

Decision Pathway



PURPOSE: Key decision

MEETING: Cabinet

DATE: 18 June 2019

TITLE	A new profile of children's homes		
Ward(s)	City wide		
Author: Samantha Flowers	Job title: Senior Programme Manager		
Cabinet lead: Cllr Helen Godwin	Executive Director lead: Jacqui Jensen		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>			
Purpose of Report: The purpose of the report is to present the full business case which has been produced with the aim of delivering on our ambition to have a new profile of children's home in the city (as initially proposed within the Strengthening Families Cabinet report in January 2018).			
<p>Evidence Base: Re-profiling of Children's Homes is a project within the Strengthening Families transformation programme set up to enable the council to meet the needs of children in care whose complex needs and presentation mean that a foster family is not a viable option and a more intensive package of care is required. A remodelling of our existing provision, favouring smaller homes that more closely replicate an ordinary family home, would enable us to care for these children's needs locally.</p> <p>The proposal is that moving to a model of smaller group homes for 2 (possibly 3) children will facilitate better matching of children to available placements, where currently we are struggling to place children in our larger homes as it difficult to match 4 or 5 children with very complex needs together. A new model of smaller homes will result in improved occupancy rates in our children's homes and provide a better value for money service as well as opportunities to improve outcomes for the children and young people placed in our homes. This is a model which has been successfully adopted in other authorities such as Stoke and Nottingham.</p> <p>Once the first few homes become operational, the service benefits and the operational expectations can be tested. The nature of these changes is such that the programme could be stopped at a future point if the service benefits are not apparent.</p>			
<p>Cabinet Member / Officer Recommendations: That Cabinet:</p> <ol style="list-style-type: none"> Note that following Cabinet's approval in January 2019, the first property of the new model has been purchased, refurbishment and Ofsted registration are underway, and it is due to open in the summer. Approve the Re-profiling of the Children's Homes project, as described in the Full Business Case (see Appendix A). Approve the release the remaining capital required (£3.3m) to deliver the project. Authorise Executive Director for People, in consultation with the Cabinet Member for Women, Children and Young People, to take all necessary steps (including property acquisitions, procurement of necessary services and works) to deliver the project, within the allocated budget (including authority to take decisions to spend sums that would otherwise require a key decision). 			
Corporate Strategy alignment: The strategic intent and approach embodied within the Strengthening Families Programme, of which the Re-profiling of Children's Homes is a project, is contained within and referred to in Theme 1: Empower and Caring in the Bristol City Council Corporate Strategy 2018–2023 (specifically under point No. 3. Provide 'help to help yourself' and 'help when you need it' through a sustainable, safe and diverse system of social care and safeguarding provision, with a focus on early help and intervention).			
City Benefits: The premise of the project is to deliver efficiencies through improving outcomes for children, young			

people and families. The benefit is a model of children’s social care delivery which is sustainable for the future.

Consultation Details: There has been an extended period of engagement with staff and stakeholders across and beyond the organisation. The proposals formed part of the corporate strategy and budget discussions with the Mayor, Cabinet and the council’s senior leadership team and subsequently were included in the Corporate Strategy and Budget Consultation 2018-2023 within the Strengthening Families Programme. The proposals are the subject of a Scrutiny Task and Finish Group looking at demand in Children’s Social Care and have been the subject of a partner workshop discussing children’s social care transformation. Detailed community consultation will have to be undertaken each time a new site is identified.

Background Documents:

Revenue Cost	£3.792m , reducing by £0.142m over 4 years.	Source of Revenue Funding	Current budgets for existing in-house Children’s Homes and placement budget for out-of-authority places.
Capital Cost	£4.138m	Source of Capital Funding	£0.800m in current capital programme PE06 £3.338m in pending capital programme PE06A
One off cost <input checked="" type="checkbox"/> Ongoing cost <input checked="" type="checkbox"/>		Saving Proposal <input checked="" type="checkbox"/> Income generation proposal <input type="checkbox"/>	

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

This initiative is principally driven by the service view that smaller homes are better for children and young people in care than the larger, 4 and 5 bed homes that are currently used.

Although the proposal falls part of the Strengthening Families programme, this is not an initiative that is being pursued for financial reasons. The savings target of £0.304m, included in the Strengthening Families Programme, is not fully met by the option put forward in this business case: only £0.142m of savings are expected, a shortfall of £0.162m. This is in the context of the programme expecting to deliver £6m savings over 5 years.

The baseline cost for 17 occupied places is £3.792m. This option comes out at £3.650m - £0.142m cheaper than the baseline. The future configuration of 2 and 3-bed homes expects to provide 20 places at 80% occupancy (i.e. 16 places). This is more than the current 19 places at 55% occupancy (i.e. 10.5 places). So, the baseline and the options each consider how 16 places are currently provided (between in-house provision and out-of-authority places) and how they would be provided with the end-state option.

Current occupancy levels are 55%, which is low and makes the current in-house provision expensive (£0.259m per occupied place), compared to external (the average cost for the top ten most expensive is £0.196m). The level in the outline business case was 63%, so this lower occupancy has contributed to an increase in the baseline cost. A less generous assessment would have set the baseline occupancy higher than 55%.

