

# Full Business Case



## A. PROJECT SUMMARY INFORMATION

<b>Project Name:</b>	<b>Disabled Children's Home</b>		
<b>Project ID (if known):</b>	<b>18ST123.3</b>		
<b>Cabinet Member:</b>	Councillor Helen Godwin	<b>Lead Officer (Sponsor):</b>	Ann James (Service Director), Kate Markley (Service Manager)
<b>Directorate(s):</b>	People	<b>Associated service areas:</b>	Disabled Children and Specialist Services (Children and Family Services)
<b>Mandate</b> <b>OBC/FBC</b>	<b>Report lead author(s):</b> Kate Markley, Service Manager, Disabled Children & Specialist Services Sam Marsh, Change Business Partner Ann James, Service Director Helen Häggi, Project Manager		
<b>Report recipients:</b>	People EDM, Cabinet Member, Cabinet, PMO assurance		

## B. ORGANISATIONAL CONTEXT

<b>Alignment to corporate theme(s):</b>	Empowering & Caring
<b>Portfolio Prioritisation Position:</b>	5
<b>Project category:</b>	<input type="checkbox"/> Saving delivery <input type="checkbox"/> Compliance / Statutory <input checked="" type="checkbox"/> Risk reduction <input checked="" type="checkbox"/> Cost avoidance <input checked="" type="checkbox"/> Improved outcomes <input type="checkbox"/> Enabling <Other>
<b>Council Budget saving delivery:</b>	The cost avoidance outlined in the FBC would contribute towards Strengthening Families savings targets. Budget reference FP31

## C. DOCUMENT CONTROL

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<b>Document owner:</b>	Helen Häggi																																		
<b>Version control</b>	<table border="1"> <thead> <tr> <th>Version</th> <th>Author(s)</th> <th>Description</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>V0_01</td> <td>Helen Häggi</td> <td>First draft</td> <td>02/09/2020</td> </tr> <tr> <td>V0_02</td> <td>Helen Häggi</td> <td>Updated financial modelling - Anne Sheridan</td> <td>28/09/2020</td> </tr> <tr> <td>V0_03</td> <td>Helen Häggi</td> <td>Updated capital financials following completion of next stage of design</td> <td>30/09/2020</td> </tr> <tr> <td>V0_04</td> <td>Helen Häggi</td> <td>Updated rev/cost avoidance</td> <td>02/10/2020</td> </tr> <tr> <td>V0_05</td> <td>Helen Häggi</td> <td>Amendments following AJ briefing</td> <td>05/10/2020</td> </tr> <tr> <td>V0_06</td> <td>Helen Häggi</td> <td>Amendments following FBP feedback</td> <td>06/10/2020</td> </tr> <tr> <td>V0_07</td> <td>Helen Häggi</td> <td>Final version</td> <td>10/11/2020</td> </tr> </tbody> </table>			Version	Author(s)	Description	Date	V0_01	Helen Häggi	First draft	02/09/2020	V0_02	Helen Häggi	Updated financial modelling - Anne Sheridan	28/09/2020	V0_03	Helen Häggi	Updated capital financials following completion of next stage of design	30/09/2020	V0_04	Helen Häggi	Updated rev/cost avoidance	02/10/2020	V0_05	Helen Häggi	Amendments following AJ briefing	05/10/2020	V0_06	Helen Häggi	Amendments following FBP feedback	06/10/2020	V0_07	Helen Häggi	Final version	10/11/2020
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## EXECUTIVE SUMMARY: DECISION REQUIRED

### In consultation with Cabinet Member for Women, Families and Homes we ask Cabinet to:

- 1) Approve the creation of a new disabled children's home.
- 2) Approve the use of out of authority placements revenue budget to fund on-going staffing costs for the new disabled children's home.
- 3) Approve the use of up to £500,000 from the children's home capital allocation for the Children's Homes Project to deliver the capital build.
- 4) Authorise the Executive Director People in consultation with Cabinet Member for Women, Families and Homes to take all steps to deliver the project within the agreed scope outlined in Appendix A including to procure and enter into contracts to successfully deliver the home.

The Service Area Lead prioritising availability to support the progress of the next phase of work is:

**Kate Markley, Service Manager, Disabled Children & Specialist Services**

### Project context summary:

The creation of a new disabled children's home is the planned response to the closure of the only Bristol based home for disabled children which was privately run.

Continuing with temporary placements is not an option because it is disruptive to family life, medical conditions, and at an ongoing significant cost to the authority. Therefore, we need appropriate move on plans in place for children. The quickest and most cost-effective way to address this is to open a three-bed disabled children's home, with suitable adaptations that replicates the home environment for the children. With the proposed adaptations, this home will enable the Council to ensure we meet Ofsted and statutory duties to house three children with severe disabilities who would otherwise be placed out of county.

### Any key changes since Outline Business Case approval:

The next stage of design work has been completed in collaboration with Housing Delivery to ascertain more accurate capital build costs based on required adaptations and condition surveys. Further financial modelling has been completed in relation to the long-term revenue and cost avoidance of the proposal as outlined in Appendix A.1

### Recommended option:

It is recommended to partner with Housing Delivery to open a new disabled children's home using an existing site from the Council's general fund stock. In the short term, this resolves the issue that current placements are unsustainable and reduces risk. In the long term, it enables the Council to lay a foundation of capacity 'in-house' that anticipates demand increasing within this cohort. Overall, demand for social care is expected to increase by at least 5% amid the current economic downturn. Independent placement costs are growing exponentially alongside this, which has been further exacerbated by market responses and the Covid-19 pandemic.

