



PEOPLE OVERVIEW & SCRUTINY SUB COMMITTEE SPECIAL MEETING AGENDA

7.00 pm

**Wednesday
25 January 2023**

**Council Chamber -
Town Hall**

Members 12: Quorum 4

COUNCILLORS:

Ray Best
Patricia Brown
Jason Frost (Chairman)
Laurance Garrard

Linda Hawthorn
Jacqueline McArdle
Christine Smith
David Taylor
Bryan Vincent

Frankie Walker (Vice-Chair)
Julie Wilkes
Darren Wise

CO-OPTED MEMBERS:

**Statutory Members
representing the Churches**

Jack How (Roman Catholic
Church)

**Statutory Members
representing parent
governors**

Julie Lamb, Special Schools

Non-voting members representing local teacher unions and professional associations:
Ian Rusha, Havering Branch – National Education Union

**For information about the meeting please contact:
Luke Phimister
01708 434619 luke.phimister@onesource.co.uk**

Under the Committee Procedure Rules within the Council's Constitution the Chairman of the meeting may exercise the powers conferred upon the Mayor in relation to the conduct of full Council meetings. As such, should any member of the public interrupt proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room and may adjourn the meeting while this takes place.

Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

What is Overview & Scrutiny?

Each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements. Each overview and scrutiny sub-committee has its own remit as set out in the terms of reference but they each meet to consider issues of local importance.

The sub-committees have a number of key roles:

1. Providing a critical friend challenge to policy and decision makers.
2. Driving improvement in public services.
3. Holding key local partners to account.
4. Enabling the voice and concerns to the public.

The sub-committees consider issues by receiving information from, and questioning, Cabinet Members, officers and external partners to develop an understanding of proposals, policy and practices. They can then develop recommendations that they believe will improve performance, or as a response to public consultations. These are considered by the Overview and Scrutiny Board and if approved, submitted for a response to Council, Cabinet and other relevant bodies.

Sub-Committees will often establish Topic Groups to examine specific areas in much greater detail. These groups consist of a number of Members and the review period can last for anything from a few weeks to a year or more to allow the Members to comprehensively examine an issue through interviewing expert witnesses, conducting research or undertaking site visits. Once the topic group has finished its work it will send a report to the Sub-Committee that created it and will often suggest recommendations for the Overview and Scrutiny Board to pass to the Council's Executive.

