

SURREY COUNTY COUNCIL

CABINET

DATE: 25 JULY 2023



REPORT OF CABINET MEMBER: SINEAD MOONEY, CABINET MEMBER FOR CHILDREN AND FAMILIES

LEAD OFFICER: RACHAEL WARDELL, EXECUTIVE DIRECTOR – CHILDREN, FAMILIES AND LIFELONG LEARNING DIRECTOR

SUBJECT: SURREY HOMES FOR SURREY CHILDREN: DELIVERING A REPLACEMENT CHILDREN'S HOME

ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT / TACKLING HEALTH INEQUALITY / ENABLING A GREENER FUTURE / EMPOWERING COMMUNITIES

Purpose of the Report:

To seek agreement to allocate the remaining £3.3 million from the designated Care Leaver Accommodation and Children's Homes capital pipeline budget for the delivery of a new-build replacement four-bed and additional two-bed children's home on the site of an existing Surrey County Council children's home in Cobham.

Alongside this we are providing Cabinet with a full overview of the currently planned capital programme to create new children's homes and care leaver accommodation in Surrey, our progress to date and indicative timescales for planned future delivery. This will make clear the steps we are taking with regards to children's homes to work towards achieving the strategic ambition, endorsed by Cabinet in November 2022, to enable every looked after child to have choice to remain in Surrey, where this is appropriate to their needs and circumstances.

The development of Surrey homes for Surrey children contributes to all four of our Organisation Strategy priorities:

- **Growing a sustainable economy so everyone can benefit:** Investing in children's homes in Surrey ensures funding for this provision is spent within local communities, as well as creating locally based employment opportunities.
- **Tackling health inequality:** Looked after children often experience worse health outcomes than their peers. Living in a Surrey home enables a child to access well-coordinated and holistic multi-agency support, that enables improved outcomes.
- **Enabling a greener future:** When looked after children are placed out of county, this generates additional travel for children themselves, their families and the professionals who support them. The opportunity to build new children's homes and improve existing facilities also enables us to make changes that reduce the carbon footprint of homes.
- **Empowering communities:** When looked after children are enabled to live locally, they themselves are enabled to contribute to and enrich our local communities across Surrey.

Recommendations:

It is recommended that Cabinet:

1. Agrees to allocate the remaining £3.3m from the designated Care Leaver Accommodation and Children's Home capital pipeline budget for the delivery of a new-build replacement four-bed and additional two-bed children's home on the existing site of children's home SC040631 in Cobham. This will follow the same model as has recently been delivered in Walton and planned for delivery in Dorking.
2. Confirms delegated authority to approve the details of the scheme within overall budget constraints prior to construction to the Corporate Programme Panel, in consultation with:
 - Executive Director – Children, Families and Lifelong Learning
 - Cabinet Member for Children and Families
 - Cabinet Member for Property & Waste
 - Director of Land and Property
3. Notes the overview of the planned capital programme to create new children's homes and care leaver accommodation in Surrey and indicative timescales for delivery, in support of SCC's ambition to enable every looked after child to have choice to remain in Surrey, where this is appropriate to their needs and circumstances.

Reason for Recommendations:

SCC, as corporate parent, is committed to enabling the best possible outcomes for Surrey's looked after children, within the resources it has available. Alongside this moral imperative, we also have a clear statutory duty to ensure, as far as reasonably practicable, that there is sufficient accommodation for looked after children that meets their needs and is within their local authority (LA) area (Children Act 1989, Section 22G). Whilst SCC is already taking concrete steps to deliver this duty and enable positive outcomes, this further proposal to re-provide an existing but outdated SCC Children's Home directly supports the delivery of our statutory Looked After Children and Care Leaver Sufficiency Strategy 2020-25, which includes the ambition to create Surrey homes for Surrey Children.

These proposals also have wider benefits in support of Surrey's four Organisation Strategy priorities, as set out above: growing a sustainable economy so everyone can benefit; tackling health inequality; enabling a greener future; and empowering communities.