By delivering a new home 'in-house' we can achieve more sustainable placement options in the most cost effective and planned way. This ultimately works towards improving outcomes for young people with complex needs in Bristol and aligns with the organisational direction of travel to implement a new Placement Sufficiency Plan. It also supports regional sector led improvement work across the South West on placement sufficiency and has the potential to play an important role at a regional and CCG-wide level.

### Anticipated cost/benefit profile for preferred option:

£'000	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
Total	(20/21)	(21/22)	(22/23)	(23/24)	(24/25)	(25/26)	
New costs	£19	£399	-	-	-	-	£418
Opp costs	-	£13	-	-	-	-	£13

<b>Ongoing costs</b>	-	-	£498	£498	£498	£498	<b>£1,992</b>
<b>Total costs</b>	<b>£19</b>	<b>£412</b>	<b>£498</b>	<b>£498</b>	<b>£498</b>	<b>£498</b>	<b>£2,423</b>
<b>Gross cost avoidance</b>	-	-	-	(£128)	(£128)	(£128)	<b>(£384)</b>
<b>Net cost</b>	<b>£19</b>	<b>£412</b>	<b>£498</b>	<b>£371</b>	<b>£371</b>	<b>£371</b>	<b>£2,042</b>

*\*Please refer to Section 2.4 and Appendix A.1 for detailed 10 year view of revenue costs and cost avoidance.*

	<b>Value</b>	<b>Supporting commentary</b>
<b>Confidence level</b>	65-70 %	<p>The next stage of design and condition surveys have been undertaken to capture the cost of refurbishing the site. Confidence levels are pitched higher at 65-70% due to the increased understanding of the build. The confidence level also reflects the 'unknown' costs that can arise as part of any property development, particularly during a time when the Covid-19 pandemic is heavily impacting construction and manufacture industries. If the proposal is approved the final stage of design and surveys would reveal any unforeseen costs. To mitigate this risk the project is asking to drawdown up to £500,000 funding as contingency for the project.</p> <p>To fund on-going revenue costs, the out of authority placements budget has been identified. All roles outlined in Appendix A.1 would need to be funded by repurposing this budget. To deliver cost avoidance outlined in the proposal the 'in-house' model needs to maintain 90% occupancy.</p>
<b>Contingency budget</b>	None	We do not see demand reducing because this child population is growing, and we must meet the demand. However, if occupancy did drop in the future, neighbouring authorities have expressed interest in placing children in the home.

#### **Identified sources of funding (including any shortfall):**

- Up to £500,000: unallocated children's home capital reserve - expenditure to bring home into operation
- £498,000: Out of authority placements revenue budget - annual budget requirement to staff and maintain home.
- In order to deliver the cost avoidance set out in this proposal, the home would need to maintain 90% occupancy.
- It should be acknowledged that widening the scope of Re-profiling Children's Homes Project to deliver this additional home would likely result in one less home than expected. Mitigation for this risk is to therefore drawdown up to £500,000 from the children's home capital allocation for the Project to deliver both schemes.

#### **Anticipated key measurable (non-financial) benefits:**

- Meeting service demand and needs of three disabled children.
- Fewer children need to be placed in out of county residential placements.
- A high occupancy rate of the home such that the three-bed home is consistently used.
- Alignment with the organisational direction of travel through the new Placement Sufficiency Plan and regional sector led improvement work on placement sufficiency.

#### **Estimated timescale to deliver:**

- Estimated start date if Cabinet approval achieved: December 2020
- Design, Planning and Open Tender: 3-5 months
- Build: 9-12 months (*based on experience with other homes and impact of covid-19 pandemic on construction and manufacture industries*)
- Home operational by new financial year 22/23

### Learning from previous work

Colleagues working on the Better Lives at Home project, and Re-profiling Children's Homes have provided advice and lessons they have learnt in undertaking similar projects. They advised considering carefully the costs of new build vs adaptation of the existing identified property and this has been incorporated into this work. In order to do this Housing Delivery have progressed designs to RIBA Stage 2 for the most accurate capital build costs. All financials are based on this work and experience in the Re-profiling Children's Home Project. Housing Delivery have also advised on appropriate timescales that for the plans high level milestones.

### Any decisions / endorsements already secured:

15/06/2020 - Mandate approved by CLB to progress to next stage OBC using Re-profiling Children's Homes Capital Budget

15/09/2020 – OBC approved by CLB to progress to FBC stage and Cabinet decision pathway using Re-profiling Children's Homes Capital Budget

<b>Total spend to date - New costs:</b>	£9,887
<b>Total spend to date - Opp costs:</b>	£1,000

<b>New costs to deliver project:</b>	£418,100
<b>Opportunity costs to deliver project:</b>	£12,500
<b>Funding required:</b>	£418,100
<b>Funding source(s):</b>	Capital Children's Residential Programme
<b>Est. timescale for project delivery:</b>	12 – 18 months to completion

## 1. Project overview

The creation of a disabled children's home is the planned response to the closure of the only Bristol based home for disabled children which was privately run.