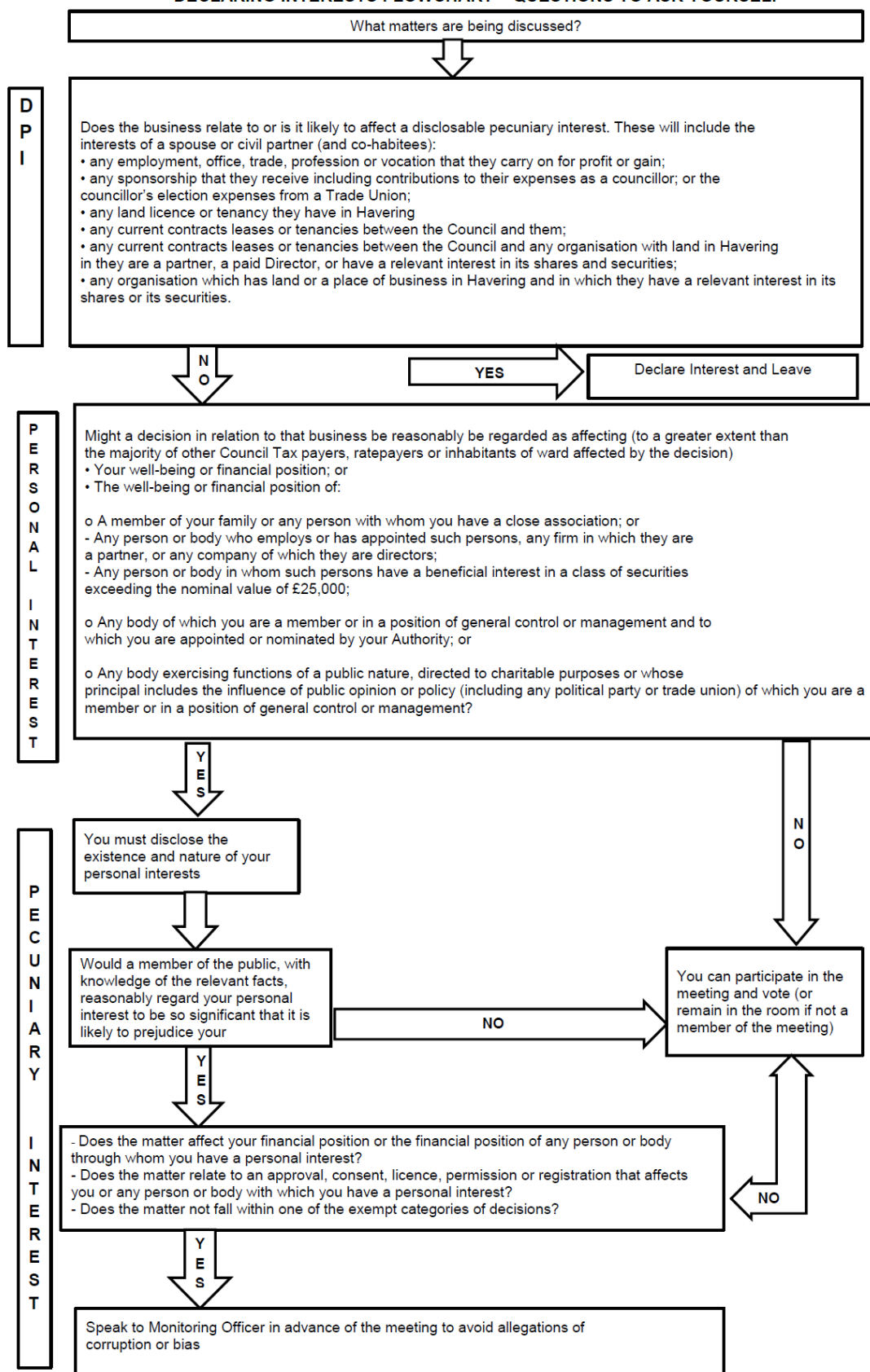
Terms of Reference

The areas scrutinised by the Committee are:

- Drug, Alcohol & sexual Services
- Health & Wellbeing
- Health O & Scrutiny
- Adult Care
- Learning and Physical Disabilities
- Employment & Skills
- Education
- Child Protection
- Youth Services

- Fostering & Adoption Services
- Education Traded Services
- Early Years Services
- Looked after Children
- Media
- Communications
- Advertising
- Corporate Events
- Bereavement & Registration Services
- Crime & Disorder

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

To receive (if any)

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still declare an interest in an item at any time prior to the consideration of the matter.

4 IN-BOROUGH SUPPORTED HOUSING UPDATE (Pages 1 - 146)

Report and appendices attached

5 EHCP AND SEND PROVISIONS TOPIC GROUP (Pages 147 - 150)

Report and scope attached

Zena Smith
Democratic and Election Services Manager

PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

Subject Heading:	Supported housing – new build and refurbishment projects
SLT Lead:	Barbara Nicholls/ Patrick Odling Smee
Report Author and contact details:	John Green 07392782206. John.green@havering.gov.uk
Policy context:	The report updates on the Supported Housing programme that is directly linked to delivering the council's Supported Housing strategy

SUMMARY

- An update on progress on the current new build and refurbishment schemes
- An update on the re-start of one scheme after previous suspension

RECOMMENDATIONS

To note the update

REPORT DETAIL

Background

In July 2018, capital funding was approved by cabinet to refurbish two properties owned, but at that point unused, by the borough. The intended use of the buildings was decided to be semi-independent provision for young people leaving care and was designated project 1 in the Supported Housing programme.

In May 2019 approval was also given to set aside capital funding for the development of three new build properties on garage sites in Havering. The properties were to be designed to provide supported housing for 3 groups of vulnerable people. These projects were added to P1 and the four projects identified as follows:

P1 Semi Independent units in borough (Widecombe Road and Park End Road)

P2 Residential Care home and Short breaks facility for Children with SEND (Aldwych Close)

P3 Supported Living Service for Adults with Disabilities (Mowbrays Close)

P4 Semi Independent Scheme for Young people Leaving care (Mawneys Close)

Each of these schemes was subject to detailed business cases and, as per the request for members to have access to a wider set of documents about the schemes, are attached as appendices.

Delays have occurred, not least because of the pandemic, but the intention remains to deliver on the commitment to get high quality bespoke accommodation in Havering, which is both cost effective and improves outcomes for vulnerable people.

Updates on all schemes:

P1 Semi Independent units in borough (Widecombe Road and Park End Road):

The services have been operational since 2021 and are positive additions to children's social care in Havering. They are both financially beneficial, compared to placing in the spot market, but also feedback from CYP services has indicated that the quality of service to young people is improved. The commissioned provider (CenterPoint) is a strong partner to work with in embedding the provisions within the community. A recent financial analysis of benefits (see in appendices) indicates that comparative savings have been made, although there are opportunities to enhance the benefits further.

P2 Residential Care home and Short breaks facility for Children with SEND (Aldwych Close):

The development of the Residential Care home and Short breaks facility for Children with SEND (Aldwych Close), was suspended by the previous administration. However, it is currently being progressed again.

In 2023, after the resumption of the project, there was an opportunity to receive match capital funding for the scheme through a DfE sponsored process. A submission was made but unfortunately rejected because the scheme would not be dealing with looked after children alone. The LB Newham received the same response to their submission. They are leading in querying the logic of that response. Neither borough is happy that innovative developments are being judged so narrowly.

Increases in capital costs for building projects has meant that the scheme is more expensive than originally envisaged. It is therefore incumbent for us to return to Cabinet with an updated business case to get approval for the expenditure and to show that benefits will still accrue. The update is being done now and will be available in due course.

In the meantime, the plans for the scheme have been updated and were presented to the board in January.

