

# EXECUTIVE DECISION

made by a Cabinet Member



## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L32 24/25

Decision	
1	<b>Title of decision:</b> Capital Programme Allocation: Development of Children's Homes
2	<b>Decision maker:</b> Councillor Tudor Evans OBE, Leader of the Council
3	<b>Report author and contact details:</b> Vivien Lines, <a href="mailto:Vivien.lines@plymouth.gov.uk">Vivien.lines@plymouth.gov.uk</a> T +441752308971
4	<p><b>Decision to be taken:</b></p> <ol style="list-style-type: none"> <li>1. Approve the Business Case for the purchase of two houses to establish two children's homes in Plymouth;</li> <li>2. Allocate £2,000,000 for the project into the Capital Programme funded by service borrowing;</li> <li>3. Delegate approval to the Director of Children's Services in consultation with the Head of Land and Property to acquire the properties within the approved financial envelope.</li> </ol>
5	<p><b>Reasons for decision:</b></p> <ol style="list-style-type: none"> <li>1. Plymouth City Council becoming a provider of residential care for children is part of a programme of work responding to pressures securing sufficient value for money homes locally for children in care in line with need.</li> <li>2. Like many Local Authorities nationally, PCC has become reliant on the independent sector for a significant volume of fostering and residential provision for children in the care of the Local Authority. At the same time, the independent sector has demonstrated that it is not able to provide sufficient high-quality and value for money placements to meet the needs of our young people.</li> <li>3. Opening our own children's homes presents an opportunity to improve the cost and quality of care and outcomes for children in care who need residential placements.</li> <li>4. Added value of the local provision being developed includes: <ul style="list-style-type: none"> <li>• Potential to prevent a child moving into an unregulated arrangement.</li> <li>• Savings from social workers not having to visit children at a distance from Plymouth.</li> <li>• Ability to support children with local health and education services.</li> <li>• Greater potential to support children into foster care or home to their families.</li> </ul> </li> </ol>
6	<p><b>Alternative options considered and rejected:</b></p> <p><b>1. Do nothing:</b> Children will continue to live far away from Plymouth.</p> <p>It will remain challenging to bring children back to Plymouth and to support them to move into family placements once they are placed. It will continue to be challenging to find suitable family homes for children when they live far away. The private market unit costs will continue to rise. Quality assurance for private provision will remain outside of Plymouth's control.</p> <p>This option was discounted as there is an interest and political backing to develop this offer and</p>

Plymouth currently have children in residential placements a long way from Plymouth. There is a need to be more ambitious for these children to ensure more positive futures than can be diverted out of long-term residential care and into family homes where possible.

**2. Do minimum: Set up one children's home.** Would lead to continued lack of local sufficiency for children in care and high price of care.

Not a broad enough offer to understand whether this approach could work in the future. Insufficient to make any impact on outcomes for children.

This was discounted because levels of current need indicate demand for more provision. There are some benefits anticipated from developing more than one provision including management support and staff development.

**3. Work with local children's residential providers already operating in the city with a view to them expanding their provision for Plymouth's sole use.**

No risk to purchasing of property. Shared risk for placements. No control over matching and placement longevity. Challenges over partnership working with foster carers and stepping down from residential care due to placement stability and objectives not always being well aligned.

This option does not fulfil the council objectives to own and run our own provision with an extended oversight for a child's journey through and most importantly, out of care.

**4. Work with an existing local children's residential provider to develop a partnering approach. For example, Plymouth City Council purchase the property and the Independent Sector organisation employ the staff.**

Reduced risk from employing staff (although dependent on a third party for this). Shared risk for placements. Potentially reduced cost.

Unlikely to be appetite from local providers who have access to capital should they wish to purchase additional properties and expand. However, this option has not been discounted and parallel discussions are taking place with local providers.

## 7 **Financial implications and risks:**

The revenue cost of the proposal is indicated as £1.6m annually.

Voids may occur due to single occupancy arising from difficulties matching children given the complex needs of the children living in the homes and potential delays in discharge. PCC has a block contract for children's homes places with an independent sector provider and achieved 78% occupancy for the first six months of 2024-25.

- Potential year 1 savings if 75% occupancy = £326,490
- Potential year 1 savings if 60% occupancy achieved = £261,192
- Potential year 1 savings if 50% occupancy achieved = £217,660

This has the potential to increase if the approach prevents children from being placed in unregulated arrangements which can cost on average £12,000-£16,000 a week (£624,000 – £832,000 p.a.). The current forecast spend for unregulated placements this year is £5.420m.