This proposal recommends opening a three bed home that replicates a family environment for the children with suitable adaptations to meet their medical conditions. Children's Services expressed an interest in a property from BCC stock at Strategic Property Board and this has been approved as available to deliver the proposal.

At Outline Business Case stage Corporate Leadership Board approved the following recommendations:

- Approval to progress to FBC stage and progress a Cabinet decision pathway to deliver a new disabled children's home.
- Approval to use of out of authority placements revenue budget to fund on-going staffing costs and associated risk.
- Approval to widen the Re-profiling Children's Home Project scope and use of capital budget to deliver the build via Housing Delivery.
- Acknowledge that Re-profiling Children's Homes capital budget will be impacted by widening the scope.

### Current provision: BCC Disabled Children's Homes

We have two children's homes providing short breaks for disabled children (The Bush and Belbrook).

### Current provision: Residential Schools

Children in care who have special educational needs and/or disabilities (SEND) may be placed in residential special schools when a Bristol maintained special school cannot meet their needs. Independent residential schools provide integrated social care, education and therapeutic placements which may be tripartite funded by social care, education and health. The Council currently has one maintained residential school, Notton House SEMH School in Wiltshire where 8 children are placed.

We currently spend £5.8m a year commissioning external residential placements for children in care, including independent residential schools.

### Issues with the current provision

Currently Bristol has no residential provision for disabled children following the closure of the only residential school in 2019. The children out of this provision and some additional young people who have had changes in family circumstances present a high level of need through complex health needs and the demand for placements within this cohort is growing quickly.

The result of this has meant high levels of agency staff to maintain the operation. This is a significant cost to the local authority as well as offering inconsistency of care to the children and young people.

Bristol City Council has a statutory duty under s22 of The Children Act 1989 to take steps to ensure, as far as practicable, that we can provide looked after children with locally based placements that can meet their needs ('the sufficiency duty').

Overall private and out of authority placements cost the authority more than operating an 'in-house' model. The following compares the cost difference between in-house and private care for children in Bristol and the potential cost avoidance that can be delivered if we pursue an in-house operation.

To present a fair comparison and the wider impact to the authority, a full placement package is shown below to calculate the most accurate potential cost avoidance that could be delivered. This includes Dedicated Schools Grant (DSG) education contributions at £52,000 per placement and an average 17.3% for overheads. The cost avoidance has been calculated based on 90% occupancy of the home.

Cost	Out of Authority/Private Placement	In-House Placement at 90% capacity	Cost Avoidance
Annual cost of x1 placement <i>(joint funded General Fund 63% DSG 37%)</i>	£311,000	£184,444	
Overheads <i>(17.3% average)</i>	-	£31,909	
Annual cost of average education placement - <i>dedicated schools grant</i>	-	£52,000	
<b>Total annual cost x1 placement</b>	<b>£311,000</b>	<b>£268,353</b>	<b>£42,647</b>
<b>Total annual cost x3 placements</b>	<b>£933,000</b>	<b>£805,059</b>	<b>£127,941</b>

### Lifetime journey for children in-house and private/out of authority care

The lifetime cost difference between in-house and private care demonstrates that an in-house operation is more cost effective for the authority long term. The following example is modelled on a full placement package for three children who will live in the new home and how long we anticipate them remaining in our care. Figures are based on average weekly cost of the placement type and includes the cost of transition to adulthood (supported living) at 18 up to age 25 for Adult Social Care.

Remaining years in care <i>(up to age 25)</i>	Lifetime private/out of authority	Lifetime In-House
Placement 1 – (14 years left of care)	£3,016,528	£2,675,352
Placement 2 – (10 years left of care)	£1,772,528	£1,601,940
Placement 3 – (13 years left of care)	£2,705,528	£2,406,999
<b>Total</b>	<b>£7,494,584</b>	<b>£6,684,291</b>

## 2. Preferred Option Detailed Case

### 2.1 Project scope

In Scope
<ul style="list-style-type: none"> <li>• Open new disabled children’s home with adaptations made to a property from existing BCC stock</li> <li>• Bristol City Council’s Disabled Children service (critical service)</li> <li>• Design works and planning application (change of use/classification) to enable tender for refurbishment works.</li> <li>• Recruitment activity for staffing</li> <li>• Ofsted registration (application preparation)</li> <li>• IT work package for IT kit, WiFi and phones.</li> </ul>

Out of scope	Any risks/consequences associated with “Out of scope” items
Short breaks for disabled children provision (The Bush and Belbrook).	N/A

### 2.2 Project objectives

	Specific	Measureable	Timebound
1	New disabled children’s home is open and fully occupied by children for whom it meets their needs at a lower cost than existing arrangements	Yes – tracked via success in completing build, OFSTED registration and existing placements budget data from Service.	2021-2022
2	Fewer children are placed out of authority and increase number of available placements	Yes – tracked via existing placements data from Service.	2021-2023
3	Overall cost of residential care for disabled children reduces as a result of the new home	Yes – tracked via existing Service budget and spend on residential care.	2021-2023
4	Creates consistent high occupancy rate within the home	Yes – tracked via existing placement data from Service.	2021-2023

### 2.3 Quality expectations

The scheme will be of good quality design and incorporate standard features that create a feeling of a family home throughout the property and exterior that does not feel clinical or institutional. It will be flexible in design and ‘future proofed’ to allow it to meet the wide range of needs of future young people.