Executive Summary:

Our operating context

1. SCC is ambitious for Surrey's looked after children and wants to enable them to achieve the best possible outcomes in their lives. The statutory sufficiency duty (Children Act 89) to secure accommodation in or near to Surrey plays a really important role in this, supporting children to remain connected to their communities and progress successfully towards independence, whilst also enabling SCC staff, as corporate parents, to provide coordinated and holistic support more easily – reducing, for example, the increased risks associated with exploitation for children in out of area placements¹.
2. The latest [Looked After Children and Care Leavers Sufficiency Strategy](#) states our ambition to enable greater access to "Surrey homes for Surrey children" – one of five key

¹ Looked after children: out of area, unregulated and unregistered accommodation (England), House of Commons Library, November 2021

priorities. Building on this strategy, in November 2022, Cabinet endorsed the longer-term strategic ambition that “every looked after child has a choice to remain in Surrey, where this is appropriate to their needs”, with the working hypothesis that this would lead to around 80% of looked after children being able to live in Surrey – which would make SCC one of the top-performing Councils in the country. Officers have now mapped out the trajectory SCC needs to follow to reach the stated 80% ambition by March 2030, in support of Surrey’s overall Community Vision.

3. The specific proposal in this report is to re-provide the existing children’s home SC040631 in Cobham, with a new-build four-bed and additional two-bed home (all part of one development) on the same site and within the pre-agreed overall budget envelope for children’s homes and care leavers accommodation. This is required due to the joint assessment by the Corporate Parenting division and Land and Property that the current home building is no longer suitable by modern standards in terms of either costs (financial and environmental) of maintaining the building or, more importantly, enabling SCC to deliver the right kind of quality, home environment for the children in SCC’s care. This will also manage regulatory risks associated with Ofsted feedback on the current home. A feasibility study has been completed to RIBA stage 2 confirming the feasibility and outline costs of the project. Once the replacement home has been built, the current children’s home will be closed. It is expected it current will no longer be sustainable to maintain the current building as a children’s home from approximately April 2026.
4. This proposal is just one part of SCC’s comprehensive plans to achieve the long-term 80% sufficiency ambition, which also covers fostering, supported accommodation, support services, early work to enable children to remain in families and practice improvement within children’s social care. These plans are now being overseen, coordinated, and resourced through the new Children’s Social Care Transformation Programme (having formally been part of the Placement, Value and Outcomes Transformation Programme).
5. As set-out in the November 2022 Cabinet report, there are significant challenges nationally and locally that affect SCC’s ability to achieve this sufficiency ambition. Whilst these will not be repeated in full here, they include: a significant infrastructure deficit in Surrey in terms of the number of children homes in the county; national market challenges associated with supply of and demand for placements in regulated children’s homes, alongside the cost associated with these placements, financial stability risks associated with large providers and recruitment challenges; specific consideration linked to Surrey’s geography; and regulatory changes that are affecting the sector.
6. In February 2023, the Department for Education (DfE) published its “Stable Homes, Built on Love: Strategy and Consultation”, in response to three major national reviews². Key recommendations for improvement across children’s social care nationally, include steps to address sufficiency of Ofsted-regulated provision and improve market management such as:
 - improvements in leadership and management in the children’s homes sector;
 - a financial oversight regime to increase transparency of costs and reduce risks;
 - Pilots of Regional Care Cooperative (RCCS) to plan, commission and deliver care places.

² The three reviews are: The Competition and Markets Authority’s Children’s Social Care market study 2022; Child Protection in England 2022; and the Independent Review of Children’s Social Care 2022

- a national fostering recruitment and retention programme;
- All these recommendations will take time and the detail needs to be fleshed out, but we are anticipating significant change ahead in the sector.

How many looked after children currently live in children’s homes in Surrey?

7. As of 1 June 2023, there were 119 children who were looked after by Surrey County Council who were placed in children’s homes. Of these: 37 (31.1%) were living in Surrey and 82 (68.9%) were living outside the county; and 19 (16.0%) were in homes run by SCC with 100 (84.0%) in independently run children’s homes.
8. In addition, as of 7 June 2023, SCC had 12 children living in unregistered supported accommodation outside of Surrey, where the preference would have been for them to be in a regulated children’s home. If these children are included, this means 37 of 131 (28.2%) children that we would like to enable to live in children’s homes are in Surrey.
9. If the longer-term sufficiency ambition is for 80% of looked after children to live in Surrey, based on the position at the start of June 2023, this would mean an additional 68 children living in children’s homes in the county. This is higher than when reported to Cabinet in November 2022, reflecting the fact that these numbers fluctuate over time. Our current demand forecasts suggest that the number of looked after children who require children’s homes is set to remain relatively steady for the foreseeable future, even as work continues to promote family settings first, use residential as a time-limited intervention rather than a longer-term destination, and implement practice models that enable some children who would have otherwise come into care to remain in their family.