Assuming the model reduces unregulated placements by one FYE;

- Potential year 1 savings if 75% occupancy = £542,160
- Potential year 1 savings if 60% occupancy achieved = £433,728
- Potential year 1 savings if 50% occupancy achieved = £361,440

### **Capital costs;**

Exact property purchase and refurbishment costs can only be confirmed when the properties are identified, It is anticipated that Capital requirements will be in the region of £1.5m - £2m for the two homes.

There is the opportunity to apply for a Department for Education (DfE) capital allocation for 50% of the

	<p>funding should the proposal meet the DfE criteria. It is more likely that one home, for older young people with more complex needs and risk taking behaviour, will meet the DfE criteria.</p> <p>Indicative capital cost scenarios based on service borrowing £2,000,000 over 50 years:</p> <ul style="list-style-type: none"> <li>• Full cost to PCC utilising service borrowing - £140,355.95 annual revenue requirement for service borrowing.</li> <li>• DfE agree 50% capital allocation for full development - £70,177.98 annual revenue requirement for service borrowing.</li> <li>• DfE agree 50% funding for one children's home - £105,266.96 annual review requirement for service borrowing.</li> </ul> <p>The key risk of not proceeding with this proposal is that the private market providers will continue to raise their unit costs and local authorities will find it increasingly difficult to identify suitable placements for children.</p> <p>Risks of proceeding arise from potential difficulties recruiting appropriate managers and the staff team locally and of finding a suitable property. In addition, there is a risk of a higher rate of voids than modelled due to the challenges of matching suitable children.</p>																				
8	<table border="1"> <thead> <tr> <th data-bbox="225 741 759 835">Is the decision a Key Decision? (please contact <a href="#">Democratic Support</a> for further advice)</th> <th data-bbox="759 741 852 835">Yes</th> <th data-bbox="852 741 967 835">No</th> <th data-bbox="967 741 1492 835">Per the Constitution, a key decision is one which:</th> </tr> </thead> <tbody> <tr> <td data-bbox="225 835 759 1001"></td> <td data-bbox="759 835 852 1001"></td> <td data-bbox="852 835 967 1001">x</td> <td data-bbox="967 835 1492 1001">in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total</td> </tr> <tr> <td data-bbox="225 1001 759 1146"></td> <td data-bbox="759 1001 852 1146"></td> <td data-bbox="852 1001 967 1146">x</td> <td data-bbox="967 1001 1492 1146">in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b> annually</td> </tr> <tr> <td data-bbox="225 1146 759 1292"></td> <td data-bbox="759 1146 852 1292"></td> <td data-bbox="852 1146 967 1292">x</td> <td data-bbox="967 1146 1492 1292">is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.</td> </tr> <tr> <td data-bbox="225 1292 759 1420">If yes, date of publication of the notice in the <a href="#">Forward Plan of Key Decisions</a></td> <td colspan="3" data-bbox="759 1292 1492 1420">N/A</td> </tr> </tbody> </table>	Is the decision a Key Decision? (please contact <a href="#">Democratic Support</a> for further advice)	Yes	No	Per the Constitution, a key decision is one which:			x	in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in excess of <b>£3million</b> in total			x	in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b> annually			x	is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.	If yes, date of publication of the notice in the <a href="#">Forward Plan of Key Decisions</a>	N/A		
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9	<p><b>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</b></p>	<p>This would be a good capital investment because:</p> <p>I. It supports council objectives:</p> <p>The Plymouth Plan 2014-2034 – 23/04/2024</p> <ul style="list-style-type: none"> <li>• Policy HEA2 – Delivering the best outcomes for children, young people and families states:</li> <li>• Ensuring that early intervention, help and prevention meets the needs of children, young people and their families who are 'vulnerable' to poor life outcomes and supports them to achieve their potential.</li> <li>• Ensuring that integrated assessment and outcome-based care planning for children with special educational needs and disabilities and additional needs, including social, emotional, mental health and speech, language and communication problems, are built upon the voice of the child and family.</li> <li>• The Corporate Plan states that Plymouth will take</li> </ul>																			