There are statutory obligations and requirements which govern the provision of residential placements in children’s homes. The Children’s Homes (England) Regulations 2015 came into force in April 2015, replacing the previous set of regulations. They introduced nine Quality Standards (replacing the old National Minimum Standards). The SEND Code of Practice: 0-25 years is also relevant to staff understanding the specialist support children may need to be able to engage positively and engage in education.

All children’s homes need to meet these regulations and be registered by Ofsted. The home will be subject to inspection under the Ofsted framework.

Wherever possible, we want children and young people to live in a family setting and we only place in a children’s home or residential special school when this is the best option to meet their needs. In the event that a child or young

person does require local authority care, then a stable, well-matched placement where they can live until prepared and ready to leave is the single most influential factor in improving children’s outcomes and creating the conditions from which they can go on to live successful adult lives. When we look to make a placement match we are required to carry out an impact assessment which looks at whether the needs of the young person are compatible with the needs of the other young people already in the setting and also the skills of the staff group. Other considerations such as community and location are also taken into account.

## 2.4 Summary Costs and Benefits

The following table shows the ‘most likely’ case financial modelling over 10 years. Further detail on calculations is included within Appendix A.1.

Most Likely Case – Financial Overview											
(£'000s)	Yrs 0-1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Total
<b>New costs</b>	418	-	-	-	-	-	-	-	-	-	<b>£418</b>
<b>Opportunity costs</b>	13	-	-	-	-	-	-	-	-	-	<b>£13</b>
<b>Ongoing annual costs</b>	-	498	498	498	498	498	498	498	498	498	<b>£4,482</b>
<b>Total costs</b>	<b>431</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>498</b>	<b>£4,913</b>
<b>Gross cost avoidance</b>	-	-	(128)	(128)	(128)	(128)	(128)	(128)	(128)	(128)	<b>(£1,024)</b>
<b>Annual Net Cost:</b>	<b>431</b>	<b>498</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>371</b>	<b>£4,328</b>

All roles relating to the on-going costs have been defined by the Service Manager in Appendix A.1. As it currently stands, 1x Deputy Manager and 3x Residential Child Care workers have been recruited to respond to the immediate care needs for these children in their current placements. The cost for these posts is being paid from the Bush budget but this is not an option beyond 2020/2021. Administrative support has not been included because there are plans to extend duties of existing 4x administrators who deliver a business management function across our current children's homes.

## 2.5 Benefits

### Financial benefits:

Description	Metric	Owner	Assumption(s)
In-house provision will deliver cost avoidance long term for the Council	Out of authority placements budget sees a reduction.	Ann James	This is based on 90% occupancy of the home at all times. Otherwise cost avoidance will not be delivered.
The overall cost of providing residential care for disabled children and young people is reduced.	Average cost of a residential placement	Kate Markley	Improving the variety of placement options means that there are more children placed in-house provision than previously – which is more cost effective than out of authority or private placements.

### Non-financial benefits:

Description	Metric	Owner	Assumption(s)
Resolves unsustainable	Ofsted	Kate	In-house provision in Bristol

placements to meet demand for three children	requirements, Monthly reporting around stability of placement, reduced anxiety, health etc.	Markley	means we reduce risk for children and keep them close to their communities improving their stability and giving them access to the opportunities of the city to enhance their life chances.
Creates in-house provision in Bristol where there is currently none and demand is only increasing as the child population for this cohort grows.	Distance placed from Bristol and CiC numbers	James Beardall	This mitigates risk around long term placement sufficiency and means we have capacity to plan more efficiently so fewer disabled children and young people in care are placed in out of authority placements.  With a better mix of homes we will be able to place more children in Bristol and not have to rely on out of authority placements. This in turn makes it easier to manage the transition to adulthood and be aligned with Adult Social Care.
Through being able to offer a wider placement choice we are better equipped to match resident young people and meet their emotional wellbeing needs.	National Indicator set  Therapeutic Team pilot reports	James Beardall	With a new mix of homes in the proposed model we will be able to utilise the wrap around services – health, education and provide a home from home
The majority of our children with complex needs who require residential care live in homes with appropriate adaptations in Bristol rated 'Good' or 'Outstanding' by Ofsted	Ofsted Reports	James Beardall	With the new mix of homes and better geographical dispersment we will improve the ratings due to better model of home from home provision.
Aligned with Placement Sufficiency Plan and regional sector led improvement work to improve placement sufficiency across the South West.	Reporting around stability and availability of placements.  National/Regional Indicator sets	Ann James	Aligned with Placement Sufficiency Plan recommendation that went to Cabinet in October 2020 to open a new disabled children's home. Supports regional sector led improvement work and has the potential to play an important part at a regional and CCG-wide level.

