

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director for Children’s Care
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<b>Relevant Executive Member:</b>	Executive Member for Children’s Services
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	28 February 2024
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<b>Title:</b>	Increased Residential and Supported Accommodation for Children in Our Care and Care Leavers.
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Children and young people
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will incur expenditure or savings above £250,000
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<b>Subject to call in?:</b>	Yes
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<b>Why:</b>	A decision taken collectively by the Mayor and the Executive.
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<b>Proposed decision(s)</b>	<p>This report requests that Executive approves Middlesbrough Councils plans for increasing the residential and supported accommodation for children in our care and care leavers, which will replace the previous saving of £1.848m (£0.787m 2023/24 and £1.061m 2024/25) against the financial plan reference CS06: <i>Increase the in-house residential offer to reduce expenditure on external placements.</i></p>
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## Executive summary

This report presents the revised plans to achieve savings of £0.450m in 2025/26 and £0.615m in 2026/27, totalling £1.065m by the end of the current MTFP period on 31 March 2027 (reference: 24/25 CC03).

Further, it is anticipated that a further saving of £0.850m will be achievable in 2027/28 which is beyond the current MTFP period. This plan aims to deliver a total saving of £1.915m over a 4-year period, replacing the original saving of £1.848m that was incorporated into the 2023/24 budget to deliver £0.787m in 23/24 and £1.061m in 2024/25 which have been determined to be undeliverable as originally planned. Due to the operational activity being brought online during 2024/25 the savings will be realised from 2025/26.

The Childrens services Financial Improvement plan approved in February 2023 included elements of increasing the in-house estate for Children's care. During the course of the 12 months significant efforts were made to identify suitable properties to bring online. These efforts were hampered for two key reasons:

1) At the commencement of the year significant time was spent exploring a large property which could have met the needs of our 16+ cohort. Months exploring this including the refurbishment feasibility were undertaken, however it transpired there were issues with the refurbishment and build that had already been undertaken which would have left a legal liability on the local authority to resolve. The focus on this area led to a delay in project achievements.

2) The cost of refurbishment, when seeking to convert any existing council asset to a residential home were prohibitive and did not represent value for money. This has therefore led to a strategy for future consideration being the identification of suitable properties with minimal renovation work required.

Under the revised plan, Middlesbrough Council will reduce the use of the external high-cost placements and grow the residential and supported accommodation offer, by increasing Middlesbrough Council in house offer and building partnerships with commissioned providers. The current Middlesbrough Council in house offer, which has been abbreviated to safeguard the location of the children's homes, is shown below:

- WT, 2 bed children's home.
- HL, 4 bed children's home.
- FT, 3 bed children's home.
- RC, 5 bed children's home.
- FFF, 4 bed edge of care provision.
- Progressing to Independence, consists of supported accommodation 10 flats and 9 Higher Needs Supported Lodgings placements.

Middlesbrough Council residential and supported accommodation occupancy is mainly high (residential homes 95% in January 2024, supported accommodation 100% and higher needs supported lodgings 78%), which means that Middlesbrough Council cannot place any more children in their own lower costing, higher quality residential and supported accommodation placements.

Instead, Middlesbrough Council are using external organisations to provide homes for Middlesbrough children and young people, which on average, comes at a higher cost than Children's Services provides. On average, Middlesbrough Council residential homes cost £3,300 per week to operate, and on average currently the average cost of an external residential children's home placement is £5,600 per week.

Middlesbrough Council have forecast that the current active 76 external residential placements for children with a total forecast cost of £14.4m for 2023/24 (after contributions from Health and Education as of December 2023).

