children with each other
 - iv. Reducing running costs through provision of small purpose-built manageable units with modern building efficiency, rather than large old buildings which require significant maintenance
4. The Dorking site has previously been granted planning permission (23 December 2016) for a mixture of residential dwellings, flats and houses, and therefore, following Cabinet approval, a revised planning application will be submitted for the change in use/development.

Care Leaver Accommodation and Children's Home Strategy – Care Leavers Service

5. A significant issue for the Care Leavers Service is the lack of accommodation within Surrey. This means a number of young people are placed outside of the County at a cost premium. This has been raised as a concern by Ofsted as it makes it more difficult for Surrey-based staff to support these young people. More importantly it makes it more difficult for young people to have continued links with family, friends, community and education. Finally, the costs of placing young people in private accommodation are significant and not covered by the level of housing benefit received.
6. At the current time there is no care leaver accommodation provided within Council assets. Currently, all accommodation provision is externally commissioned and of 50 providers, only eight are based within Surrey. This accommodation tends to be provided in larger hostel-type environments which is not always conducive to meeting the needs of vulnerable care leavers who may have experienced trauma.
7. Benchmarking against comparative local authority areas, where an in-county, internally provided model is in operation, shows delivery of projects such as those within this programme will enable revenue savings.
8. With the delivery of in-house, in-county accommodation there are also staff savings to be made from decreased travel (i.e. expense claims) as well as reducing travel times, enabling staff more time to spend with care leavers.
9. Schemes brought forward under this programme will provide a number of high-quality residential units suitable for care leavers. They will be designed to provide accommodation that is flexible and includes a mix of accommodation types to support young people with a range of needs and levels of independence.
10. Existing assets across SCC and District and Borough estate portfolios will be reviewed for suitability to provide care leaver accommodation and opportunities addressed on a case-by-case basis but following the principles of the previous Cabinet approval for the scheme at Caterham on the Hill. Further opportunities with District and Boroughs and the open market will be assessed should existing SCC assets not support the required locations. Site and existing asset opportunities are currently under review with the Service, in conjunction with needs mapping.

IMPLICATIONS OF NOT UNDERTAKING THE PROJECT AND ALTERNATIVE OPTIONS CONSIDERED

11. OPTION 1 – Do Nothing

Care Leaver Accommodation

- Care leaver accommodation not provided within the County within the Council's controlled assets and continues to be delivered out of county

New Children's Home

- Unable to meet service need
- Unable to meet the recommended standards proposed by Ofsted

12. OPTION 2 – Acquire new assets for delivery of Care Leaver Accommodation and Children's Home Strategy

Care Leaver Accommodation - an alternative option would be to acquire residential units for delivery of care leaver accommodation within the open market.

Pros:

- Could potentially be delivered more quickly through acquisition of residential units on the market
- Not restricted by location of existing assets
- Limited internal resources required for acquisition process

Cons:

- Lost opportunity to deliver the Asset and Place Strategy and potentially provide co-location of services and maximise asset value
- Lost opportunity to repurpose assets or improve efficiency of assets
- Significant capital investment required to acquire the residential units and increase number of assets and therefore running/maintenance costs

Children's Home – acquire a site in the open market for a new children's home

Pros:

- Retain Dorking for investment purposes only
- Greater flexibility in acquiring a site in the preferred location

Cons:

- Lost opportunity to allocate an existing SCC asset for Service use
- Capital investment required to acquire the residential units
- Lost opportunity to co-locate a Children's Home alongside Care Leaver Accommodation in a Service identified location

13. OPTION 3 (Recommended option) – creation of a new children's home and delivery of Care Leaver Accommodation primarily within Surrey County Council existing assets

Pros:

- Opportunity to provide co-location on existing freehold assets
- Deliver the Asset and Place Strategy
- Deliver on the Council's Community Vision 2030
- Delivers Green agenda by implementing reduced carbon of assets through new construction methodology

- Control of building specification reduces energy poverty by providing accommodation in energy efficient buildings

Cons:

- Public consultation requirement and temporary provision for maintaining service during construction
- Delivery timescales
- Potential for Planning challenges for change of use

14. The preferred option is option 3 for the following reasons:

- Deliver elements of the Asset and Place Strategy by maximising existing assets and reducing asset base
- Reduce the care leaver accommodation revenue expenditure
- Delivers elements of the SCC Community Vision for 2030
- Reduces energy poverty
- Delivers Green Agenda by reducing carbon in existing assets

CONSULTATION:

15. Relevant teams within Children, Families and Lifelong Learning Directorate have been consulted and had input into the proposed delivery model.
16. Representatives from each of the relevant teams will continue to have input into those identified projects and subsequent phasing of projects brought forward within the programme.
17. The standard of the accommodation for care leavers will be improved, in line with service and industry standards.
18. Staff and Care Experienced young people will be consulted on scheme and design implications as each project develops.
19. The previous Cabinet Member for Resources, Cllr Mel Few, and Cllr Mary Lewis, Cabinet Member for Children, Young People and Families have been consulted on the children's home proposal; and additionally, Local Member Cllr Stephen Cooksey.
20. Formal consultation has not yet been undertaken but will be completed in the next stage of the scheme's development as necessary, following approval to proceed. Local Members, as appropriate, will be consulted when sites for care leaver accommodation have been identified as well as the local Members for the Children's Home in Dorking.