## 2.6 Costs & Funding Sources

The following presents costs required to get the home into operation. Detail with regards to on-going costs can be found in section 2.4 and Appendix A.1

Funding source	Budget Holder	Cost-Code	Financial Year (or recurring)	Amount
Drawdown from children's home capital reserve into Capital -Children's	James Beardall	15162-1001	21/22	£418,100



Residential Programme budget				
Out of authority placements revenue budget	James Beardall	12973	Recurring upon completion of build	£498,00

<b>Total funding required</b> (ref S15.3)	<b>£500,000</b>
<b>Total funding secured</b>	-
<b>Variance</b>	-
<b>Variance commentary:</b>	
<p><b>Capital cost:</b> Widening the scope of Re-profiling Children’s Homes Project to deliver the capital build will likely result in one less home than expected. Mitigation for this is to drawdown up to £500,000 from the children’s home capital allocation for the Project to deliver the additional home.</p> <p><b>Revenue cost:</b> Proposal is to re-purpose an existing budget. In order to deliver the outlined cost avoidance the new home would need to maintain 90% occupancy.</p>	

## 2.7 Key Risks and Issues

Key Risks & Issues	RAG	Mitigation
Current placements for the three children displaced by the closure of St Christopher’s are not sustainable long term and must change. There is no provision in Bristol, therefore other placements are at a significant cost to the local authority as well as offering inconsistency of care to the children and young people.	R	Increasing capacity in Bristol via this model is the most cost effective and sustainable model long term through an in-house model instead of privately run home. This meets immediate demand and reduces risk for the children as well as addressing the placement sufficiency long term where the Service expects an increase to children in care numbers for this cohort over time.
<p>There is a risk relating to the continued impact of covid-19 and the second wave of the pandemic:</p> <ul style="list-style-type: none"> <li>-Site activity stops and availability of resource and suppliers reduces</li> <li>-Economic repercussions faced by industries (manufacture and construction) we are reliant on to deliver</li> <li>-Increased pressure and competing priorities in the service to deliver the new home as planned</li> </ul> <p>Overall delivery would take longer than expected and we may have to spend more in the long run.</p>	A	<p>There is little opportunity to fully mitigate this risk as the status is changeable and the scale of the impact is unpredictable. For the most part, the risk must be accepted.</p> <p>Staff will endeavour to maintain momentum within the parameters of their control. The situation is being closely monitored corporately with regular communication with SRO and Project Board.</p> <p>It is important to note that due to the nature of the project, any activity on site would likely halt and ultimately could mean severe delays to opening new homes until restrictions are lifted.</p>
Cost avoidance is based on maintaining 90% occupancy in the home. If it is not maintained the home would not deliver the cost avoidance outlined in the proposal.	A	Trajectory for demand is expected to increase steadily in the coming years. Another option to maintain occupancy is by placing children from other neighbouring authorities in the home. Expressions of interest have been received from other LA's where demand is high, which could

		contribute to maintaining the home.
There is a risk that increasing the Re-profiling Children's Home project scope to deliver this proposal will impact the capital budget, project plan and our ability to deliver all 8 homes as expected. This may require more time or capital investment later in the programme.	G	<p>The next stage of design works was commissioned for the scheme, so we know the most accurate build cost to incorporate into the plan.</p> <p>A proposal to drawdown up to £500,000 of the unallocated children's home capital reserve as contingency for the project to deliver both schemes and account for any unexpected cost that might come out of the final stages of design and condition reports.</p> <p>Alternatively, the funding would need to come from the existing budget - Capital Children's Residential Programme, which has already been allocated to open 8 homes across the city. The impact of this would result in one less home than expected.</p>

### 2.7.1 Risk Impact Analysis

The following risks might require a return to the Sponsoring Group if:

- The cost required to complete the new disabled children's home exceeds funding agreed to deliver homes within the Re-profiling Children's Home Project. Drawing down funding from the unallocated children's home capital reserve should fully mitigate the impact of widening the project scope. As properties are purchased sequentially in the project (as opposed to all at the same time) and knowledge on associated costs of purchase and fit-out to Ofsted standard is gained, this risk will be minimised and the decision should be taken in advance of committing to the final property of the programme unless there is certainty that the required level of funding is available to achieve both proposals.
- Anticipated cost avoidance is not delivered. Mitigation for this is that we know young people who will be placed in the home so we can be accurate with anticipated cost avoidance and demand is expected to increase for this cohort of children, keeping occupancy levels high. Financial projections have been modelled over 10 years to present the most accurate picture of having an 'in-house' operation.

Other risks are project risks which can be managed at the project level or escalated to Executive Director Meetings as per the reporting governance structure outlined in Appendix H.

## **2.8 Contingency Planning**

Discovery work considered different delivery options. The approach detailed in the Full Business Case is based on all of the facts that have been identified during this time. An overall confidence level is pitched at 65-70% with the following rationale:

In order to start this project, we are looking at adapting an existing property from the Council's general fund stock. This has been formally approved by Property and there will be no acquisition cost required. The land value of the site was assessed by Property in 2019 who determined an asset value of £147,000. This is deemed accurate in comparison to other development land sales in the area and demonstrates the cost avoidance the Council can achieve by pursuing this site rather than searching for a suitable property on the open market. Similar size properties in the North Bristol area are costly on the open market and we could expect to spend £350,000 - £500,000 on acquisition costs alone. This is based on experience searching for similar sized properties in the Re-profiling Children's Home Project.

Design work for the site has been progressed to the next stage and provided accurate capital build costs. Further detailed financial modelling has also been completed in relation to the revenue cost. Estimates are based on previous placements and extrapolated data from comparable sources.

With regards to timescales to refurbish the property, advice have been sought from Housing Delivery and experience on Re-profiling Children's Homes to date with confidence levels are pitched at 65-70%. The reason for this is that there is currently no framework or preferred contractors in place to deliver the refurbishment, which requires us to go out to tender and could present a risk to timescales.