**P3 Supported Living Service for Adults with Disabilities (Mowbrays Close); and
P4 Semi Independent Scheme for Young people Leaving care (Mawneys Close)**

In regard to P3 and P4 there was no suspension and so the process to get the builds completed has progressed further. We are in regular communication with the local residents and distribute monthly newsletters.

The following are important milestones for the delivery of both schemes:

<input type="checkbox"/> Planning Consent received	01/09/2022 & 11/11/22
<input type="checkbox"/> Construction Tender (Period 12 wks)	19/12/22 to 10/03/23
<input type="checkbox"/> Award tender	13/06/23
<input type="checkbox"/> Start on site of main construction works	19/09/23
<input type="checkbox"/> Construction Duration (52 weeks)	20/09/23 to 17/09/24

Currently we are updating business cases to provide assurance that the schemes remain viable and worthwhile. These will be available in due course.

Conclusion

The programme originally consisted of these four projects, one suspended for a time. They are now all back in active development. Benefits seen from the scheme that is up and running have encouraged the programme to look to develop further.

A team is being recruited that will not only look to implement these schemes but find further opportunities for developing supported housing solutions for vulnerable groups in Havering.

IMPLICATIONS AND RISKS

Financial implications and risks:

Legal implications and risks:

Human Resources implications and risks:

Equalities implications and risks:

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Guidance on completing this section can be found on this link:

» [Climate Change Committee Guidance \(havering.gov.uk\)](https://www.havering.gov.uk/climate-change/committees-and-panels/climate-change-committee-guidance)

BACKGROUND PAPERS

None

Appendix 1 - Business Case

Project Name:	New build of an in-borough Residential Care Home and Short Breaks Facility for Children with SEND (Supported Housing Programme: P2)		
Date:	5 th June 2019	Release:	Draft
Author:	Rebecca Smith		
Owner:	John Green		
Client:	Children's Services		
Document Number:	0.7		

Distribution

This document has been distributed to:

Name	Date of Issue	Version
David Mitchell, Programme Manager	19-Nov-18	0.2
David Mitchell, Programme Manager	20-Feb-19	0.12
John Green, Head of Joint Commissioning	27-Feb-19	0.12
John Green, Head of Joint Commissioning	12-Mar-19	0.14
Sima Khiroya, Strategic Business Partner	17-May-19	v0.3
Phil Gable, Strategic Business Partner	28-May-19	v.0.6
Sima Khiroya, Strategic Business Partner	06-May-19	0.7

1. Executive Summary

Approval is being sought to obtain capital funding to build a new six bed residential care home and overnight short breaks facility for children with Special Educational Needs and Disabilities (SEND) in the borough. The six beds will be divided into a four bed unit allocated to long term residential placements, and a two bed unit allocated to overnight and weekend short breaks. The building will be designed flexibly, to allow for changes in capacity within either residential care or short breaks depending on demand and need, with two dual-function beds available.

Original capital estimates were for £1,350,000. This has now been revised to £1,260,000 through consulting with the LBH Development Surveyor.

Approval is further being sought to carry out a procurement exercise to appoint an experienced care provider to manage the service on behalf of the Council through a block contracting arrangement.

The intention of this is to enable children with higher needs who cannot live at home, to live locally, reducing the numbers of out of borough placements, ensuring local networks are maintained, controlling costs and ensuring that a good quality service is delivered. Secondly, the development would enable a better provision of overnight short breaks locally, giving parents a vital break from caring. The overall aim of this is to maintain more children in their home setting for longer.

The establishment of a new provision would provide greater control over costs and quality for SEND residential care and short breaks, delivering:

- Increased accommodation capacity in Havering
- Savings and cost avoidance
- Improved outcomes for children in the provision
- Reduction in the likelihood of family breakdown through increased access to short breaks
- Reduction in the need to place out of borough

The aim of developing this provision is to provide a cost effective alternative to our current provision and keep vulnerable children in the borough close to their families and local networks and services, and to reduce future spend on spot purchased placements.

The provision of short breaks is a preventative measure, aimed at reducing the likelihood of family breakdown, and avoiding costs associated with placing children in residential care. The demand for overnight short breaks exceeds what is currently available. In the long term not meeting demand could lead to family breakdown and purchase of long term placements for children with significant cost implications.

It is expected that there will be a range of additional benefits as a result of having local residential care and short breaks provision. These include:

- Reduced travel time for social workers
- Ease of access to local professional therapies

- Ease of access to local educational facilities
- Improving crisis intervention strategies
- Access to local networks i.e. community services

This document will evidence that there is a shortage of residential provision, and overnight respite provision for children with SEND in Havering, and that there will be an increased demand for both in coming years. This shortage and the increased demand highlights the need to develop local provision in the form of a home that will provide residential and short break placements for Havering children with SEND.

For the background to the initiative and its rationale please see Appendix 1: Background.

2. Reasons / Drivers

Improved outcomes

Having access to residential provision in Havering is important to delivering positive outcomes for children with SEND and their families. When children are placed out of their community, family and professional relationships are often disrupted or severed, and consistency is lost in terms of access to education and local services.