To address these challenges Middlesbrough Council will:

- Purchase new build properties from home builders or from the private market to transform into children's homes, providing care for children in external high-cost placements from Quarter 3 2024/25.
- Partnering up with commissioned providers that would provide better costing residential and supported accommodation placements for Middlesbrough children and young people from Quarter 1 2024/25.
- Implement a Permanence and Sufficiency strategy which sets out a vision and action plan for how the Middlesbrough Council and our partners will support children and young people who are in our care, and our care leavers, to achieve the best possible outcomes in their lives, as well as demonstrating best value for the authority.
- Identify opportunities to sell bed space to other local authorities from Quarter 2 2024 where this is surplus to Middlesbrough's requirements.
- Implement a residential and supported accommodation demand forecasted model.
- Align with project delivery linked to the fostering strategy to maximise in-house foster carers while supporting and retaining existing foster carers.

This differs from the original savings plan as this approach involves exploring new build opportunities with home builders selling available bed space to other local authorities.

Other options were considered but are less favourable. Those are:

- For the residential and supported accommodation offer to stay as is.

- Renovating potential in-house MBC assets: Pallister Park, West Lodge (children's residential homes) and MICC (supported accommodation).
- For the commissioning arrangements to stay as they are without any further enhancements to the offer.
- To develop further commissioning arrangements (non-partnership) which would be on an unplanned ad hoc basis.
- To transfer Middlesbrough Council's residential and supported accommodation offer to an external provider to run privately on behalf of Middlesbrough Council.

The implications of the recommendations have been considered by the appropriate officers of the Council and are set out in the main body of the report.

## **1. Purpose**

- 1.1 To seek approval of a 4-year residential and supported accommodation plan that will reduce the reliance on externally commissioned high-cost placements for children and young people'.
- 1.2 The original savings of £1.848m that Middlesbrough Council planned to achieve in 2023/24 and 2024/25 would be replaced by a new savings plan of £1.915m from 2024/25 to 2027/28.

## **2. Recommendations**

That the Executive

- 2.1 Note the reasons why the original plan could not be delivered and its removal from the MTFP.
- 2.2 Approve the revised approach which is built into the proposed 2024/25 budget and MTFP 2024/25 to 2026/27.
- 2.3 Note further savings that will be incorporated into future MTFP periods.

## **3. Rationale for the recommended decision(s)**

- 3.1 As of January 2024, Middlesbrough had 528 children and young people in care. 97 in residential care, 372 in foster placements and 59 placed for adoption, placed with parents, living independently, staying in an NHS/Health trust placement, family centre/mother and baby unit and in a Youth Offending Institute.

3.2 The table below shows our children looked after population by placement type, age, and category of need.

Placement Type	Count	%
<b>Group1 Residential</b>	<b>97</b>	<b>18.4%</b>
n) H5: Residential accommodation	32	6.1%
p) K2: Children's Homes	65	12.3%
<b>Group2 Fostering</b>	<b>372</b>	<b>70.5%</b>
a) U1: Foster placement - relatives - long term	14	2.7%
c) U3: Foster placement - relative - not FFA	106	20.1%
d) U4: Foster placement - long term	67	12.7%
e) U5: Foster placement - FFA	1	0.2%
f) U6: Foster placement - not FFA	184	34.8%
<b>Group3 Other</b>	<b>59</b>	<b>11.2%</b>
i) A5: Placed for adoption - order - foster	2	0.4%
j) A6: Placed for adoption - order - not foster	5	0.9%
k) P1: Placed with parents	40	7.6%
l) P2: Independent living	5	0.9%
r) R2: NHS/Health Trust	1	0.2%
s) R3: Family Centre or Mother and Baby Unit	3	0.6%
t) R5: Young Offender Institution	3	0.6%
Grand Total	528	100.0%

3.3 The table below shows the breakdown of placement type for the 97 children and young people in residential care.

Placement Type	Number
Residential Home (Group Home) - External	18
Residential Home - External - Block Contract	11
Residential Home Solo Placement	6
Residential Home – Specialist Sexually Harmful Behaviour	1
Residential School	13
Mother and Baby Assessment Unit	2
16+ External - Low Cost (under £1,000 pw)	10
16+ External - High Cost (£2,500+)	14
Unregistered (under 16)	1
In house Residential	13
In house 16+ supported accommodation	8
<b>Total</b>	<b>97</b>