Another on-going risk we must acknowledge in relation to delivery is the impact of the second wave of the Covid-19 pandemic and restrictions being implemented again. Progress made in the Re-profiling Children's Home Project shows that construction and manufacture industries are operating but availability of suppliers and materials will become limited and these industries will potentially face long term economic repercussions. This could make it challenging to deliver activity at pace, therefore the project plan has increased the time contingency. There is little opportunity to fully mitigate this risk because the status is changeable and the scale of the impact is unpredictable. Staff will endeavour to maintain momentum within the parameters of their control, which is regularly reviewed via the governance structure outline in Appendix H.

## **3. Delivery Approach**

### **3.1 Implementation Approach**

The intention is to implement the new model in a phased delivery, similar to the approach taken by the Re-profiling Children's Home project. This time however, we will be partnering with Housing Delivery because it is a plot from the general fund of which the Service have extensive experience in similar builds with access requirements. We will sequence each element of the work in a staged and proportionate way due to the dependencies each work stream has, such as planning consent, design, tender, refurbishment and Ofsted applications.

This sequenced roll is also due to quality requirements that must be in place prior to Ofsted inspection. Handover to the Service will happen upon completion of building works to enable final preparation of the home prepared for operational staff and moving the young people into the home.

### **3.2 Benefits Realisation Approach**

The delivery of financial benefits will be tracked via monthly budget monitoring of the cost centres where reductions in expenditure are being sought.

There will be check points scheduled into the project plan to confirm that savings have been delivered within the planned timescales.

The delivery of non-financial benefits will be tracked through monthly national reporting of information around stability, education, reduced anxiety, health etc. This along with financial benefits will be regularly reviewed at the

monthly Re-profiling Children's Homes Project Board, where a formal governance and reporting structure to track progress is in place. (Appendices H and H.1)

### **3.3 Procurement Approach**

With regard to re-purposing the existing site into a three-bedroom disabled children's home, Housing Delivery have advised that provided budget and business case approval by Cabinet with delegated authority given to the appropriate Director, then they can agree the necessary terms and tender to appoint suppliers to deliver the scheme with sign off at the appropriate level.

Discussions with procurement lead determine that appointing suppliers to deliver the proposal will be via a fully compliant route, with a dedicated Procurement Specialist to support the tender process and a dedicated Contract Manager to manage the contract once in place. If a construction JTC contract is required then that resource would come from client side either Building Practice or Housing Delivery, depending on availability.

In terms of furnishing the home once the build is complete. A contract is already in place for specialist medical equipment required and used by the Service. For soft furnishings, a supplier is in place for the Re-profiling Children's Homes Project to furnish all new homes and it is likely that we could include the new disabled children's home within this contract.

### **3.4 Communications and Engagement Approach**

Effective engagement is essential throughout the lifespan of this project. Formal and informal engagement has been ongoing since 2019 and includes elected members, service directors, corporate management meetings and colleagues involved in all elements of the delivery. Engagement will be led by the Re-profiling Children's Homes Project Board, using the same approach this board uses to open new children's homes to date, with regular reporting and updates to Service Directors, Cabinet Members and those impacted by the change directly both internal and external to the Council.

### 3.5 Timeline and Key Milestones

These are best case estimates based on experience to date in the Re-profiling Children’s Home Project and advice from colleagues in Housing Delivery.

Preferred Option A: Key Milestones	Target Date
Full Business Case sign off	01/12/2020
Benefits realisation tracking initiated	01/12/2020
Design, Planning and Tender (3-5 months)	01/04/2021
Build and transition complete (9-12 months)	31/03/2022
Project closed	01/04/2022
Benefits Delivered/Financial Benefits Realised	01/04/2023

### 4. Project governance for implementation

Project Role	Name	Job Title
<b>Sponsor</b>	Ann James	Director of Children & Family Services
<b>Project Executive</b>	James Beardall	Head of Service, Permanency and Specialist Services
<b>Project User(s)</b>	Kate Markley	Disabled Children & Specialist Service Manager
<b>Project Supplier(s)</b>	Claudette McDonald / Chris Woods	Housing Delivery Project Manager / Property Partner
<b>Project Assurance</b>	Sam Marsh	Change Business Partner
<b>Project Manager</b>	Helen Häggi	Project Manager

**Project Board meeting regularly? Yes** – monthly project board already managing delivery of Re-profiling Children’s Homes FBC.

**Project Board ToR’s agreed and relevant? Yes** - Re-profiling Children’s Homes ToR will be forum to monitor progress (Appendices H and H.1)

#### 4.1 Project Tolerances & Controls

The tolerances in the table below indicate the amount of movement that is acceptable to CLB before escalation is required.