		<p>“Responsibility – because we care about the impact of our decisions and actions” and as a local authority we pledge to “keeping children, adults and communities safe” by “providing quality public services,” “focusing on prevention and early intervention” and “spending money wisely.”</p> <ul style="list-style-type: none"> <li>• Service Planning Guidance 2024 – 2025;             <ul style="list-style-type: none"> <li>○ Key Outcome (KO) 11 - Improved Child and Family Level Outcomes:</li> <li>○ KO11f. Children and young people in the right accommodation in line with their needs.</li> <li>○ Priority 4 - The right homes for cared for children at the right time, which meets their needs and enable more children to live in family settings closer to Plymouth.</li> </ul> </li> </ul> <p>The decision relates to revenue spend on placements for children in care which is currently a considerable pressure for the Council.</p> <p>The decision is to release capital investment to purchase the homes. Service borrowing will be funded from revenue savings. This has been discussed and supported by CPOG and CPB.</p>
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<p><b>I0</b></p>	<p><b>Please specify any direct environmental implications of the decision (carbon impact)</b></p>	<p>It is anticipated that the homes will not have any climate impact because:</p> <ul style="list-style-type: none"> <li>• The homes already exist</li> <li>• The properties are domestic</li> <li>• The occupancy and use remain similar</li> </ul> <p>No renovation work is needed beyond small internal and cosmetic refreshment.</p>
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**Urgent decisions**


<p><b>I1</b></p>	<p><b>Is the decision urgent and to be implemented immediately in the interests of the Council or the public?</b></p>	<p><b>Yes</b></p>		<p>(If yes, please contact Democratic Support (<a href="mailto:democraticsupport@plymouth.gov.uk">democraticsupport@plymouth.gov.uk</a>) for advice)</p>
		<p><b>No</b></p>	<p>x</p>	<p><b>(If no, go to section I3a)</b></p>

<p><b>I2a</b></p>	<p><b>Reason for urgency:</b></p>
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<p><b>I2b</b></p>	<p><b>Scrutiny Chair Signature:</b></p>		<p><b>Date</b></p>	
	<p><b>Scrutiny Committee name:</b></p>			
	<p><b>Print Name:</b></p>			

**Consultation**

I3a	<b>Are any other Cabinet members' portfolios affected by the decision?</b>	<b>Yes</b>	<input checked="" type="checkbox"/>	
		<b>No</b>	<input type="checkbox"/>	<b>(If no go to section I4)</b>
I3b	<b>Which other Cabinet member's portfolio is affected by the decision?</b>	Councillor Jemima Laing (Deputy Leader of the Council, and Cabinet Member for Children's Social Care, Culture and Communications)		
I3c	<b>Date Cabinet member consulted</b>	31/10/2024		
I4	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b>	<b>Yes</b>	<input type="checkbox"/>	If yes, please discuss with the Monitoring Officer
		<b>No</b>	<input checked="" type="checkbox"/>	
I5	<b>Which Corporate Management Team member has been consulted?</b>	<b>Name</b>	David Haley	
		<b>Job title</b>	Director of Children's Services	
		<b>Date consulted</b>	31/10/2024	
<b>Sign-off</b>				
I6	<b>Sign off codes from the relevant departments consulted:</b>	<b>Democratic Support (mandatory)</b>	JS75 24/25	
		<b>Finance (mandatory)</b>	DJN.24.25.137	
		<b>Legal (mandatory)</b>	LS/00001312/1/AC/27/11/24	
		<b>Procurement (if applicable)</b>	CS.24.25.027	
		<b>Corporate property (decisions involving Council owned land or facilities) (if applicable)</b>	NA	
		<b>Human Resources (if applicable)</b>	NA	
<b>Appendices</b>				
I7	<b>Ref.</b>	<b>Title of appendix</b>		
	A	Equalities Impact Assessment		
	B	Climate Impact Assessment		
<b>Confidential/exempt information</b>				
I8a	<b>Do you need to include any confidential/exempt information?</b>	<b>Yes</b>	<input checked="" type="checkbox"/>	If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for

		<b>No</b>	<p>publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>18b</b> below.</p> <p>(Keep as much information as possible in the briefing report that will be in the public domain)</p>					
		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>18b</b>	<b>Confidential/exempt briefing report title: Business Case</b>			x				
<b>Background Papers</b>								
<b>19</b>	<p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p>							
<b>Title of background paper(s)</b>		<b>Exemption Paragraph Number</b>						
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<b>Cabinet Member Signature</b>								
<b>20</b>	<p>I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act (2010) and those who do not. For further details please see the EIA attached.</p>							
<b>Signature</b>				<b>Date of decision</b>	29 November 2024			
<b>Print Name</b>	Tudor Evans OBE							