Short breaks are vital in supporting family relationships and promoting the health and well-being of parents who are caring for disabled children, and also that of the child themselves, and other family members affected by the caring situation. Having access to respite helps avoid family breakdown, and prevents crisis that could lead to family breakdown, and potential placement of a child in residential care. Having council owned, in borough respite provision will allow for increased access to short breaks for families and children who are in need of a break, and will support parents in being able to continue caring for their child for longer, and contribute to keeping families together.

Over half of Havering's children with disabilities who are placed within residential care are located out of borough. Ensuring we have our own residential provision in borough will enable us to respond better to any crisis situations. In addition to the potential for poor outcomes resulting from disruptions to relationships, we often do not have the level of oversight and quality control we would like with providers outside of Havering. It is much more difficult to ensure providers deliver high quality of care in provisions when using a spot purchasing approach. The difficulties of continuously monitoring a provision outside of Havering can mean the outcomes desired for children in these placements are not fully realised.

Bringing provision into the borough will allow ease of contact between social workers and children with SEND, will allow social workers more frequent contact, and cut down on travel times and costs associated with visiting children placed out of borough.

Developing local provision and commissioning a provider to manage and deliver the service through a block contract offers the chance to develop and maintain positive relationships and have much better oversight of outcomes. In this model we will work with the provider to jointly achieve identified outcomes and troubleshoot jointly when challenges arise. Having a council owned residential property for SEND will enable social care to work

closely with local services such as education, employment, and housing services. Keeping services local helps the local authority plan services more coherently and respond swiftly to any issues. Bringing new services into the community is positive in terms of adding social value, building community spirit, and increasing access for vulnerable members of the community. Developing this provision in borough will ensure that Children with SEND in residential care maintain links to their community and network of support.

Operational service intelligence

The Children and Young Adults with Disabilities (CAD) service has provided valuable insight as to the need for this type of provision to be developed in Havering:

Overnight short breaks

Senior managers in the CAD service have identified a gap in the provision of overnight short breaks in the borough for children of all ages with disabilities and complex needs. Due to the lack of provision in the borough and the high costs of spot purchasing overnight short breaks out of borough availability is limited.

Senior managers have highlighted a small number of cases where children with SEND have ended up in residential care out of the borough due to the lack of availability of respite in the borough. Havering is currently unable to offer respite to all families who are in need of it, due to the high costs of spot purchasing from providers in surrounding areas. Breakdowns are caused by a variety of factors, with the provision of respite being a vitally important preventative measure which could have at least allowed families to continue caring for their child for a longer period of time. In one such example, the council is now paying over £300,000 per year for a residential placement where operational teams believe that the young person could have been supported to remain at home with the provision of more overnight respite.

In borough residential care

Operational teams have also identified a gap in the provision of in-borough residential care for children with SEND, and varying costs associated with different providers. Children in need of a residential placement have also been placed out of borough due to a lack of SEND educational provision in Havering, an issue which will be minimised with the development of the new free special school in Havering.

Insight from the CAD service suggests that having SEND residential provision in borough will provide a range of benefits. Developing council owned residential property for children with SEND will allow the council to have control over placement costs, and closer monitoring of outcomes. Currently there is no option but to place young people with challenging needs out of the borough in high cost placements because Havering does not have sufficient access to local accommodation and support.

CAD managers have suggested that the need for local residential care and the need for local respite options are equally as important, and that through developing our offer of both types of provision, we would maximise opportunities for improving outcomes for children with disabilities and their families. One without the other would not be sufficient. By providing both facilities under one roof, we can commission a single provider, and ensure

consistency.

Operational insight has also highlighted the need for flexibility within the facility; need and demand may change and we need to ensure that we can meet this demand, and get the best possible use of the facility. This has led to the proposed flexibility that we aim to build in to the design of the building.

Savings and / or cost avoidance

Background information

The following is a range of national, local and commissioning information which demonstrates the potential for making savings through the delivery of short breaks and residential care.

Short breaks

Short breaks are a preventative measure, which help to maintain family relationships, and prevent disabled children from going into expensive residential care. National evidence shows the extent of cost savings that can be made by providing short breaks. Research by the Disabled Children's Partnership¹ looking at case studies from local authorities across the country found that preventing 22 children at risk of going into care with short breaks has a potential cost saving of £1,851,550. The research also showed that the annual cost of family breakdown is £1,820 for every taxpayer.

Directly commissioning a provider on a contract to offer overnight breaks in Havering should provide the council with savings, as commissioned providers should deliver the same service for a lower hourly rate than spot purchase rates. The provider used most frequently by the council to spot purchase short breaks charges £31.30 per hour for 1:1 support, rising to £53.80 for 2:1 support. Norwood, the provider who is commissioned on the council's short breaks framework to deliver overnight breaks tendered at £19.21 per hour for both 1:1 and 2:1 support. This cost is considerably lower than the spot purchase rates that the council is currently paying, and demonstrates the savings that can be made by commissioning a provider on a block contract, with more favourable terms for both parties.