How are we planning to realise this change?

10. This capacity gap can be met through developing a strong mixed economy of provision, which includes both new SCC funded children’s homes and partnership with external providers. To enable 60-70 children to be placed in children’s homes in Surrey requires a minimum net-gain of 60 additional new beds in the county plus improved utilisation of existing children’s homes capacity for Surrey’s children. This will demand us to:
 - Create 30 additional beds in children’s homes using existing and the repurposed £18m SCC capital funding, with SCC managing these (first preference) or via strategic partnerships with trusted external providers.
 - Enable at least 15 additional looked after children to live in Surrey by maximising the use of existing children’s homes capacity that is currently not occupied by SCC children. This will require both strengthened relationships with external providers in the county and enhanced practice and processes in-house.
 - Support high-quality independent providers to create at least 30 additional children’s home beds in the county, who bring their own investment to establish provision (i.e. no SCC capital will be required) – specifically supporting this development by creating a new Residential Dynamic Purchasing System, which includes a facility to block book 20-beds for Surrey.

The plan to create 70 beds accounts for the fact that it will not be possible for SCC to utilise 100% of the capacity that exists in children’s homes in Surrey at any one point in time, due to: ensuring the individual needs of children can be met appropriately alongside others (“matching”); changes in staffing levels over time; other LAs placing in externally-run Surrey-based children’s homes, with SCC not having preferential access

despite being the host LA; and children from other LAs currently living in Surrey-based homes being settled and unable to move for a period of time.

11. It is acknowledged that achieving this ambitious level of growth in capacity will require long-term commitment, focussed work and appropriate resourcing over time, but it is clear that this is the right ambition for Surrey's children and can be achieved over time.

What are our current capital development plans with regards to children's homes and care leaver accommodation?

12. Aligned to the ambitions above, this section provides a short overview of the whole programme of development of children's home and care leaver accommodation that Surrey County Council is undertaking – within a total agreed capital budget envelope of £39.6 million. It will also explain the net-progress this will mean in the county, relative to the position in July 2020 when Cabinet approved the allocation of capital to the first new children's homes in Surrey.

13. Since July 2020 and inclusive of the proposals for a final replacement home in Cobham set out in this paper, Cabinet has approved the creation of 46 beds in new children's homes in Surrey, alongside additional care leaver accommodation, using SCC capital. Over the same period SCC has made strategic changes to the way its children's home estate is used that mean 10 previous beds are no longer available for long-term placements, alongside the additional four beds at Children's Home SC040631 in Cobham which are earmarked for re-provision (see paragraph 3). This will mean a total net-gain of 30 medium to long-term beds and 2 short-term beds (which are linked to a second No Wrong Door hub in the county).

14. For children's homes, the specific proposals include:

Children's home location*	No. of beds	Target group(s)	Estimated go-live	Cabinet decision
Epsom	4	Mainstream**	Sep '23	July '20
Walton (a)	4	Mainstream	Sep '23	July '20
Walton (b)	2	No Wrong Door	Sep '23	July '20
Dorking (a)	4	Mainstream	Mar '25	Feb '21
Dorking (b)	2	Autism / Mental health	Mar '25	Feb '21
Cobham (a)	4	Mainstream	Jan '26	Jul '23 (TBC)
Cobham (b)	2	Mainstream / emergency provision (final decision will be made to respond to demand closer to completion)	Jan '26	Jul '23 (TBC)
Woking (<i>new</i>)	4	Mainstream	Nov '24 to Mar '28***	Nov '22
Camberley (<i>new</i>)	4	Mainstream		
Caterham/Oxted (<i>new</i>)	3	Autism / Mental health		
Weybridge/Esher/Walton (<i>new</i>)	3	SEMH (high-needs)		
Farnham/Reigate (<i>new</i>)	4	Children with Disabilities		
Any priority location (a) (<i>new</i>)	3	Child Criminal Exploitation (CCE) specialisation		
Any priority location (b) (<i>new</i>)	1			

Any priority location (c) (<i>new</i>)	1	Solo/emergency provision – properties on one site or within 10-mins drive of one another		
Any priority location (d) (<i>new</i>)	1			

*Locations of homes labelled “new” are indicative and represent the current preferred location, based on assessed needs, location of complementary education provision and proximity to other children’s homes in the county. These may be subject to change as specific options are identified by Land and Property and agreed to by CFL over time.