The financial illustration, moreover, is heavily dependent on occupancy levels achieving a target of 80%. The service believes that the smaller homes make compatibility of house-mates easier. It is not clear whether the availability of suitable residential care candidates will occur at a regularity which will optimise that level of occupancy. It is open to the service to actively manage the facilities and sell spare places to neighbouring authorities.

A 5% shortfall in meeting the 80% target would cost an extra £0.2m and would remove the headline saving from the project.

The models have worked on the basis of operating costs of £440k for a 2 bed home (with one manager between 2 homes) and £472k for a 3 bed home (with one manager per home). These costs could only be changed if the service took a different view on the resourcing ratios needed for these new homes. The capital costs of £4.138m have increased since the outline business case. This is because a more detailed assessment of the market position and the

likely costs of bringing properties into use as children’s homes have been undertaken. The capital costs have been taken at mid-way between the open market and off-plan options of £527k. 3-bed homes are estimated to cost £50k more than this figure. Acquiring homes and disposing of existing ones would happen over a four year period.

There is £0.8m in the capital available in the capital programme. The balance of £3.338m will be funded from the earmarked £5m budget in the capital programme for children’s social care (PE06A), which was created pending a satisfactory business case. There will be £1.662m remaining in the capital programme for 2022/23 for this budget heading.

On the basis of £4.138m capital being spent on this overall programme, that equates to around £0.160m capital financing costs, but these are already built into the Medium Term Financial Plan (MTFP). There are, however, some disposals of assets associated with this initiative to mitigate such costs, but the MTFP has built in assumptions about capital receipts, too. While there will be capital receipts, either through the disposal of assets on the open market or through appropriation of assets by the Housing Revenue Account, these have not been included in this business case. Any financial gains from such transactions would be retained corporately to support the General Fund capital programme. Again, this is not an initiative that has clear financial benefits: it is broadly financially neutral, on the basis of the profile. Nonetheless, that does not change the fact that this is an initiative that is expected to have wider service benefits and the only way of demonstrating that is to proceed.

Once the first few homes become operational, the service benefits and the operational expectations can be tested. The nature of these changes is such that the programme could be stopped at a future point if the service benefits are not apparent.

Current revenue costs are greater than the forecast cost, subject to the caveats on risks outlined here. The additional £3.3m capital required to undertake the full programme (beyond the £0.8m already agreed) has been earmarked in the current capital programme.

Finance Business Partner: David Tully, Interim Finance Business Partner, 6 June 2019

2. Legal Advice: The proposal will involve the acquisition of properties and the procurement of services/works etc. for the adaptation of those properties to suit the Councils requirements.

All procurement activities will need to comply with the appropriate procurement regulations and/or council procurement rules.

The Council’s power to acquire property by agreement and at market value falls within the Local Government Act 1972 for the purpose of any of its functions, or for the benefit, improvement or development of the area.

The effect of the delegation sought will permit the Executive Director (subject to complying with Councils normal rules, including those on property acquisition and procurement) to expend sums in excess of the key decision threshold without further reference to cabinet.

Legal Team Leader: Eric Andrews, Team Leader, Legal Services 9.5.19

3. Implications on IT: There is no specific reference to IT provision in the business case, although I understand that anticipated costs are included in the fit-out costs. Any such requirement will need to be scheduled into the IT Services work programme at the appropriate time.

IT Team Leader: Ian Gale, Head of IT, 9 May 2019

4. HR Advice: There could potentially be significant HR implications for staff currently employed within the current Residential Homes we have. There could be different ways of working, different shifts for more continuity, new skills to learn for a new approach. Once we are further on in the project we will be able to undertake a specific piece of work to assess the impact on staff and then apply any policies or procedures as needed. There could be development opportunities as a result of the changes, training needs will also be met. A full Managing Change will be undertaken if appropriate in consultation with employees and their representatives.

HR Partner: Lorna Laing, People & Culture HR Business Partner, 3 May 2019

EDM Sign-off	Jacqui Jensen, Executive Director – People	17 April 2019
Cabinet Member sign-off	Councillor Helen Godwin	24 April 2019
For Key Decisions - Mayor’s	Mayor’s Office	3 May 2019

Office sign-off		
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Appendix A – Further essential background / detail on the proposal Full Business Case – Re-Profiling Children’s Homes (and associated appendices)	YES
Appendix B – Details of consultation carried out - internal and external refer to Section 19.4 in the accompanying Full Business Case (Appendix A)	NO
Appendix C – Summary of any engagement with scrutiny refer to Appendix A	NO
Appendix D – Risk assessment refer to Appendix 4 in the accompanying Full Business Case (Appendix A)	NO
Appendix E – Equalities screening / impact assessment of proposal Refer to Appendices 1 and 7 in the accompanying Full Business Case (Appendix A)	NO
Appendix F – Eco-impact screening/ impact assessment of proposal Refer to Appendix 8 in the accompanying Full Business Case (Appendix A)	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO