

Divisions Affected –

DELEGATED DECISIONS BY CABINET MEMBER FOR CHILDREN, EDUCATION AND YOUNG PEOPLE'S SERVICES

6 NOVEMBER 2024

CHILDREN'S SERVICES RESIDENTIAL CAPITAL PROGRAMME FOR 6 GREAT MEAD, EAST HAGBOURNE, DIDCOT

Report by Director of Childrens Services

RECOMMENDATION

1. **The Cabinet Member is RECOMMENDED to:**
 - a) **Approve entering the contract with E. W. Beards for them to carry out construction services on the refurbishment of 6 Great Mead, East Hagbourne, Didcot.**
 - b) **Delegate authority to the Director of Property & Assets in consultation with the Head of Legal Services and Deputy Monitoring Officer to complete the work.**

Executive Summary

2. Approval of the Children's Services Residential Capital Programme was received on 5 December 2022, Appendix A. This was for the acquisition and associated works of four residential properties to be converted to Children's Homes. Two of these properties are to be utilised as Larger long-term homes for Autistic Spectrum Disorder (ASD) and Social, Emotional and Mental Health needs (SEMH), comprising 6-bedroom properties to accommodate four children each.
3. A further Key Decision was approved to release these approved funds for acquisition and refurbishment of Great Mead on 17 January 2024.
4. The property at Great Mead was purchased on 17 May 2024 and will be a large long-term children's home specifically for children with Autism Spectrum Disorder (ASD) needs.
5. Planning permission was submitted on 3 October 2024 for change of use from C3 (residential dwelling house) to C2 (residential institution) and for the proposed refurbishment. Determination is expected December 2024.

Alignment to relevant strategy:

6. Children We Care for [Sufficiency Strategy](#) 2020-2025
7. To support the departments Sufficiency Strategy for placements for Children We Care For, Children's Services plan to deliver four additional Children's Homes which will be operated and staffed by the Council's experienced Residential and Edge of Care (REoC) service. To support children with the greatest needs CEF plan to purchase four properties from the open market and convert to a specific specification working with the Council's Property department.
8. To increase the number of residential beds within county, to prevent having to place Children We Care For out of county.

Ref no.	Benefit	Measurement
B.01	To provide Children We Care For with complex needs a homely and nurturing environment with specialist trained staff including access to the Council's Clinical Psychologists to enable them to thrive close to their family and friends.	<i>Reduction in CWCF placed outside of Oxfordshire</i>
B.02	These schemes will support the department to meet their duties under the Sufficiency Strategy to increase the provision of in-county residential placements.	<i>Increase in internal residential provision</i>
B.03	The internal residential expansion programme is an invest to save initiative whereby CEF aim to save between £0.5m and £5.6m per annum which is a cost comparison on current un-registered arrangements and out of county placement spend for children who would be accommodated in these homes based on a 75% occupancy rate.	<i>Reduction in number of children placed in unregistered provision</i>
B.04	Increase in the quality of care afforded to our children	<i>Clear Corporate Parenting oversight of the provisions our children are living within</i>

Exempt Information

9. The information in the Annex is exempt because it contains information that could reveal the identity of an individual (the vendor of the private property) and relates to the business affairs (the commercial sensitivity of the purchase and contract details of a private property).

Case for Change

10. Before this property was selected as one of 4 properties for conversion across Oxfordshire, a detailed search exercise was undertaken which looked at all vacant properties owned by Oxfordshire County Council. Unfortunately, none of these were suitable as a prospective large or small children's home. Therefore, an extensive search has been carried out across the county to identify properties on the open market for purchase and conversion. The Service look at each property considering the particular needs of the children the home will be catering, and Great Mead is suitable as a large children's home.
11. The home was chosen as it gives children the opportunity to live and thrive within a settled and safe community within easy reach of universal amenities that are afforded to any other child living within Oxfordshire. Ordinarily there will be no more than 4 children living at the property with 3-4 adults caring for them.
12. Oxfordshire currently has 3 children's homes each of which provide a home for up to 6 children at any one time. These homes are well established within their communities and are all registered with Ofsted and rated GOOD at their most recent inspections.
13. Great Mead will be offering a long-term home to a maximum of 4 children at any one time as we move away from institutionalised living and offer these children the valued experience of living within a nurturing family setting that supports the recovery from trauma suffered from being unable to live with their birth families.

Constraints and dependencies

Constraints

14. The pool of larger 6-bedroom properties available on the open market within Oxfordshire for our £1.5m budget and suitable for minimal conversion is very limited. In addition, locating such a property with sufficient parking, mains drainage, suitable amenities and not located near a railway, waterway or main road is a geographical challenge. For reference, Ofsted view railways, main roads and waterways as significant risks to our children and therefore not suitable.

Dependencies

15. Planning permission is being sought for full change of use from C3 (residential dwelling house) to C2 (residential institution) and for the proposed refurbishment works
16. Ability to recruit to the volume of residential staff required in the timeframes will be a challenge due to the current national shortage of candidates entering the care sector. This will require a focused recruitment campaign with support from Human Resources, Marketing and Communications Teams.

17. To note: Ofsted Registration, an external driver and requirement for securing children in the home, is taking 17 – 25 weeks for completion. The registration cannot start until the keys are handed to the service at completion of refurbishment works. This will impact the realisation of revenue savings until nearly 6 months after completion of refurbishments.