**For the purposes of this report, “Mainstream” refers to children’s homes that cater for children with a range of social, emotional and mental health needs – rather than having a particular specialism.

***Initial work between CFL Commissioning and Land & Property has mapped out a likely timeline of up to 5 years (inclusive of contingency) to deliver the 24 additional children’s homes beds in Surrey.

15. Whilst not the focus of this report, it is important to acknowledge that this level of capital expansion will require extensive work around workforce development, recruitment and retention within the SCC children’s homes estate. Significant work is already underway to address this. The service has improved the recruitment strategy and created and implemented its own 4-day corporate induction for the workforce.

16. In addition, to the new-build projects listed above, work has been undertaken to refurbish an additional short-stay children’s home in Tadworth and re-provide SCC’s Family Contact Centre in Woking, with both premises set-up to support families to stay together and prevent the need for longer-term placements in children’s homes.

17. SCC has also been working to enable more care leavers to live in the county. Within the scope of previous decisions taken by Cabinet, SCC is making targeted capital investment in new models of care leaver accommodation to supplement the core offer of supported accommodation in the county. These include:

- The purchase and re-fit of six four-bed houses of multiple occupation (HMOs), located across the county, for care leavers and older unaccompanied asylum seekers with no recourse to public funds, aged 18 to 25.
 - i. This provides a new stepping-stone in the pathway to independence for young people who are ready to progress on from Supported Accommodation into their own tenancies within the next 12 months.
 - ii. Whilst SCC will own and manage the accommodation, floating support will be commissioned from trusted local providers.
 - iii. This type of accommodation fits within the St Basil’s and Barnardo’s Care Leaver Accommodation and Support Pathway, which is a national best practice model, whilst also securing improved value for money for the Council.
 - iv. There is an 18-month delivery window for this initiative, with the first new HMO expected to go-live by November 2023.
- A pilot project to create four individual accommodation units for care leavers, delivered in partnership with a local registered social landlord (RSL).
 - i. By working in partnership with a well-established local RSL, we are able to maximise SCC’s capital contribution for the collective benefit of all partners, alongside Homes England and Reigate and Banstead Borough Council.

- ii. The property is being developed and will be owned and run by the RSL, but SCC will have nomination rights for at least 30 years for Surrey care leavers, with the accommodation going live from September 2023.
- iii. This partnership model may well be a cost-effective and time and energy-efficient way to deliver additional care leaver accommodation in Surrey in the future, due to the modular build approach being employed and delivering a high energy efficiency rating.

What are the specific proposals for the replacement children's home?

18. Extensive work has already been commissioned and undertaken via SCC Land & Property to scope out and plan the re-provision of children's home SC040631 in Cobham on the existing site. This included obtaining a detailed brief outlining the requirements of the new building, as well as mobilising a multi-disciplinary team to undertake feasibility studies. These encompassed a variety of surveys such as arboriculture, ecology, geotechnical, civils, structural and transport assessments, as well as to complete concept design work and engage with planners to obtain pre-application planning advice. This work (up to the end of RIBA Stage 2) has been completed.
19. The plans for the site follow a similar model to the children's homes already delivered on the Walton-on-Thames site and what is planned to be delivered in Dorking. This includes the creation of a four-bed community home, which will support children with a range of social, emotional, and mental health needs, alongside an adjoining two-bed home that will be tailored around SEMH or emergency provision. There is a need for both specialisms and final decisions will be made in the months immediately prior to completion of the build to meet the service's specific needs at that time.
20. The community home will consist of 4 children's bedrooms and 2 staff bedrooms for overnight sleep-in provision, as well as a staff office and communal spaces such as a lounge, kitchen/diner and quiet room on the ground floor and study room on the first floor. The annex home will consist of 2 children's bedrooms and 1 staff bedroom, whilst also providing ground floor lounge and kitchen/dining spaces. Externally the site will be landscaped to a high standard including turfing and a mixture of young and semi-mature planting to soften the surroundings, whilst at the front of the site there will be ample parking for staff and visitors to the site.
21. The construction methodology will follow a fabric-first approach, using a hybrid construction of traditional brick and block combined with a timber structurally insulated panel system (SIPS), including highly energy efficient materials, concentrating on airtightness. The proposals will also look to include sustainable energy systems such as air source heat pumps, photovoltaic panels, under floor heating throughout and a mechanical ventilation heat recovery (MVHR) system to regulate the temperature across the home, helping to reduce energy consumption and save on running costs.
22. In addition to sustainability, the home will be designed to promote safeguarding, with every detail considered, including the provision of anti-ligature and anti-barricade measures to protect both the children and staff of potential harm.
23. In terms of timeframe, it is proposed that once Cabinet has provided approval to proceed and a capital budget is in place, the multi-disciplinary team will conduct a pre-planning community engagement and consultation event prior to submission a full planning application on behalf of SCC. Concurrent to the planning application process, the design