- 3.4 Middlesbrough Council are currently paying for privately owned placements for children and young people, that are often situated outside of Middlesbrough. Some children and young people have reasons for living outside of the area, for example safeguarding concerns.
- 3.5 Middlesbrough Councils ambition is to increase inhouse placements homes for children and young people which is a more cost-effective solution and brings better outcomes for children at lower cost. These placements would provide medium term placements for children and young people with emotional and behavioral needs, with a particular focus on those who would otherwise be placed in more costly external settings. To complement the current and existing internal children’s residential and supported accommodation offer, partnerships would be formed with commissioned providers to provide additional placements for Middlesbrough children.
- 3.6 The table below shows the average costs of in-house placements compared to external placements:

<b>Type of placement</b>	<b>In House bed cost</b>	<b>External bed cost</b>	<b>How much more MBC pay</b>
Residential bed	£3,300 per week	£5,600 per week	£2,300 per week
Supported Accommodation bed	£1,100 per week	£3,100 per week	£2,000 per week

The partnership development is a new procurement solution to be explored. Through existing commissioning arrangements in place, it is estimated that a partnership opportunity will be financially beneficial to the authority, when compared with the current spot contracting position. Proposed unit rates cannot be indicated at this stage until any procurement process is concluded.

- 3.7 There are key benefits for growing the Middlesbrough Councils residential and supported accommodation offer.

The cost of a Middlesbrough Councils in house placements is less than an external provider’s cost.	Family time which is supervised is easier to manage which then prevents young people feeling isolated.
Children and young people who are placed in a Middlesbrough Council inhouse placement reside within their communities, which enables family ties to be strong with the potential to return home, as relationships stay stronger.	When Middlesbrough children can remain in their area, it gives social workers and Independent Reviewing Officers greater oversight to care and safety plan, whilst allowing for greater oversight of education and support compared to a young person living outside of Middlesbrough.

- 3.8 Middlesbrough Council recognise potential risk factors with increasing the internal residential and supported accommodation offer. There is a national shortage of Registered Managers, however Middlesbrough Council have several staff showing talent and potential to become children's homes managers. This would mitigate against the national shortage of registered managers.
- 3.9 There are risks around finding properties that can be transformed into children's homes. Middlesbrough Council would work closely with homebuilders and the MBC estates team on the requirements for children's homes, which includes adequate parking and fixings to mitigate against the risk around securing suitable properties in the town from a low stock of homes.
- 3.10 There are risks around finding the right organisation to partner with. Robust governance arrangements and working with a partnership who are financially assured with a good reputation will mitigate against concerns around the quality partnership service delivery and children not being placed in vacant beds due to problems with matching children.

#### **4. Background and relevant information**

- 4.1 The Care Standards Act 2000 says that an establishment is a children's home if it provides care and accommodation wholly or mainly for children'. Children are defined as people who are aged under 18. Children's homes provide support and care for some of Middlesbrough's most vulnerable children and young people. Middlesbrough Council want each child in care to be provided with the right placement at the right time, and for residential childcare to be a positive and beneficial choice for the children and young people living in children's homes.
- 4.2 Middlesbrough Council currently operate a community of children's residential homes and supported accommodation for children in care or who have left our care. Middlesbrough Council's residential home occupancy is mainly high at 90% occupancy, and Middlesbrough Council's supported accommodation occupancy is 100% This means children who come into care are more often placed in high-cost placements with external providers.
- 4.3 Middlesbrough Council will reduce the reliance on externally commissioned high-cost placements for children and young people by growing the in house offer and developing commissioned partnerships. The unit costs of external residential care placements are increasing and the need for placements for children in the future is forecasted to increase.
- 4.4 Middlesbrough Council will deliver the developments through a project approach – a residential and supported accommodation project, which will follow the Middlesbrough Council Project Management Framework.