There is the potential to offer short breaks to more complex children who currently have high cost respite packages in place. One example of this is IO, who needs specialist equipment in his room, including padded walls and a hoist. Currently, there are no short breaks providers available to the council who can offer the equipment that IO needs, so in order to provide IO's mother with respite, carers come into the home to provide care to IO, whilst she spends two nights in a hotel. The annual cost of this is £108,135, which is significantly higher than the cost of procuring 2 nights per month from a short breaks provider. It is possible that through developing our own short breaks provision, we could provide this kind of specialist equipment, offer children like IO a short break out of the home and save money on expensive care in the home.

¹ Disabled Children's Partnership (2018), Secret Life of us Campaign: the case for a Disabled Children's Fund - <https://disabledchildrenspartnership.org.uk/wp-content/uploads/2018/07/Case-for-a-Disabled-Childrens-Fund.pdf>

Residential care

There is national evidence which suggests that high quality residential care can result in the generation of social value. In 2008 the New Economic Foundation published a report looking at the long term cost of residential care. It found that for every additional pound invested in higher-quality residential care, between £4 and £6.10 worth of additional social value is generated.²

As with the provision of short breaks, through a longer term block contract with a provider, and Council owned accommodation, we expect to make significant savings.

Additional cost avoidance and added benefit of developing these services in borough would be the saving of officer time in travelling to support those placed out of borough (plus a reduction on costs incurred in travel and subsistence). The time saved will contribute to more face-to-face work with some of our most vulnerable children or young people.

Potential service costs

The following is an outline of the potential costs of delivering a new residential and short breaks facility in Havering, and a comparison to the costs that we are currently paying for these types of care. This demonstrates the potential savings which could be made by developing our own provision.

Lease costs

The facility will be owned by the Authority, and leased to a care and support provider as part of their contract. The costs associated with leasing the property will therefore also need to be taken into consideration when looking at the cost of delivering the service.

LBH Property Services have provided an estimate of the annual rental cost, based on the size of the property in square feet. The Development Surveyor, who provided an estimate of construction costs, estimated the size of the property to be in the region of 3714 square feet. Property Services have provided estimated rental costs of £15-20 per square foot for properties in Hornchurch, where the proposed site for the development sits.

This estimate would place the least costs for the facility at between £55,000 and £75,000 per year. This estimate should be viewed with caution as it was obtained by a commercial letting agent, and we would anticipate that the council would lease the property for a lower amount than on the open market. For this reason, the lower end of the estimate of £55,000 will be used for the purpose of this business case. This can be worked out approximately as £18,333 in lease costs for the short breaks unit and £36,667 in lease costs for the residential unit.

Running costs

Managing this facility will incur running costs for the provider. Local residential care providers have provided us with a breakdown of the costs that they cover to manage

² <https://neweconomics.org/2008/09/a-false-economy>

provisions. For the purpose of this business case we have used the quotation provided by the most comparable provision to the proposed facility (a home with 5 residential beds). We have broken the quote down into the costs associated with the care of children, and the costs associated with managing the building. The costs associated with the care of children have been calculated to be lower for the short breaks unit, as children will not be permanent residents of the facility, and costs such as pocket money and clothing do not need to be factored in. Running costs associated with running the building have been calculated as an annual figure as these are fixed and not dependent on the number of children staying in the facility. Running costs associated with care have been calculated as an annual figure for the residential unit as we expect this to be inhabited year round. Care related running costs for the short breaks have been worked out to a daily figure, as we do not expect the short breaks facility to have residents year round. Figure 1 below outlines the monthly costs of running a 5 bed provision, and what these costs are projected to be for a 6 bed provision.

Figure 1. Running costs

Running costs: building expenditure	£ per month	Running costs: care expenditure	£ per month (residential)	£ per month (short breaks)
Licenses, registrations, legal	500	Food and Household	1220	1220
Equipment hire	50	Activities	500	500
Telephone	50	Pocket Money	50	0
Postage and stationary	80	Other YP Expenses	50	50
Computer expenses	50	Clothing	350	0
Insurance	472	Motor and travel expenses	650	0
Repairs and renewals	250	Events / birthdays	100	100
Heat and Light	500	Medical	50	50
Rates	60	General expenses	50	50
Cleaning	145	Total per month	£3,020	£788³
Council tax	144	Total per year	£28,992⁴	N/A
Clinical waste	110	Total per year (per room)	£7248	N/A
Maintenance	300	Total per day (per room)	N/A	£12.96
Total per month	£2,711			
Total per year	£38,693⁵			
Total per year (per room)	£6448			

Care and support costs

Working on the assumption that the procurement process would enable us to achieve a competitive hourly rate, we would expect that providers would submit a commercial bid in the region of £19 per hour for care and support. For the purpose of this cost modelling, an hourly rate of £19 will be used for 1:1 support, and an hourly rate of £32.68 will be used for 2:1 support. The 2:1 hourly rate has been calculated based on the percentage increase

³ Calculated using the monthly total per bed for a 5 bed facility, and multiplying by 2 to reflect the cost for the 2 short breaks beds

⁴ Calculated using the monthly total per bed for a 5 bed facility, and multiplying by 4 to reflect the cost for the 4 residential beds

⁵ Calculated using the monthly total per bed for a 5 bed facility, and multiplying by 6 to reflect the cost for a 6 bed facility

that we currently pay to our preferred provider for 2:1 support. A proportion of the lease cost will be added to the calculation of costs.