team will begin work on the detailed design and technical specifications in advance of planning approval, at which point the tender pack will be produced in advance of procurement. We anticipate a contract award date of April 2024, and a construction completion date of December 2025, resulting in an operational go live date of early 2026.

24. The detailed project proposals will be subject to the appropriate governance process including Property Panel and Corporate Programme Panel.

Conclusions

25. The proposals set out in this report support SCC's ambition as Corporate Parent for every looked after child to have the choice to remain in Surrey, where this is appropriate to their needs and circumstances. Achieving this change will have economic, health, environmental and community benefits for Surrey. Delivering this requires long-term commitment, focussed work and appropriate resourcing, but it is clear that this is the right ambition for Surrey's children and can be achieved over time.

Consultation:

26. These proposals have been developed as part of the Council's Placement Value and Outcomes Transformation programme, with input from Children's Services, Children's Commissioning, Land and Property, and Finance, and will be overseen via the newly established Corporate Parenting Transformation Board moving forward.
27. SCC is actively engaging with external providers of regulated children's homes to develop the local market of provision in the county and working with them to strengthen relationships and develop new locally focussed commissioning arrangements.
28. The proposals to invest additional funding in Children's Homes to create a further 24-beds in the county, referred to in this report, were considered by the Children, Families, Lifelong Learning and Culture Select Committee on 4 October 2022, who gave their support to the recommendations set out.

Risk Management and Implications:

29. The 2022/23 outturn was an overspend of £6.5m on the children's social care placement budget. Whilst a range of steps are being taken to mitigate this, it is important to note that this is a demand-led budget where SCC is statutorily required to make particular placements. Increasing numbers of children requiring regulated placements, pressures within the national market for regulated placements and ongoing above average inflation are all contributing to this situation. There are also additional risks this year associated with the introduction of Ofsted regulation for Supported Accommodation from 28 October 2023. It is estimated this will increase costs of this provision by between 10% and 30% for children aged 16 and 17. Development of additional SCC capital-funded homes is a key mitigation of the pressure currently being felt with regards to cost of external placements and helps to mitigate reliance on the external market, providing enhanced ability to contain future placement costs.
30. As set out in paragraph 8, SCC continues to place a number of children in unregistered placements, where it has not been possible to identify a registered placement anywhere nationally. This includes SCC, in a similar way to many other LAs, being obliged to make a small number of unlawful placements for looked after children under the age of 16 (especially in response to short notice requirements) to ensure children can be accommodated safely. This reality carries financial, reputational and regulatory risk for the Council, but SCC mitigates these risks through:

- open and clear communication with Ofsted;
- enhanced quality assurance of and support arrangements for children in these placements;
- ongoing work with unregulated placement providers to encourage them to register with Ofsted, and become regulated wherever possible; and
- ongoing searches for alternative regulated provision.

The development of additional children’s homes, as set out in this report, reduces the likelihood of having to make unlawful placements in future.