4.5 The project aims to:

- Increase the number of in-house residential placements available, which are more cost effective than externally sourced placements.
- Partner with commissioned providers to expand the offer of residential and supported accommodation for children and young people.
- Review the current children’s residential and supported accommodation provision, which includes opportunities to sell beds to other local authorities.
- Implement a children’s residential and supported accommodation demand forecasting model to ensure the care for our children and young people is known in advance to help with placement planning.

4.6 The projects key objectives are:

Ref:	Objective Description
1.	Improve the process for forecasting demand for children who require a regulated placement by having a Permanence and Sufficiency strategy in place by March 2024.
2.	To increase the number of MBC owned Children's residential homes by a minimum of 2 properties (totalling a minimum of 4 beds) starting from October 2024 by buying new build properties from homebuilders or properties on the open market (this is to be reviewed annually).
3.	To reduce the number of children and young people in high cost, private placements year on year starting from April 2024.
4.	Review the purpose of the current in house residential and supported accommodation, that includes the sale of bed spaces specifically for children with disabilities, to meet current and forecasted demand starting from September 2024.
5.	To increase the number of placements provided by commissioned partnership contracts for residential and supported accommodation starting from April 2024.

4.7 There would be a particular focus on the education of each child and young person. The virtual school head teacher would play a key role in each child’s placement to ensure that they receive the best education opportunities possible.

4.8 Below sets out the preferred option showing how Middlesbrough Council would grow the residential and supported accommodation for Middlesbrough children and young people. This would take a project approach consisting of 3 workstreams:



#### **4.8.1 Workstream 1: Capital Developments - Inhouse Residential Children's Homes**

- Purchasing properties from either new build development sites, or properties on the open market over 4 years, which equates to a minimum of 15 beds (5 properties), which would be refurbished into children's homes.
- 2 x Children's Homes purchased in 24/25 (6 beds), 1 x Children's Home purchased in 25/26 (3 beds) and 2 x Children's Homes purchased in 26/27 (6 beds).
- The net saving is based on 2 x 3 bed children's home operating in 25/26 with an assumed occupancy rate of 83%.
- From 27/28 the number of residential placements will look to increase, if required, in line with forecasted demand (in place March 2024).

##### Net Savings

- 24/25 No saving (due to operational set up)
- 25/26 £340,000 (6 beds/2 properties)
- 26/27 £170,000 (additional 3 beds/1 property)
- 27/28 £340,000 (additional 6 beds/2 properties)

#### **4.8.2 Workstream 2: Partnership Commissioned arrangements.**

- Partnering with commissioned providers to complement the residential and supported accommodation placements for Middlesbrough children. This would form part of the Children's Care residential and supported accommodation offer. A procurement exercise would identify a partner organisation who would bring additional children's residential care homes.
- The independent sector market will be invited to enter into dialogue with us under a formal procurement process to offer more innovative solutions to the issues being faced concerning Childrens Placements. Through a procurement process the authority can consider moving forward with any potential solution that meet our needs, on a more cost-effective basis.
- This would involve investment from the £4.5m approved capital programme (allocated in Q3 2022/23), with a risk share agreement and the share of operating profits.
- From 27/28 the number of supported accommodation placements provided by the partnership provider will look to increase, if required, in line with forecasted demand.

##### Net Savings

- 24/25 No Saving
- 25/26 £21,000
- 26/27 £268,000
- 27/28 £333,000

### **4.8.3 Workstream 3. Optimise in-house resources.**

- Implement a Permanence and Sufficiency strategy to outline the placements offer for Middlesbrough children and young people.
- Reviewing the purpose of the current inhouse residential and supported accommodation offer, which includes identifying opportunities for selling bed spaces from Gleneagles to other local authorities. This will create greater resilience and flexibility to prevent placement breakdowns of complex foster care arrangements for children with disabilities resulting in further high-cost residential placements.
- Implementing a residential and supported accommodation demand forecasted model.

#### **Net Savings**

- 24/25 No Saving
- 25/26 £89,000 - 1 bed sale (part year)
- 26/27 £177,000 - 1 bed sale
- 27/28 £177,000 - 1 bed sale

## **4.9 Residential and Supported Accommodation Capital Investment and costs and Savings from the preferred options**

### **4.9.1 Capital Investment**

Capital investment of £4.5m was approved by Executive and Budget Meeting in February 2023 for the development of Internal Residential provision and incorporated into the Council approved programme for 2023/24 onwards. Middlesbrough Council will also consider the feasibility of utilising the Towns Fund and Levelling Up Fund to help grow the residential and supported accommodation for our children and young people.

	<b>WS1: Capital Developments</b>	<b>WS2: Partnership Commissioning arrangements</b>	<b>WS3: Optimise In-House Resource</b>
Identity Consult Fees	(0.092)	-	-
<b>Total Capital Cost 2023/24</b>	(0.092)	-	-

1st Commissioned Partnership	-	(0.525)	-
2nd Commissioned Partnership	-	(0.300)	-
1st Property	(0.550)	-	-
1st Property Renovation Cost	(0.050)	-	-
2nd Property	(0.550)	-	-
2nd Property Renovation Cost	(0.050)	-	-
<b>Total Estimated Capital Cost 2024/25</b>	(1.200)	(0.825)	-

3rd Property	(0.550)	-	-
3rd Property Renovation Cost	(0.050)	-	-
<b>Total Estimated Capital Cost 2025/26</b>	(0.600)	-	-

4th Property	(0.550)	-	-
4th Property Renovation Cost	(0.050)	-	-
5th Property	(0.550)	-	-
5th Property Renovation Cost	(0.050)	-	-
Commissioned Partnership	-	(0.525)	-
<b>Total Estimated Capital Cost 2026/24</b>	(1.200)	(0.525)	-

<b>Total Estimated Capital Cost</b> 4.442	(3.092)	(1.350)	-
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4.9.2 Estimated Costs of Capital Financing

The table below shows the estimated year on year cost of capital financing (principal and interest) at a rate of 7%, with an estimated ongoing cost of £0.359m per annum from the 2026/27 financial year. It should be noted that the capital financing costs arising from the £4.5m capital investment have already been factored into the Council’s capital financing budget over the period of the MTFP and the following is provided for information only.

	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>27/28 £m</b>	<b>Total £m</b>
Estimated cost of capital financing	0.224	0.293	0.359	0.359	<b>1.235</b>

4.9.3 Costs of Internal Residential

Internal Residential staffing numbers and costs.

- A 2 bedded children home has 10 staff and would cost £480,000 per annum. Registered manager, deputy manager, 2 x senior residential managers and 6 residential workers.
- A 3 bedded children home has 11 staff and would cost £520,000 per annum. Registered manager, deputy manager, 2 x senior residential managers and 7 residential workers.
- A 4 bedded children home has 15 staff and would cost £616,000 per annum. Registered manager, deputy manager, 2 x senior residential managers and 11 residential workers.

4.10 Key Risks

Assurance will be given through the savings plan governance arrangements, (chaired by Executive Director of Children’s Services), ensuring that the achieved savings will be matched against the most relevant savings category to avoid savings being double counted (review of placements, development of internal resources and SHiFT).

4.11 Milestone Plan

A high-level milestone plan which outlines the activity and timescales for delivery is included in appendix 2.

**5. Other potential alternative(s) and why these have not been recommended.**

5.1 Several alternatives have been put forward by the Head of Service for Placements, and the Head of Commissioning and Procurement. These options were considered by the Director of Children’s Care. These options are tabled below:

Option Description	Reason not being considered.
For the residential and supported accommodation offer to stay as is.	<ul style="list-style-type: none"> <li>• Lack of flexibility within in house offer.</li> <li>• Drift and delay of young people’s plans resulting in young people remaining longer than planned.</li> <li>• Lack of options for mainstream young people on the edge of care to prevent family breakdown.</li> <li>• Lack of options for MBC foster carers for support.</li> <li>• Lack of oversight and decision making regarding commissioned admissions and matching.</li> </ul>
Renovating potential in-house MBC assets: Pallister Park, West Lodge (children’s residential homes) and MICC (supported accommodation).	<ul style="list-style-type: none"> <li>• High renovation costs of £1 million for Pallister Park and £700k for West Lodge.</li> <li>• Timescales too long to bring children back to Middlesbrough and not soon enough to improve spend on high-cost placements.</li> </ul>
For the commissioning arrangements to stay as they are.	<ul style="list-style-type: none"> <li>• Not being able to grow placement spaces in Middlesbrough and the surrounding areas, and address children living in high-cost external placements.</li> </ul>
Develop further commissioning arrangements (non-partnership).	<ul style="list-style-type: none"> <li>• Missed opportunity to form a partnership with a commissioned provider that would give a greater return to MBC.</li> </ul>
To transfer Middlesbrough Council’s residential and supported accommodation offer to an external provider to run privately on behalf of Middlesbrough Council.	<ul style="list-style-type: none"> <li>• Length of time to progress the process.</li> </ul>

**6. Impact(s) of the recommended decision(s)**

If the decision is made not to support the growth of Middlesbrough Council residential and supported accommodation offer, then this project will not be progressed, and this would no longer provide an opportunity to achieve savings. Our children matter to us

most, and Middlesbrough Council’s ambition is to return Middlesbrough Children back to Middlesbrough, when it is safe and appropriate to do so.

## 6.1 Financial (including procurement and Social Value)

6.1.1 As detailed in the Quarter Three 2023/24 budget monitoring the total External Residential budget is forecast to be approximately £4.2m over-spent, against a current £10.2m budget. This pressure has increased from Quarter 2 by approximately £0.9m mainly due to a very complex young person placed externally and also the increase overall in external paid placements, not budgeted for 2023/24. The overspend on this budget is greater than the overall forecast Children’s Care over-spend.

6.1.2 The previous savings plan put forward to deliver hasn’t progressed, due to challenges in purchasing and renovating existing MBC properties, therefore the projects proposed in the report are replacing the previous projects.

6.1.3 The detail of the proposed capital investment in the residential and supported accommodation proposed projects and associated costs and savings are detailed in paragraph 4.9.

6.1.4 The table below shows the estimated annual revenue saving for a typical 3 bed children’s home that is fully operational.

<b>3 bed property</b>	<b>£</b>
Estimated revenue costs for running a 3 bed children’s home.	520,000
Estimated savings for 3 x children compared to annual external residential cost (assuming 84% occupancy).	(697,000)
<b>Estimated annual net revenue saving for 3 bed children’s home.</b>	<b>(177,000)</b>

6.1.5 The total revenue savings up to and including 2026/27 is £1.065m (£1.915m up to 2027/28). All savings shown are net savings. A breakdown of the savings linked to each workstream is shown below:

<b>Description for savings categories</b>	<b>24/25 £m</b>	<b>25/26 £m</b>	<b>26/27 £m</b>	<b>Total (in line with MTFP reporting) £m</b>	<b>27/28 £m</b>	<b>Total £m</b>
WS1: Capital Developments	0.000	(0.340)	(0.170)	<b>(0.510)</b>	(0.340)	<b>(0.850)</b>
WS2: Partnership Commissioning Arrangements	0.000	(0.021)	(0.268)	<b>(0.289)</b>	(0.333)	<b>(0.622)</b>
WS3: Optimise In-house resource	0.000	(0.089)	(0.177)	<b>(0.266)</b>	(0.177)	<b>(0.443)</b>
<b>Executive Report Savings as at February 2024</b>	<b>0.000</b>	<b>(0.450)</b>	<b>(0.615)</b>	<b>(1.065)</b>	<b>(0.850)</b>	<b>(1.915)</b>

6.1.6 The table below shows the financial implications for each theme.

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Theme 1</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Operational costs	0.200	1.05	0.525	1.05
Reduced costs from External residential from theme 1	(0.200)	(1.390)	(0.695)	(1.390)
<b>Estimated cost avoided per annum</b>	<b>0.000</b>	<b>(0.340)</b>	<b>(0.170)</b>	<b>(0.340)</b>
<b>Cumulative Net saving</b>	<b>0.000</b>	<b>(0.340)</b>	<b>(0.510)</b>	<b>(0.850)</b>

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Theme 2</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Operational costs	-	1.690	0.800	2.490
Reduced costs from commissioned providers from theme 2	-	(1.711)	(1.068)	(2.823)
<b>Estimated cost avoided per annum</b>	<b>-</b>	<b>(0.021)</b>	<b>(0.268)</b>	<b>(0.333)</b>

	<b>24/25</b>	<b>25/26</b>	<b>26/27</b>	<b>27/28</b>
<b>Theme 3</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Operational costs	0.000	0.316	0.405	0.405
Income from other Local Authorities	0.000	(0.405)	(0.582)	(0.582)
<b>Saving to Internal Residential</b>	<b>0.000</b>	<b>(0.089)</b>	<b>(0.177)</b>	<b>(0.177)</b>

6.1.7 The demand forecasting model will run alongside the developments to assess sufficiency requirements within the different classifications of children's homes provision.

## 6.2 Legal

The Children Act 1989 (section 22G) requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation within the authority's area which meets the needs of children that the local authority are looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area ('the sufficiency duty'). This proposal goes towards meeting that duty.

### 6.2.1 Dealing with the relevant aims of this report:

#### A. Purchase new build properties from home builders or from the private market to transform into Children's Homes

The process of acquiring any properties will require input from Legal Services, Procurement and Planning Services.

The Council will follow the relevant legal processes when acquiring properties. At this stage the following matters should be considered:

##### i. Planning Concerns

The proposals fall under a grey area when it comes to planning use classes. Different Local Authorities across the country have adopted different approaches when it comes to addressing whether the proposed uses identified in this report fall within the standard dwellinghouse use class (C3). If they do not a formal change of use shall be required to be lawful.

Planning Services should be consulted to consider all relevant planning considerations such as limits of residential occupancy, property suitability and additional traffic etc.

Each property will need to be considered separately from a planning perspective.

Consideration to be given to the implications of formal planning objections/appeals.

##### ii. New build Properties

National recognised home builders such as Taylor Wimpey and Persimmon usually have standard restrictive use covenants in their conveyancing documentation which may result in a challenge to the Council's proposed use of such properties. Advice to be sought from Legal Property at the outset of each transaction to identify any such restrictions. It may be more appropriate to approach builders who are also existing registered providers of social housing.

An inflated premium is often charged for new build properties, however the benefit of 10-year warranties should be available to reduce risks of significant maintenance costs during that period.



**B. Partnering up with commissioned providers**

Partnering up with commissioned providers will require input from Legal Services to agree all legal documentation such as framework/service level agreements, leases and any other necessary documentation.

Consideration to be given to cases where children in our care become 18 years old and legally able to enter into tenancy agreements in their own right (depending of course on whether our continuing involvement is/is not required).

**C. Optimise in-house resources.**

Optimising the use of existing Council owned properties will require input from Legal Services, Procurement and Planning Services in each case.

**D. Identify opportunities to sell bed space to other local authorities.**

Input from Legal Services shall be required to agree service level agreements, leases and any other necessary documentation.

The Council's governance processes shall continue to be observed throughout.