Short breaks unit

Costs for the short breaks unit are modelled on the current spend on overnight short breaks placements, and will be using the costs of all children currently accessing overnight short breaks.

We have modelled potential costs for the short breaks unit using two different models to demonstrate the range of spend and savings possible.

Model 1: Comparison of the current annual costs of the overnight short breaks we commission, against the potential cost of the new provision, based on the total number of nights being used currently (equivalent to 25% capacity of the new service)

Model 1 is based on the support needs of the current cohort and whether they access breaks on weekends or weekdays. Using Model 1, the same number of short breaks would be delivered as currently, for a lower cost.

Current costs for overnight short breaks

Figure 2 below shows the current costs for all overnight short breaks that the council is currently paying for. The average cost per night that we are currently paying for a short break is £704.21, and annual costs based on daily rates would be £139,681.20. The number of nights per week being used by young people who have accessed overnights in 2018/19 would equal 184 nights over a year.

Figure 2. Current costs for short breaks

Young Person	Annual cost	Unit cost (cost per night)	Number of nights per year	Additional Information
HC	£9,014.40	£751.20	12	1:1 support
PH	£5,640.00	£470.00	12	1:1 support
LF	£18,028.80	£751.20	24	1:1 support
EC	£17,550.00	£731.25	24	1:1 support
WS	£46,483.20	£968.40	48	2:1 support
AD	£9,014.40	£751.20	12	1:1 support
OL (weekday)	£13,521.60	£563.40	24	1:1 support
OL (weekend)	£18,028.80	£751.20	24	1:1 support
EK	£2,400.00	£600.00	4	1:1 support
Total	£139,681	£6,338	184	
Average	£15,520	£704		

Potential costs for the new facility

When the potential cost per night for this new short breaks provision is compared to the average cost per night that the authority currently pays, it is apparent that there would be

potential to make savings. An overnight stay would generally be for 17 hours, and at an hourly rate of £19, the nightly rate for this new provision could be around £323. An overnight stay on the weekend would generally be for 24 hours, and at an hourly rate of £19, the nightly rate could be around £456, both are much lower than the current average cost per night as shown in Figure 2.

Figure 3 below shows potential annual spend on the proposed new short breaks unit, were the same number of nights per year offered to families as are currently being used. The annual costs here also include the running costs associated (as outlined in Figure 1). The running costs here are broken down into building related costs, which are incurred 365 days per year, and care related costs, which are only incurred on the number of days that are being used for short breaks. This would see the unit being operated at 25% capacity, and would not allow us to supply any additional breaks.

Figure 3. Potential spend on short breaks based on current usage

Young Person	Daily rate	Number of nights per year	Spend
HC	£456	12	£5,472
PH	£323	12	£3,876
LF	£456	24	£10,944
EC	£456	24	£10,944
WS	£784	48	£37,647
AD	£456	12	£5,472
OL (weekday)	£323	24	£7,752
OL (weekend)	£456	24	£10,944
EK	£456	4	£1,824
Total care and support cost			£94,875
Daily running cost (care)	£12.96	184	£2,385
Annual running cost x 2 rooms (building)			£12,896
Lease cost			£18,333
Total cost			£128,489

This shows the potential to make annual savings of £11,192, based on an hourly rate of £19 for care and support.

Figure 4. Potential savings on short breaks

	Number of nights per year	Spend
Current	184	£139,681
Potential	184	£128,489
Savings		£11,192

Model 2: Comparison of the current annual costs of the overnight short breaks we commission, against what the costs could be to run a new provision at 75% capacity

- Model 2 has been based on the assumption that children staying at the facility would require 1:1 support, as the majority of children currently using overnights have this level of need. However, it is possible that some children using the facility will have higher levels of need, and will require more than 1:1 support
- We are modelling this on 75% capacity, as this is the capacity that popular short breaks providers currently run at, and would be the capacity that we would want our provision to aim for
- We have accounted for weekends, including additional hours for weekend stays, and have made the assumption that weekends will be at 100% capacity through the year, as weekends are currently the most popular time to have a short break
- Using Model 2, more short breaks would be offered than currently, at an increased cost

Figure 5. Cost modelling for short breaks at 75% capacity

Weekdays (3 days per week x 52 weeks per year = 156)				
Room	Daily rate	Daily running cost (care)	Number of nights	Spend
Room 1	£323	£12.96	156	£52,413
Room 2	£323	£12.96	156	£52,413
Weekends (2 days per week x 52 weeks per year = 104)				
Room	Daily rate	Daily running cost (care)	Number of nights	Spend
Room 1	£456	£12.96	104	£48,774
Room 2	£456	£12.96	104	£48,774
				Spend
Annual running cost x 2 rooms (building)				£12,896
Lease cost				£18,333
Total spend				£233,603

If we were to increase the number of nights that were offered to families, and run a short breaks unit at 75% capacity, it would cost £233,603 per year, which is £93,922 more than we spend currently. However, we would be able to offer 336 nights more respite per year to families than we are currently offering. To offer this many more nights at the rates we are currently paying would cost us nearly £200,000 more per year than our current annual costs.