31. Children’s residential provision is a volatile sector facing many challenges. Only recently one of the five largest providers of regulated children’s homes in England, Outcomes First Group, closed 27 of its homes at short notice. Expanding the number of SCC-owned children’s homes mitigates costs and sufficiency risks associated with this, but does potentially increase risks around regulatory compliance and the possible impact of negative Ofsted judgements. These risks are mitigated by extensive investment in staffing and strengthened practice and processes in SCC’s current children’s homes.
32. SCC currently places a high proportion of looked after children who require residential provision outside of Surrey. Whilst a robust approach is taken to ensure children in these placements are safe and well supported, it is possible to have greater assurance of children’s safety and improve coordination of support when provision is based locally.
33. During 2021, SCC was subject to a high-profile judicial review threat in relation to its fulfilment of its statutory sufficiency duty. Through this process SCC was able to demonstrate clear and concrete steps to improve the sufficiency of provision in the county, and the risk of future action is significantly reduced by maintaining efforts to enable more looked after children to live in Surrey. SCC’s progress in this area was validated during the Ofsted ILACS inspection in January 2022. Inspectors highlighted “A comprehensive sufficiency strategy is being implemented. The strategy is based on a detailed understanding of the gap between identified needs and resources.”
34. It is a challenging time to plan and deliver capital projects, with risk that costs may increase during planned projects. This will be mitigated through careful planning and appropriate contingency planning, but it is acknowledged that if construction costs do continue to rise, it may be necessary to prioritise the projects that are taken forward within the existing financial envelope.
35. As highlighted in para. 5, recruitment is a national challenge facing the regulated Children’s Home market. This means there are risks associated with recruiting sufficient appropriately trained staff to enable the delivery of new children’s homes. To mitigate this risk, we are actively investing in and exploring further improvements to our recruitment, retention and training and development offer to staff in SCC homes – in part enabled by SCC transformation funding. There have been demonstrable increases in recruitment during 2022 and into 2023, associated with implementation of our recent children’s homes transformation. The continuation of transformation funding in 2023/24 will support ongoing mitigation of this risk, but the position needs to be confirmed for 2024/25 onwards. In addition, the ability to consider working in strategic partnership with external providers to manage SCC-owned homes, provides a contingency option should SCC struggle in terms of recruitment at scale.

Financial and Value for Money Implications:
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36. Cost efficiencies are expected to be generated by the addition of two additional bed spaces. These will enable the Council to provide appropriate provision in-house for two

children who would previously have needed to be placed in external residential provision. Based on current average costs the difference between an in-house and external residential placement is c£1,000 per week. Therefore, the full year efficiency for two additional places would be in the region of £104,000.

37. These efficiencies on their own would not be enough to cover the potential cost of borrowing and the Minimum Revenue Provision (MRP) on the £3.3m of capital spend, estimated at £346k. However, there will be further cost avoidance with this proposal as the 4 existing places would become untenable if no works were undertaken to the existing premises. Should these beds become unusable, and the children require moves to external placements, this would add an additional £208,000 cost to the placement budget. It is expected that it will no longer be sustainable to maintain the current building as a children's home from approximately April 2026.
38. The intention in the creation of the new replacement home is to utilise a portion of the current site. This will enable SCC to consider the usage of the remaining portion of the site. It is intended to follow the Capital Asset Panel procedure for considering the future uses of SCC sites and property assets. The first step is to undertake a search to identify other potential SCC service needs or uses for the site – i.e. re-purpose the site. If no other service needs are identified, the site will then be considered for disposal to release the property's residual capital value.
39. The future approval of any specific scheme will require the detailed calculation of potential costs, efficiencies and cost avoidance to ensure clarity around the implications. Based on the current high-level assumptions, the table below sets out the timeline of expected costs and benefits over the next five years.

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	23/24 and prior yrs £'000	24/25 £'000	25/26 £'000	26/27 £'000	27/28 £'000	28/29 £'000	Total £'000
Capital investment	195	2,700	391				3,286
Loan repayment			247	247	247	247	989
MRP			99	99	99	99	394
2 additional bed spaces cost efficiency				(104)	(104)	(104)	(312)
Net cost			346	242	242	242	1,072
Cost avoidance				(208)	(208)	(208)	(624)
Total cost benefit			346	34	34	34	448

Section 151 Officer Commentary:

40. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
41. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 remains uncertain. With no clarity on central government funding 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 the stable provision of services in the medium term.

42. As such, the Section 151 Officer supports the proposal to grow capacity within Surrey children's homes as part of the strategy to enable more looked after children to remain within county, as well as to manage the financial pressures in this area.

Legal Implications – Monitoring Officer:

43. Under the Children Act 1989, Surrey County Council has a statutory duty to provide sufficient accommodation within the authority's area that meets the needs of the children.

44. The Council's responsibilities are further strengthened by the Children Act 2004 to promote safeguarding and welfare of children.

