

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 24 January 2023

TITLE	DfE Capital Funding to develop two new Children’s Homes		
Ward(s)	All		
Author: Gail Rogers	Job title: Head of Service – Children’s Commissioning		
Cabinet lead: Cllr Asher Craig - Cabinet Member for Children, Education & Equalities	Executive Director lead: Abi Gbago, Executive Director Children’s and Education		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report: To seek approval to use the Department for Education Children’s Home Capital Funding Grant of £911,000 to develop two BCC owned properties to create a Tier 3.5 and a Adolescent Males Children’s Homes and approve commissioning a provider to run the homes.			
Evidence Base:			
<ol style="list-style-type: none"> 1. Over the past 3 years Bristol has had an increasing percentage of children in care placed at 20 miles or more away from home from 21% in 2019/20 to 23% in 2021/22, the national performance for this measure is 17%. For our children in external residential provision, this rises to 71%. There has also been an increased reliance on using residential placements from 12% at the end of 2020/21 to 16.8% at the end of 2021/22. 2. DfE data shows that the South-West region has just 7% of all Children’s Homes and 6% of places, making it the joint lowest region nationally, alongside London. There is one independent Children’s Home in Bristol, and 11 within 20 miles. Market shaping tells us that the cost of accommodation in Bristol is a barrier and providers are looking for more collaborative ways of working with us such as jointly funded homes. 3. There are currently 727 children in care (CiC) and this figure is predicted to rise to between 736 and 790 children by the end of 2023/4, a CiC population of 763 would be an increase of 5% from Bristol’s current care population. We are already struggling to find placements to meet the needs of our most complex children, and this will be further compounded by the increase of children in care. 4. Bristol City Council submitted a bid to the DfE Children’s Homes Capital Funding Programme, which has been successful. The bid addresses gaps in sufficiency locally and nationally for two cohorts of children with complex care needs through: <ol style="list-style-type: none"> i. Programme 1: A Tier 3.5 home to support children with mental health needs to live in the community through a collaborative model of delivery with Health, Education and Social Care. These children will have experienced acute Health settings and require clinical and social care to enable discharge and/or to prevent hospital admission and re-admission. ii. Programme 2: A new home for adolescent boys aged 15-17+ with challenging and aggressive 			

behaviour. This will provide a therapeutic treatment setting for restorative care, for young men with criminal justice involvement and where exploitation is part of their risk profile. The home will include two self-contained pods in the grounds as preparation for independent living.

5. The project will create the two new Children's Homes out of existing BCC-owned buildings in order to provide spaces for eight children and two carers. These existing properties will require extensive refurbishment in order to create suitable children's home accommodation and facilities.
6. Both properties will be designed to RIBA Stage 3 by the Bristol City Council Strategic Partner Mott MacDonald, and then tendered as a Design and Build Contract via either ProContract or one of BCC's existing Frameworks.
7. Bristol City Council will commission a provider to run the homes once developed, and the local authority will have responsibility for working in partnership with the Provider to ensure that we are meeting the needs of the children and young people. The services have been co-designed with Health, Education and Social Care and we will ensure the contractual arrangements in place are flexible to meet any changing demographic of children and young people's needs.
8. The total budget for the project £911,000 coming from the DfE grant plus in-kind match funding through the value of the land / property. The costings and architectural plans have been developed by Strategic Partner Mott Macdonald and include contingency for inflation.
9. Both elements of this project will ensure value for money for the public purse:

The average cost to hospital trusts of a child occupying a bed when medically fit due to no safe place to discharge is approx. £324/day with the average cost of treating a child for self-harm presentations in ED estimated at approx. £196/day. The cost of 24-hour agency nurse support for a child in ED is approx. £997/day. Current analysis indicates that residential homes are increasingly taking children to hospital following escalation of mental health issues, and once admitted, are stating that they can no longer meet their needs. Once children are ready for discharge, they are then unable to move, this is causing lengthy admissions which incur a significant cost. The creation of the Tier-3.5 home would create sufficiency enabling children to be discharged from hospital wards within suitable timescales.

10. 71% of Bristol's current care population are aged 10 or older (higher than the national average of 62%) and are unlikely to cease care prior to their 18th birthday. There are 17 young people over 15 in Out Of Area residential care where costs range from £5,800 per week all the way up to £16,000 per week due to the need for 24 hour support staff and complex needs, the majority of these young people are boys. This project will enable adolescent males to remain in Bristol at a lower weekly cost.
11. This work forms part of the children's transformation programme and budget savings proposals – creating more locally based homes for children with complex care needs. This will help us to try and reduce the number of children who are placed in expensive placements outside of the city, improving outcomes whilst reducing our overall expenditure.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. Note the submission of a bid for grant funding to the DfE Children's Home Capital Funding Programme.
2. Authorise the Executive Director People, in consultation with Cabinet Member for Children, Education & Equalities to take all steps required to accept and spend £911,000 grant funding from the DfE Children's Home Capital Funding Programme.
3. Authorises the Executive Director in consultation with Cabinet Member for Children, Education and Equalities to take all steps required to procure and award the contract(s) necessary for the implementation of a Tier 3.5

and an Adolescent Males Children’s Home and commission a provider to run the homes, in-line with the maximum budget envelopes outlined in this report.