If we were to run a short breaks unit at 50% capacity, it would cost us £181,190 per year, which is £41,509 more than we are currently spending. However, we would be able to offer 180 nights more respite per year to families than we are currently providing. To offer this many more nights at the rates we are currently paying would cost us over £100,000 more per year than our current annual costs.

Figure 6 outlines these costs and the savings that would be achieved (against current costs for the same number of nights of short breaks) were we to run the facility at 25%, 50% or 75% capacity.

Figure 6. Comparison of costs for short breaks - varied capacity

Capacity	Costs		Saving
	Current rates	Potential rates	
25%	£139,681	£128,489	£11,192
50%	£252,945	£181,190	£71,755
75%	£335,446	£233,603	£101,843

This demonstrates that, although we would need to spend more than we are currently in order to offer more overnight short breaks, this would cost less than if we were to increase the number of short breaks offered at current costs. The demand analysis shows that there will be increased need for short breaks over coming years, and operational intelligence tells us that demand is currently outweighing availability, and the lack of short breaks available are causing higher costs further down the line. It is inevitable that the Authority will have to increase availability of respite, and to do so using the proposed new short breaks provision will be cheaper than to do so using our current provision.

Residential unit

For the residential unit, the care and support hours are based around the support needs of a cohort of young people currently in residential care who were identified for the purpose of this cost modelling. We have also accounted for school holidays, and have included additional staff hours for 12 weeks per year within the cost modelling. We are also working on the assumption that the residential unit would be at 100% capacity the majority of the time. As with the short breaks unit, costs are modelled on an hourly rate of £19 for care and support. A proportion of the lease cost will be added to the calculation of costs.

Current costs for residential care

Operational teams have identified a cohort of 4 children who would have been suitable to be placed in the facility, had it been available when they went into care. These children will be used as examples for the purpose of modelling current costs against what the costs could be for the new development. Figure 7 below shows the current placement costs for the four children identified.

Figure 7. Current costs for residential care

Young Person	Current annual placement cost	Unit cost (cost per week)	Additional information
KB	£171,340.00	£3,295.00	1:1 support
VS	£205,964.29	£3,960.85	2:1 support
JFA	£248,982.14	£4,788.11	1:1 support
NS	£273,750.00	£5,264.42	1:1 support
Total spend	£900,036.43	£17,308.38	
Average spend	£225,009.11	£4,327.10	

Potential costs for the new facility

The estimated cost of running the residential facility would be in the region of £668,763 when care and support costs are accounted for alongside running and lease costs. The current annual placement costs for the four young people identified are £900,036 for 2018/19. This could deliver savings of up to £231,273 based on these placement costs, and an hourly rate of £19 for care and support (see Figure 8).

This saving would reduce to £170,857 if the successful provider were to tender at £21 per hour and at £25 per hour, savings would be approximately £50,000. However, we would not expect a tender at £25 per hour to be competitive enough to be successful, so this eventuality is excluded from the cost modelling.

Figure 8 shows the overall costs of running the facility. It shows the total number of support hours needed for each room in the facility on weekdays and during weekends and holidays, along with the hourly rate attached to these. The table also includes the annual running costs associated with running the building, and those associated with the care of children (as identified in Figure 1), and the annual lease cost for the residential part of the facility.

Figure 8. Running costs – residential unit only

Week days						
Daily / annual		Support	Number of staff	Hourly rate	Number of support hours	Total
Daily	Room 1	one to one	1	£19	8	£152
Daily	Room 2	one to one	1	£19	8	£152
Daily	Room 3	one to one	1	£19	8	£152
Daily	Room 4	two to one	2	£32.68	8	£261.44
Daily	Sleeping night	N/A	1	£19	9	£171
Daily	Waking night	N/A	2	£19	9	£342
Daily	Day staff	N/A	1	£19	7	£133
Daily	Total daily care and support costs					£1,363
Annual	Annual care and support costs					£272,600
Weekends and holidays						
		Support	Number of staff	Hourly rate	Number of support hours	Total
Daily	Room 1	one to one	1	£19	15	£285
Daily	Room 2	one to one	1	£19	15	£285
Daily	Room 3	one to one	1	£19	15	£285
Daily	Room 4	two to one	2	£32.68	15	£490
Daily	Sleeping night	N/A	1	£19	9	£171

Daily	Waking night	N/A	2	£19	9	£342
Daily	Total daily care and support costs					£1,858
Annual	Annual care and support costs					£304,712
Annual	Annual running cost x 4 rooms (building)					£25,792
Annual	Annual running cost x 4 rooms (care)					£28,992
Annual	Annual lease cost					£36,667
Annual	Total					£668,763

The four children used for the purpose of cost modelling have particularly high needs, with higher than average placement costs. The average residential placement cost for children with disabilities was £172,692 in 2018/19. Four children at the average placement cost would total £690,768 per year with our current providers.