Tolerance areas	Project level tolerance	Escalation route	Control & tracking document(s)
<b>Time</b> +/- amounts of time on target completion	+ / - 10%	Jacqui Jensen	Project Plan Highlight Report
<b>Cost</b> +/- amounts of planned budget	+ / - 10%	Jacqui Jensen subject to delegation through key decision at Cabinet.	Budget – Capital and Placements OOA budgets Project Plan Highlight Report
<b>Quality</b> Defining quality targets in terms of ranges	Zero tolerance in terms of the specification of the home due to Service User and Ofsted regulations and H&S requirements.	Project Board	Requirements and spec outlined at design stage Highlight Report
<b>Risk</b>	via normal Risk	Project Board	RAID Log

Limit on aggregated value of threats and any individual threat (e.g. threat to operational service versus threat to organisation)	management approaches	People EDM	Highlight Report
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## 4.2 Project Team Resource Requirements

The following shows resource to progress from design to build completion as a standalone project. This is to fully demonstrate the impact to the Capital Children's Residential Programme - 15162-1001. However, only resource that is new or not already accounted for within the project has been included as funding being sought:

Role	What they will do	Days needed	Cost per day	Total Cost	Opportunity / New Cost	Funding source(s)
Change Project Manager	Develop and manage delivery of activities in the project plan, run the project team, monitor RAID log and progress reports	55 days per property	£256	£14,080	N	Capital – Re-profiling Homes Budget ( <i>already included within project</i> )
Legal Resource	Support with regards to tender for build	2 days	£125/hour	£1,500	N	Capital – Re-profiling Homes Budget
Housing Delivery Project Surveyor/Clerk of works	To ensure the delivery of the works as specified in the tender to completion	2 days / week (BG14 12 months estimate)	£250	£26,000	N	Capital – Re-profiling Homes Budget
Procurement	Support procurement process for open tender to appoint construction supplier	8 days	£450 / day	£3,600	N	Capital – Re-profiling Homes Budget
Service Area Lead (Disabled Children Service Manager assisted by Claire Collier)	Provide service areas expertise advice, guidance and insight to the project Enable access to service-related data and information Support the releasing of key staff to the project team Support change delivery Manage Ofsted reg.	25 days	£500	£12,500	O	Capital – Re-profiling Homes Budget
ICT Support	Install set up and cabling planning - £5000 for whole package + ICT time	4 days	£500	£1,000	N	Capital – Re-profiling Homes Budget

<b>Total opportunity costs</b>	<b>£12,500</b>
<b>Total new costs</b>	<b>£46,180</b>
<b>Total resource costs</b>	<b>£58,680</b>
<b>Total funding being sought</b>	<b>£32,100</b>

## 5. Equalities Impact Assessment (EqIA) Summary of Impact and Key Mitigation

As advised at OBC and FBC stages, a full EQIA assessment is required (Appendix E) due to the nature of the provision for disabled children and young people. At every stage of the process, we need to ensure that

we take full account of their needs and ensure the home is designed around these. A full impact assessment has been completed and at this stage no potentially adverse impacts have been identified to those with protected characteristics. Need analysis will be further developed throughout delivery of the build and we will seek to fill gaps in diversity monitoring for children and young people affected by the proposal.

## 6. Eco-Impact Assessment Summary of Impact and Key Mitigation

As advised at OBC and FBC stages (Appendix F) the significant impact of this proposal arises from the intention to have a three bed disabled children’s home within the Council’s estate and the consequential potential for an increased consumption of electricity and gas and creation of additional waste, there will also be waste created from the refurb/build of the site. The new home will be a normal residential three bedroom home with adaptations made for disabled children placed there. The site has been acquired from existing council stock that is not currently in use. The construction of the building will most likely be delivered by Housing Delivery with supplier for design work and build on the open market. The project will endeavour to influence the use of efficient buildings and renewable energy as much as possible and ensure legally compliant contractors are used. The new home will become integrated into the councils Environmental Management System and environmental impacts will be managed through this. Long term the creation of additional in-house placements within the general fund stock should help to reduce the use of travel to expensive out of authority placements due to the lack on in-house availability.

## 7. Privacy-Impact Assessment Summary of Impact and Key Mitigation

As advised at OBC and FBC stages, the Information Governance Relevance Check indicates that this project has a low processing risk. Following the completion of PIA screening form, the outcome indicated no further action is required outlined in Appendix G. The project does not directly address issues relating to personal data beyond the transfer of physical files and records pertaining to young people to their new home.

## 8. Full Business Case - sign off

Below is a record of who has received a copy of the Full Business Case ahead of submission for sign-off.

Name	Job Title	Date circulated
Ann James	Director of Children & Family Services	05/10/2020
James Beardall	Head of Service, Permanency and Specialist Services	05/10/2020
Denise Hunt	Finance Business Partner	02/10/2020
Kate Markley	Disabled Children & Specialist Service Manager	05/10/2020
Anne Sheridan	Principal Accountant, Children & Family Support	25/09/2020
Simon Oliver	Director of Digital Transformation	29/09/2020
Sam Marsh	Change Business Partner	05/10/2020
Lee Ford	PMO Resource Manager	08/10/2020
Claudette McDonald	Housing Delivery Project Manager	30/09/2020

<b>Decision making authority</b>	Cabinet
<b>Date seeking endorsement</b>	01/12/2020