45. All children's homes have to be registered with Ofsted under the Care Standards Act 2000, and are inspected and regulated by Ofsted against the Children's Homes (England) Regulations 2005 which sets out the requirement for leadership and management and staffing of the homes in accordance with its stated purpose:

Regulation 13

- "13. (1) *The leadership and management standard is that the registered person enables, inspires and leads a culture in relation to the children's home that—*

(a) helps children aspire to fulfil their potential; and

(b) promotes their welfare.

(2) In particular, the standard in paragraph (1) requires the registered person to—

(a) lead and manage the home in a way that is consistent with the approach and ethos, and delivers the outcomes, set out in the home's statement of purpose;

(b) ensure that staff work as a team where appropriate;

(c) ensure that staff have the experience, qualifications and skills to meet the needs of each child;

(d) ensure that the home has sufficient staff to provide care for each child;

(e) ensure that the home's workforce provides continuity of care to each child;

(f) understand the impact that the quality of care provided in the home is having on the progress and experiences of each child and use this understanding to inform the development of the quality of care provided in the home;

(g) demonstrate that practice in the home is informed and improved by taking into account and acting on—

(i) research and developments in relation to the ways in which the needs of children are best met; and

(ii) feedback on the experiences of children, including complaints received; and

(h) use monitoring and review systems to make continuous improvements in the quality of care provided in the home."

46. Legal Services will provide such assistance as is required in respect of the capital project works.

Equalities and Diversity:

- 47. The proposed children’s homes, schemes will have positive benefits for Looked After Children up to the age of 17, enabling more children to live in or close to the communities they are from, whilst the proposals related to care leaver accommodation will have similar benefits for older young people. This will also enable SCC to deliver more coordinated and holistic multi-agency support, contributing to better outcomes.
- 48. Some looked after children have special educational needs and disabilities that mean they may require specialist support and end up being placed at distance to access this. The proposals covered by this report increase provision for these children locally.
- 49. If looked after children live in children’s homes locally, this also supports them to remain living in Surrey as care leavers, should they so wish – aligning with best practice guidance around children “staying close” to their children’s homes and strengthening their ability to access local housing through district and borough councils.

Other Implications:

- 50. 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	The proposals in this report are directly focussed on improving outcomes for Looked After Children, by enabling more to live in homes closer to the communities they are from. This is directly connected to our statutory duties in relation to Corporate Parenting and sufficiency of accommodation, as well as supporting the implementation of our Looked After Children and Care Leaver Sufficiency Strategy 2020-25.
Safeguarding responsibilities for vulnerable children and adults	The development of children’s homes in Surrey directly supports our safeguarding responsibilities for looked after children. By accommodating more children in Surrey we are able to better quality assure provision and enable improved collaborative, multi-agency working to strengthen their safety and outcomes.
Environmental sustainability	<p>There are significant opportunities to make a positive impact on environmental sustainability connected to these proposals. This relates to the ability to reduce travel associated with supporting looked after children placed at distance from Surrey and opportunities from the chance to build new and/or renovate existing children’s homes so that higher environmental standards are met.</p> <p>The new facilities will be designed and constructed in line with the latest building regulations to maximise energy efficiency, whilst in certain areas bettering the minimum requirements for energy efficiency, for example with area weighted U-values improving upon the limiting values stated within the Building Regulations Part L1 2021 for the building fabric and glazing elements. It is expected that the Energy Performance rating of the new building</p>

	will be EPC rating A, which has been given to the new children's homes at Epsom and Walton-on-Thames.
Compliance against net-zero emissions target and future climate compatibility / resilience	There is clear commitment within these proposals to minimise carbon emissions associated with any additional new-build children's homes, working in partnership with the Greener Futures Team to review current plans and scrutinise future proposals as they are brought forward. The ambition will be to get as close to net-zero emissions as possible for new-build and renovation projects, within capital constraints, ensuring we balance the Council's carbon reduction ambitions with the need to fulfil core statutory duties relating to looked after children.
Public Health	Research shows looked after children have poorer health outcomes than their peers. This proposal enables them to stay close to their established health care services in Surrey and benefit from health and public health initiatives delivered by the Council and its partners.