RISK MANAGEMENT AND IMPLICATIONS:

21. Risk that planning permission will be refused – mitigating actions being taken:
- Design team to take account of likely issues e.g. transport, access, draining etc. as part of pre-application discussions.
 - Engage with the local community to address concerns and to shape plans e.g. closer working with residents, community groups and local Members.
 - Consider the close proximity of the neighbouring building and design a scheme which is complementary to its surroundings and consider rights to light, party wall agreements etc.
 - Incorporate sustainability strategy into planning applications.

22. Risk of the development costs escalating - mitigating actions being taken:

- Detailed cost modelling has been undertaken with the Cost Consultants to inform the budget setting for the construction cost of the children's home and the accommodation.
- The estimates have a design and construction risk allowance of approximately 15% included to allow for the early stage of the design process and the unknown impact Covid-19 shutdowns may have on construction costs.
- A detailed Development Cost appraisal has been undertaken including the above noted construction cost, professional fees, surveys and investigations, fixed furniture and equipment, temporary/decant facilities, SCC resource capitalisation costs and a further 10% SCC contingency for unforeseen issues.
- Consideration will be given to building contract procurement methods which allow for early involvement of the building contractor and/or specialist suppliers. This will include input pre-construction where project cost, programme and design quality can be reviewed to provide a higher level of cost and programme predictability for each project and refinement to align with the modelling.

23. Additional risks such as site constraints, ecology (e.g. bats, birds, badgers) tree surveys/Tree Presentation Orders (TPO's) etc. will be considered and mitigating actions developed and actioned accordingly.

24. Risks will be varied and not only associated with land and asset management but also the impact this has on the various service provisions and changes in requirements. Each scheme will be designed with flexibility in mind to meet changing service and corporate needs.

25. In terms of construction-related risks and mitigation measures, a development risk register is under review with the professional consultants and a further robust risk transfer strategy will be agreed with the contractor(s) for each project.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

26. The cost of the proposed children's home scheme is to be funded from the designated Capital Programme Care Leaver Accommodation and Children's Home budget allocated as Pipeline funding within the Medium Term Financial Strategy (MTFS).

27. The programme for care leaver accommodation is to be funded from the designated Capital Programme Care Leaver Accommodation and Children's Home budget allocated as Pipeline funding within the MTFS.

28. Costs for supported accommodation can vary significantly from circa £700 per week when arranged by the incumbent Direct Purchasing System at pre-agreed rates to over £2,000 per week for uncontracted provision. Creation of an additional Children's Home in-county could reduce the need to utilise this provision. Based on the lower estimate of £700 per week, this represents an annual efficiency of £36,400. The running cost per bed of the new children's home would need to be offset against this value before estimating an overall efficiency.

29. The Council has around 260 care leavers in external provision with an average weekly cost of £550. This represents an annual spend of £28,600. Running costs for the new

150 beds must be offset against this amount before determining any operating efficiency for the Council. Care leaver's ability to receive housing cost support through Universal Credit should also be considered.

30. The scheme will be designed to take into account environmental impacts, sustainability and ongoing life-cycle costs which will support the Greener Futures agenda.

31. The programme of care leaver accommodation will provide 150 beds at a target development cost of £200k per bed. Once sites have been agreed, should estimated costs of individual schemes require additional funding to the target per bed costs, these schemes will be reviewed at Capital Programme Panel (CPP). CPP will assess whether the scheme continues to deliver value for money and assess the impact of increased costs on the wider programme.

DETAILED FINANCIAL MODELLING & EFFICIENCY SAVINGS

32. See Part 2 for details due to commercial sensitivity of analysis

CAPITAL COST PROFILE AND FUNDING

33. See Part 2 for details due to commercial sensitivity of analysis

SUMMARY OF BENEFITS

34. This project takes into account emerging service needs, partner and local needs, drawing on the One Public Estate ethos to ensure best value and delivery of a community facility and care leaver accommodation in an area of need.

It includes strategic alignment to:

- Community Vision for 2030
- Asset & Place Strategy 2019-2030
- Organisation Strategy 2020-2025
- Corporate Target Operating Model (TOM)
- Service strategies and delivery models

Financial and non-financial benefits include:

- Reduction in ongoing service revenue costs
- Utilisation and optimisation of Council assets and potential release of assets for other use
- Delivery of services and accommodation to meet service strategies and local needs
- Supports and empowers communities, providing safe spaces
- Cross partner working and opportunity for new partnerships
- Improve efficiencies and effectiveness including outcomes of programs and services
- Flexible accommodation to meet future demand and local needs
- Possible income generation from utilisation of assets by third parties

SECTION 151 OFFICER COMMENTARY

35. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains

uncertain. The public health crisis has resulted in increased costs which may not be fully funded. 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 in the medium term, 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.