Economic case

18. The proposal is to refurbish the property 6 Great Mead, East Hagbourne, Didcot.
19. The house is a two storey 6-bedroom family home with a off-street parking to the front and side of the property and a large garden to the rear of the property. It is set within a rural location with fields and to all sides. Proposed accommodation will comprise Ground floor: kitchen/dining room, lounge, games room, staff office and meeting room, and First floor: x4 Children's bedrooms with en-suite bathrooms and x2 Staff bedrooms.

Refurbishment works include:

- Internal robust re-fit including new heating system
- Installation of new fencing and gates at the front of the house and boundary fencing

Financial Implications

The following financial implications have been checked by Lorna Baxter, Executive Director of Resources. Email: lorna.baxter@oxfordshire.gov.uk.

Financial case

Identification of funding source

20. Strategic Capital Board (SCB) approved the Business Case strategy to develop the Children's service Care Home capacity through the purchase and adaptation of 4 children's homes costing a total of £10.450m with 50% match funding by the DfE. The authority capital commitment totals £5.225m. Cabinet subsequently approved the proposal at its meeting December 2022. The table below provides a summary of the budget for each of the units together with a breakdown of the purchase and adaptation (construction) costs.
21. Purchasing and adapting 3 / 4 of the units in this financial year will enable the service to optimise its claim against the DfE conditions, spend profile and share of funding across 2023/24 and 2024/25. The approach will ensure that the spend is at or above the minimum spend thresholds preventing any risk of clawback of underspend on any individual or combination of units against the DfE 50% share. The approach is reinforced by the DfE policy of paying its share of the costs in full up front leaving the authority to cover the balance and have maximum discretion and flexibility in utilising any underspends

22. The CEF Service confirmed approval for staffing and non-staffing supplementary revenue budget through the January 2023 (P10) Budget Monitoring Report approved at Cabinet in May 2023. Funding for the costs is based on an Invest to Save strategy, further details are listed in Annex A. The rationale and basis for the savings strategy is set out in the original Business Case approved by SCB and Cabinet in December 2022
23. The financial strategy and approach to the purchase and adaptation of the units has been planned and structured to ensure best quality of care for children obtaining best value, maximising the use of the DfE's share and optimum use and return on the investment funds.

Future costs, income, and planned expenditure:

Revenue costs

24. The original business case for the four new homes, including two large homes (of which this is one), set out estimated savings totalling between £0.5m and £1.8m per annum. Recently revised, the potential revenue saving per annum on all four children's homes once operational will be in the order of £1m - £5m per annum. This is based on 10-12 children and a cost saving listed in Annex A. The return on investment is 10%-50% per annum and the capital investment would be fully recovered between 2 and 10 years.
25. Net revenue savings for each home were estimated at between £0.2m to £0.5m per annum. The running costs of a single home have been reduced overall following a reduction in proposed staffing levels, offset by small increases in other costs and an increase of £4,000 for utility costs from £20,000 to £24,000 per annum due to inflation, giving a total of £44,000 for property-related costs.
26. Costs will be incurred prior to the home becoming operational, particularly in relation to the early appointment of staff. These costs are estimated at no more than £80,000 and these can be offset by the savings from more expensive external placement costs. There are also other revenue costs that have been, or will be, incurred that relate to the property acquisition process that cannot be charged to capital. This includes professional costs incurred in preparing a bid for a property that was subsequently rejected. There may be other costs, such as design fees, but these are minimal and can be met from revenue budgets.
27. The estimated full year running costs for the home are £850,000, including £24,000 for property-related costs. These costs will be met from savings in other placement costs as set out in the original business case and incorporated into the Medium-Term Financial Plan

Legal Implications

The following legal implications have been checked by Sarah Hayes, a solicitor in Legal Services. Contact: sarah.hayes@oxfordshire.gov.uk.

28. The legal due diligence has been undertaken in-house by Legal Services.

29. The decision will enable legal services to draft and finalise relevant contractual documentation on behalf of the Council so that the project can proceed.

Staff Implications

Technical Advice and Refurbishment Works

30. Project management of the works will be carried out by the minor works team, via a specialist project manager to complete the works to the agreed scope and specification. The cost for this Project Manager is included in the project capital budget.

Risk Management

<i>Ref no.</i>	<i>Risk</i>	<i>Description</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Mitigating Action</i>
R.01	Planning	Approval for change of use not achieved resulting in the need to sell the property	Medium	High	Pre-application engagement will seek to determine response from OCC & WODC planners on acceptability of change of use before exchange; in addition, a consultation exercise will be undertaken with neighbours, parish council and local Councillors
R.04	Staff Recruitment	Unable to successfully recruit the volume of staff needed for the home to be operational in the desired timeframe	Medium	High	High impact recruitment campaign including marketing & comms and the use of social media
R.05	Match Funding	Unable to successfully spend the required amount of funding from DfE within the required timescale	High	Med	Escalation of risk to timescales given in July 24 and shared with DfE to ensure change control for programme can be managed appropriately.
R.06	Ofsted Registration	Unable to secure Ofsted registration for the home resulting in lack of revenue savings	Low	Med	Ofsted registration, at the time of writing, is taking 17 – 25 weeks per home to complete and will impact the timing of the anticipated revenue savings.

NAME Lisa Lyons, Director for Children, Education & Families

Annex: Annex A

Background papers: Nil

Contact Officer: Andrea Benneyworth, Programme Manager, Residential
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