# APPENDIX

## A. Required commentary and recommended consultation

Recommended bodies/individuals for consultation ahead of submission to the relevant decision making Board:	Commentary (if any)	Date	Version Reviewed
Cabinet Lead		19/10/2020	VO_06
Executive Director Meeting (EDM)		14/10/2020	VO_06
Professional Views	Commentary	Date	
<b>Finance Business Partner</b> Denise Hunt	<p><u>General commentary:</u></p> <p>The report set out the intention to adapt an existing council property (asset valued at £147k) to become a three bedded children’s home. As outlined in the business case, this will incur capital cost of c£418k in terms of adaptations and other necessary works. This is to be funded from a £500k capital drawdown from the Children’s Home Project capital budget reserve, which is currently unallocated.</p> <p>Running costs are estimated to be c£500k per annum for the new home and will be funded from the out of area children’s placement costs budget. As outlined in the report, a cost benefit analysis comparing existing costs of purchasing placements, compared to the preferred costs of operating a new 3 bedded home, indicates an annual cost saving difference of c£128k per annum from opening the new home and a lifetime cost difference (support up to age 25) of c£810k. This suggests that the creation of the in-house three bedded home option, does represent a cost effective approach over the long term.</p>	06/10/2020	VO_05
<b>PMO Operations Manager</b> Lee Ford	Decision-makers can have high confidence in resource estimates based on the contents of this business case and the project	08/10/2020	VO_06



	manager's extensive experience of successfully delivering similar projects.		
<b>Director of Digital Transformation</b> Simon Oliver	No adverse impact on IT Services, this will operate as per other centres and therefore does not cause any concerns.	29/09/2020	VO_02 <i>Commentary re-confirmed at FBC stage</i>
<b>Information Security View</b> James Gay	No PIA needed as is low risk and relates to some use of PD relating to 3 people. Previous project PIA Screening comments about transfer of paper records still stands. No mandatory/discretionary grounds are met.	28/09/2020	VO_02 <i>Commentary re-confirmed at FBC stage</i>
<b>HR Business Partner</b> Lorna Laing	If the preferred option is agree by Cabinet then the opening of a new disabled children's home will offer development opportunities within the current workforce and the possibility of recruiting new staff into the organisation with the pre-requisite skills and knowledge. All appropriate procedures will be followed in relation to redeployment and recruitment.	29/09/2020	VO_01 <i>Commentary re-confirmed at FBC stage</i>
<b>Change Services View</b> Sam Marsh		02/10/2020	VO_04
<b>Property and FM View</b> Chris Woods	The property was declared surplus by Public Health in December 2018. It was circulated within the Council in accordance with the Surplus Land Procedure on 04/12/2018. At Strategic Property Board (SPG) on 08/10/2019 it was agreed that the site should be shared by Housing Delivery and Children's Services, however Housing Delivery later withdrew their scheme. It was considered unnecessary to refer the matter back to SPG and it was agreed that the property be transferred to Children's Services for use by the Disabled Children's Service.  The property is held in the General Fund. Therefore Property resource is unlikely to be required for acquisition however, if needed it can be picked up through the Re-profiling Children's Home Project Board and no need for specific resource.	04/08/2020	VO_02 <i>Commentary OBC stage</i>

<b>Legal View</b> Sarah Sharland	22G Children Act 1989 imposes a duty on the local authority to take steps that secure, so far as reasonably practicable, accommodation for looked after children that is within the authority's area where that would be consistent with their welfare. The local authority must have regard to the benefit of having a number and a range of accommodation providers in their area that is, in their opinion, sufficient to secure that outcome. This proposal will assist the authority in complying with this duty.	05/10/2020	VO_01 <i>Commentary re-confirmed at FBC stage</i>
<b>Commissioning &amp; Procurement View</b> Spencer Penny	Procurement of this project or appointments for services / works will be via a fully compliant route, with a dedicated Procurement Specialist to support the Tender process and a dedicated Contract Manager to manage the contract once in place.	13/08/2020	VO_01 <i>Commentary OBC stage</i>
<b>Other consulted parties (as required)</b>	<b>Commentary</b>	<b>Date</b>	
<b>Housing Delivery</b> Claudette McDonald	Housing Delivery Team are employing a number of external professional services to ensure that the correct base development costing is arrived at. This will be dependent on client's specification for design, functionality and M&E – Assistive technology requirements for this new home. In the next design stage we will need to secure further detailed surveys and costings – with a fully developed specification with the technical expertise from the Occupation Therapist Team.	01/10/2020	VO_03

## B. Mandatory Project Documents

Document Name (& links to templates)	Document Exists? (Yes/ No)	Document Owner	Hyperlink to document
Project Financial Spreadsheet	Yes	Helen Häggi	<a href="#">Appendix A.1</a>
RAID Log	Yes	Helen Häggi	<a href="#">RAID</a>

Project Plan	Yes	Helen Häggi	<a href="#">High Level Plan</a>
EQIA	Yes	Helen Häggi	<a href="#">EQIA</a>
Climate and Environmental Impact Assessment (CEIA)	Yes	Helen Häggi	<a href="#">CEIA</a>
Privacy Impact Assessment	Yes	Helen Häggi	<a href="#">PIA</a>
Project Board Terms Of Reference RACI	Yes	Helen Häggi	<a href="#">RACI ToR</a>
End of Stage Financials Capture Sheet	No	N/A	N/A

### C. Timeline of approvals and any associated conditions

#	Meeting	Date	Action / Decision / Condition	Date for completion (If applicable)	Owner
1	CLB	15/06/2020	Mandate approved	N/A	Ann James
2	CLB	15/09/2020	OBC approved to next stage - further financial modelling	N/A	Ann James
3	Cabinet	01/12/2020	FBC to Cabinet		Ann James