4. Authorises the Executive Director to invoke any subsequent extensions/variatio ns specifically defined in the contract(s) being awarded, up to the maximum budget envelope outlined in this report.

Corporate Strategy alignment:

1. CYP1 Child Friendly City – Children and young people will be cared for and supported in the City they have grown up in and will be supported to overcome adverse childhood experiences.
2. CYP2 Supported to Thrive - Children and young people will be supported to thrive, by ensuring there are sufficient

City Benefits:

1. Children and Young People in care will remain within Bristol – thus securing better outcomes for our children in their own communities. Less children will be placed in high cost out of area placements.
2. Greater value for the public purse by reducing bed blocking in tier 4 provision where children are fit for discharge but remain in hospital due to a lack of suitable placement being sourced.

Consultation Details:

1. The bid was put together by staff from across children’s services, in collaboration with ICB and Violence Reduction Unit.

Background Documents:

[Children and Families Act 2014](#)

Revenue Cost	£N/A	Source of Revenue Funding	N/A
Capital Cost	£911,000	Source of Capital Funding	DfE Children’s Home Capital Funding Programme, match funded by the value of the land / properties.
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

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

1. Finance Advice: This report seeks approval to accept and spend a grant of £911,000 from the DfE Children’s Home Capital Funding Programme. This grant bid was successful and was secured through the inclusion of an equivalent amount of in-kind match funding, from the Council in the form of land and buildings at two existing children’s homes.

As outlined in the report, these homes will be redeveloped to provide an updated service offer which will support a Tier 3.5 and an Adolescent Males Children’s Home which are significant current service gaps. The development will need to be closely monitored and costs controlled to ensure that the costs do not exceed the £911,000 capital budget envelope, including any assumptions on potential risks in relation to cost inflation, in what is a challenging construction market.

The revenue cost of running a Tier 3.5 3-bedded externally commissioned service is estimated to be in the region of £733,000 (which is in line with current cost assumptions within existing BCC children’s homes with an uplift to reflect higher levels of service complexity). This equates to c£4,700 per week per placement, assuming full occupancy. In contrast, the report suggests the costs to discharge from hospital to a placement can be as high as c£35,000 per week for the highest level of complexity and so the potential annual saving to BCC might be very significant i.e. over £1 million. However, it may also be lower and will be dependent on individual presenting needs and complexity.

The revenue cost of the Adolescent Males Children’s Home for 5 places is expected to cost in the region of £728,000 or £2,800 per week, per placement, assuming full occupancy. In contrast, the average gross cost to the social care budget for an equivalent external placement cost, is currently £6200 per week for this cohort, which would mean a significant saving to social care potentially in excess of c£0.8 million.

The revenue costs are indicative at this stage and will need to more fully developed as part of any commissioning strategy and confirmed via the subsequent procurement process. These revenue costs will need to be funded by a redirection of existing children’s placement budgets and it is assumed that the reduced cost of new placements, with improved value for money will deliver the saving and funding required to achieve this. If there is not a substitution then there is a risk that this will be an added cost pressure for the Children’s Directorate.

Finance Business Partner: Denise Hunt 8/12/22

2. Legal Advice: The procurement process must be conducted in line with the 2015 Procurement Regulations and the Councils own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

Legal Team Leader: Husinara Jones, Team Manager/Solicitor 11 January 2023

3. Implications on IT: IT support this proposal and are keen to be engage, when necessary, as I.T. for this type of multi-partner working can be challenging

IT Team Leader: Alex Simpson – Senior Solution Architect 16 January 2023

4. HR Advice: The report is informing cabinet of the submission of a bid for grant funding to the DfE Children’s Home Capital Funding Programme and to authorise the Executive Director People, in consultation with Cabinet Member for Children, Education & Equalities to take all steps required to accept and spend £911,000 grant funding. There are no significant HR implications arising from this report.

HR Partner: Lorna Laing – HR Business Partner – People 12 December 2022

EDM Sign-off	Hugh Evans	7/12/22
Cabinet Member sign-off	Cllr Asher Craig	12/12/22
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	06/01/23

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal (template available here)	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
Appendix L – Procurement	NO