What Happens Next:

51. The key next steps are:

- Mobilisation of new SCC children's homes in Epsom and Walton over summer 2023, with children accessing increased local provision by September 2023
- Formally begin searching for suitable future children's home locations from August 2023 onwards
- Commission multi-disciplinary team to submit planning application and commence detailed design work in relation to the delivery of the replacement children's home in Cobham from September 2023 onwards, with a target operational date for the beginning of 2026
- Confirm revenue resource requirements associated with planned programme of new homes, including requests for additional Transformation funding, by September 2023
- Ongoing reporting and scrutiny will take place at programme and individual property project levels. Programme reporting and scrutiny will be via CFL Capital Board (with a focus on property aspects) and Children's Social Care Transformation Board (with a focus on service aspects). Individual projects will need Corporate Programme Panel (CPP) approval for capital spend, so CPP will also receive reports on a regular basis, to be agreed with CPP.

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Annexes:

Annex 1: Looked After Children and Care Leaver Capital Programme Budget Overview

Annex 2: Environmental Sustainability Assessment

Annex 3: Equality Impact Assessment

Sources/background papers:

- Stable Homes, Built on Love: Strategy and Consultation, Department for Education, 2 February 2023
 - Surrey homes for Surrey Children: A strategic approach to growing capacity in children's homes in Surrey, SCC Cabinet, 29 November 2022
 - Surrey homes for Surrey Children: A strategic approach to growing capacity in Children's homes in Surrey, SCC CFLLC Select Committee, 4 October 2022
 - Independent Review of Children's Social Care, 23 May 2022
 - Children's Social Care Market Study, Competition and Markets Authority (CMA), 10 March 2022
 - Transformation of Surrey Children's Residential Services, SCC Cabinet, 30 November 2021
 - Looked after children: out of area, unregulated and unregistered accommodation (England), House of Commons Library, November 2021
 - Delivery of Care Leaver Accommodation and Children's Homes, SCC Cabinet, 23 February 2021
 - Looked After Children Property Projects – New Children's Homes and Shaw Family Centre, SCC Cabinet, 21 July 2020
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Annex 1 - Looked After Children and Care Leaver Capital Programme Budget Overview

Category	Scheme	Forecast Total
Schemes approved pre-2022/23		
Childrens Homes refurbishment	SC405933	1,297,000
New Childrens Home	Walton	2,938,936
New Childrens Home	Epsom	2,347,632
New Contact Centre	Shaw Family Centre	3,193,946
New Childrens Home	Dorking	4,249,103
DfE Capital Grant income	Dorking	(835,000)
Subtotal		13,191,617
Schemes approved via Cabinet or delegated decision in 2022/23-2023/24		
Care Leaver Accommodation	HMOs	5,070,000
New Childrens Home	24 Additional Beds	18,000,000
Care Leaver Accommodation	Transform Pilot	240,000
Subtotal		23,310,000
Schemes not yet approved		
New Children's home	Cobham	3,300,000
Subtotal		3,300,000
Overall forecast total		39,217,000
LAC Capital Budget		(36,238,000)
LAC Capital Pipeline		(3,330,000)
Total LAC Capital Budget		(39,568,000)
Balance of forecast against budget		(351,000)

Annex 2: Environmental Sustainability Assessment (ESA)

Area	Relevant Topic Y/N	Issue	Possible Action	Taken forward?
Designated sites, protected species and biodiversity Resilience to risks posed to the environment by service delivery	Y N	Appropriate environmental investigation will be undertaken to confirm that there are no issues as and when sites are identified	Further environmental assessments will be carried out as part of the development and planning processes	
Materials and water Energy Waste	Y Y Y	Energy use and waste will be components identified as any schemes progress	Surrey County Council's design philosophy is to create buildings that will support low energy consumption, reduce solar gain and promote natural ventilation. Any new infrastructure developed will be built to the local planning authority's adopted core planning strategy.	
Transport	Y	Delivery of construction projects does involve an amount of travel for labour, and delivery of materials. Air Quality Management Area not yet identified	This will be considered as part of the procurement process for any projects under this programme	
Landscape and trees Heritage Education / raising awareness	Y N N	Any designs will be worked up to retain as many existing trees on sites as possible. This will be subject to final agreement at planning stage.	Arboricultural surveys will be carried out on any sites identified to identify the potential issues. Discussions will be carried out with the Council's Arboricultural Officer to identify the least impactful solution and potential remediation measures as required.	