**Risk**

WS1: Risk Description	Mitigating Actions
There is a low pool of registered managers (locally and regionally).	<p>Workforce development plans to attract this role and other roles in Middlesbrough Council.</p> <p>Deputy managers have been identified as emerging talent who have already expressed a view of wanting to progress</p>
Recruitment of staff to manage and work in the residential homes and supported accommodation properties may be challenging.	<p>HR recruitment process, iTrent and recruiting manager - with an option to use external advertising sites is required. New recruitment website and user experience.</p> <p>Current recruitment campaign showing interests in vacant positions.</p>
Homebuilders' property availability: Low stock of suitable and sizeable properties/parking restrictions/restricted supply in Middlesbrough that could provide	<p>Head of Placements and Resources, and colleagues from Valuation and Estates being made aware of/looking for properties in the area.</p>

<p>a residential home/supported accommodation for children.</p>	
<p>Buying a property without planning permission - do we buy subject to planning or without planning permission; and are prepared to sell or buy with planning - could take months and owner could decide to sell in that time.</p>	<p>Decision made to buy without planning permission due to risks of losing the property to another buyer. Valuation and Estates and colleagues to be subject matter experts on valuation and reselling risk. Agents are also looking for properties outside of Middlesbrough (surrounding areas).</p>
<p>Not receiving planning permission for the housing development properties to be converted into children's homes.</p>	<p>Working closely with MBC planning team and using the knowledge and expertise of residential homes subject matter experts within the project team (Head of Placements and resources) to ensure the children's homes regulations are considered.</p>
<p>Homebuilder may not sell properties to Middlesbrough Council due to the purpose.</p>	<p>Consider the private market if there are properties that meets, he relevant requirements.</p>
<p><b>WS2: Risk Description</b></p>	<p><b>Mitigating Actions</b></p>
<p>Children not being placed in vacant beds due to problems with matching children.</p>	<p>Governance in place to ensure matching children does not delay the placement of Middlesbrough Children.</p> <p>Recruitment of permeant social workers will enable social work practice and understanding of young people to improve thus enabling managers to ability to understand and manage the risk locally.</p> <p>Consideration given to seconding a deputy manager from MBC to commissioned partner (evidence of a successful partnership with NYCC and MBC)</p>
<p>The chosen commissioned partnership not being able to provide a service.</p>	<p>Partnership having a good reputation and are financially assured.</p>
<p><b>WS3: Risk Description</b></p>	<p><b>Mitigating Actions</b></p>

<p>Identifying and securing analytics resource that can design and implement the demand forecasting model.</p>	<p>Prioritising resource from the existing analytics team resource, requested by Middlesbrough Council’s Children’s Services leadership, due to the savings requirements and potential income generation.</p> <p>Improvement Lead for Placements and Transformation Lead to support with forecasting future demand.</p>
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**6.3 Human Rights, Public Sector Equality Duty and Community Cohesion**

6.3.1 There are no human rights, Public Sector Equality Duty or community cohesion issues that arise from the recommendations in this report.

**6.4 Climate Change / Environmental**

6.4.1 There are no climate change/environmental issues that arise from the recommendations in this report.

**6.5 Children and Young People Cared for by the Authority and Care Leavers**

6.5.1 The recommendation in this report outlines the ambition for Middlesbrough Councils offer for Middlesbrough children and young people who are in our care or have left our care.

**6.6 Data Protection / GDPR**

6.7.1 A Data Sharing Impact Assessment will be in place for the sharing of information with commissioned partner.

**Actions to be taken to implement the recommended decision(s)**

Action	Responsible Officer	Deadline
Complete the project business case in line with the MBC Programme Management Office (and seek approval).	Project Sponsor Director of Children’s Care and Programme Manager.	23/02/24
Implement governance arrangements and operational project resource.	Project Sponsor Director of Children’s Care and Programme Manager.	01/03/24
Begin the delivery of the project milestone plan.	Project Sponsor Director of Children’s Care and Programme Manager.	04/03/24

**Appendices**

1	Children in Care and Care Leavers Analysis
2	High Level Milestone Plan

**Background papers**

Body	Report title	Date
None		

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