36. As such, the Section 151 Officer supports the release of capital funding from the pipeline to enable the delivery of a new children's home and the provision of 150 beds for Care Leaver Accommodation, these schemes will contribute to the efficiencies built into the Medium Term Financial Strategy. Authority to approve individual schemes within the Care Leaver Accommodation programme has been delegated and once individual sites are identified the proposals need to set out the efficiencies achievable, offset by any additional running costs. In addition, there is governance in place via the Capital Programme Panel to review variances in the targeted cost per bed, these measures will ensure value for money across the Care Leaver Accommodation programme.

LEGAL IMPLICATIONS – MONITORING OFFICER

37. This paper sets out proposals to progress the delivery of a new children's home and a programme for supporting the delivery of new care leaver accommodation in Surrey. The proposals include the redevelopment of part of the former ALC site in Dorking for a new Children's Home and review of existing Council assets as well as the estate portfolios of District and Boroughs to ascertain the suitability of any assets which could be utilised to provide care leaver accommodation.
38. The Council, as the owner of the former ALC site which it is seeking to redevelop, may dispose of, or develop, any land it owns. Under Section 2(1) of the Local Authorities (Land) Act 1963, a local authority has extensive powers and may, for the benefit or improvement of its area, erect, extend, alter or re-erect any building and construct or carry out works on land.
39. The Council has extensive powers under legislation including but not limited to, the power to acquire land for the purposes of any of its functions under Section 120 of the Local Government Act 1972 and the power to dispose of land in any manner they wish, subject to the disposal being for the best consideration reasonably obtainable, under Section 123 of the Local Government Act 1972. As a review of the available assets is completed and sites are proposed for the delivery of care leaver accommodation, site specific advice on legal implications can be provided.

EQUALITIES AND DIVERSITY

40. An Equality Impact Assessment (EIA) has not been completed for the following reasons:
- It is anticipated that any existing service provision associated with the development of the Care Leaver programme will remain on the existing site with no impact on staff or residents. However, it is noted that temporary provision may be required during the works.
 - Any changes to staffing will be dependent on service strategies/changes rather any individual scheme.

- EIA assessment to be carried out on each individual site/asset following agreement of the needs mapping.

41. The proposed schemes provide support for some of Surrey’s most vulnerable young people.

42. 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.

OTHER IMPLICATIONS:

43. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	Set out below.
Safeguarding responsibilities for vulnerable children and adults	Set out below.
Environmental sustainability	Set out below.
Public Health	No significant implications arising from this report.

CORPORATE PARENTING/LOOKED AFTER CHILDREN IMPLICATIONS

44. As Corporate Parents for all the children looked after by Surrey, it is important we ensure the Children’s Homes and Care Leaver Accommodation is an example of best practice and quality. In order to achieve this capital investment into the scheme is required.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS

45. The Council has a duty to provide good quality placements for all children looked after and care leavers. 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 and contribute to a wider programme to expand and enhance the scale and range of care leaver accommodation provided by SCC. Appropriate, safe accommodation 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. Addressing energy poverty.
- c. 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. Should Cabinet approve the business case for the redevelopment of the Dorking site and delivery of the proposed third new children's home, the next steps will be:

- Feasibility Study, Service Sign Off and preparation of a Planning application (January 2021 - March 2021)
- Planning application (April 2021 – July 2021)
- Building contractor tender to market and award; subject to delegated decision (May 2021 – Aug 2021)
- Commence Demolition/Enabling; pending planning approval (September 2021)
- Main Contract Commencement (October 2021)
- Commence Specialist/Operational fit out (September 2022)
- Operational building and residents can move in (October/November 2022)

49. Following approval by Cabinet for the capital allocation and proposed programme to deliver care leaver accommodation, Land and Property to take forward these schemes for further development, planning approvals and delivery with the relevant consent of those with delegated authority.

50. Programme for Children's Home No. 3 will be delivered in financial year 2022/23. Care leaver delivery will be developed and informed by the agreement of the needs map, priorities and phasing with the Services. The current Medium-Term Financial Plan sets out the delivery and capital expenditure over the next five years.

Contact Officer:

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Consulted:

- Corporate Parenting Team, Surrey County Council
- Family Resilience & Safeguarding Team, Surrey County Council

Annexes:

Annex 1: Environmental Sustainability Assessment (ESA)

Part 2 Report

Sources/background papers:

- Looked After Children Property Projects – New Children's Homes and Shaw Family Centre (21 July 2020)
- Surrey County Council Asset & Place Strategy 2019-2030

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