To ensure that savings would still be possible based on an average placement cost, an additional calculation has been made to determine what the cost would be to run the facility at a one to one rate for each child, which would represent an average placement. This would cost £613,343 per year, which would produce savings of £77,425.

Overall savings

As there are various variables which could affect the savings achievable from this project (as discussed above), a range of likely savings have been worked out using the different variables. See Figure 9 below.

The savings for the short breaks unit have been calculated using the cost of delivering the same number of nights of respite as is currently provided, i.e. at 25% capacity.

Figure 9 below outlines the potential spend and potential savings that could be achieved, when accounting for the different variables that have been mentioned in this section. For the residential unit, we have calculated savings for a higher needs cohort with both a higher cost and a lower cost provider, and a general needs cohort with both a higher cost and a lower cost provider. For the short breaks unit, we are assuming an average level of needs, and have calculated savings for a higher and a lower cost provider. A maximum and minimum level of savings has been calculated for each unit.

Figure 9. Potential spend / savings – residential and short breaks

Residential unit			
	Current spend	Potential spend	Savings
High needs cohort / lower cost provider	£900,036	£668,763	£231,273
High needs cohort / higher cost provider	£900,036	£729,179	£170,857
Lower needs cohort / lower cost provider	£690,768	£613,343	£77,425
Lower needs cohort / higher cost provider	£690,768	£668,279	£22,489
Short breaks unit			
	Current spend	Potential spend	Savings
Average needs cohort / lower cost provider	£139,681	£128,489	£11,192

Average needs cohort / higher cost provider	£139,681	£137,624	£2,057
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Potential additional savings

Our data shows that the cost of placements is increasing year on year. There is the potential to make greater savings than those demonstrated in Figure 9 if we compare our estimated spend on the new facility with what our current costs could be projected to be in 2020/21 when it is estimated the facility will be operational. These additional savings are demonstrated in the investment appraisals (Figure 10.)

There is also potential for Children's services to make an income of approximately £55,000 per year from the lease of the facility to the care provider. The lease costs have been included in the cost modelling as costs that will be included in the price of our contract with the care provider. However, these costs will come back into the Local Authority from the care provider in payment of the lease, and could add to the total savings in terms of income.

Improved Management of Expenditure

The overall spend on residential placements for a child with disabilities has increased by over £100,000 between 2015/16 and 2017/18, and is projected to increase again for 2018/19. Building a local provision is expected to reap the benefits of greater control over costs and quality and provide significant cost avoidance in future years.

The build of this provision will be completed in partnership with Housing Services to ensure costs are managed. As a result of building our own provision, we will have greater control over the costs throughout the lifetime of the contract.

Quality and Contract Management

Through improved contract management of our own residential care home over a longer term, we will improve relationships with providers and establish better partnership working. As a result we will be able to manage demand more effectively while developing quality measures to improve outcomes for children and young people in these services. The current market, which requires a certain amount of spot contracting, does not accommodate such a partnership approach.

Tendering for a care provider will ensure best value and quality. Through having a block contract with a care provider, we can directly manage performance and monitor the quality of the service that they are providing. A block contract also provides us greater certainty and control of costs.

The proposed Model for the building design and service model is outlined in Appendix 2.

3. Costs

Capital outlay and construction costs

The capital budget request to cover the cost of construction is £1,260,000.

Estimated construction costs have been sought from an LBH Development Surveyor as advised by the Supported Housing Programme Board member, the Director of Regeneration.

The Development Surveyor reports, “estimates have been provided with allowances for professional and planning fees, but excluding land costs and LBH time charges. This information should be used with caution until further clarification can be sought, especially in this situation where approved feasibility/ design drawings are not yet available.”⁶

The on-going funding of residential and short breaks placements has already been secured through the Children’s budget.

4. Investment Appraisal

An investment appraisal looks at investment and how long it will take for benefits to return that investment. This only gives a sense of the value that the initiative is delivering in financial terms, without considering the wider benefits that will be outlined elsewhere in the business case.

These are the estimates of the financial benefits of the investment from current information available, based upon certain assumptions. If the assumptions do not materialise, resulting in changes to the information, the business case will be updated and decision makers advised.

Assumptions include:

- Costs prove to be accurate once formalised tendering is completed
- Provision will be fully operational by June 2020
- Current residential and overnight short breaks unit costs increase by 2% per year until the facility is built, and continue to increase at that rate whilst the facility is in use
- The lease costs for the provider which are included in the cost modelling result in income for Children’s services
- The CAD service identify young people who are appropriate to move into the newly built property, at a former alternative cost per week that will realise value for money if placed in this provision instead

See Figure 10 overleaf for full investment appraisal. The investment appraisal has been carried out using both the maximum savings calculated, and the average savings calculated to show the range of time that it will take to pay back the capital investment.

The investment appraisal shows that, were we to achieve the maximum savings expected, return on investment would be achieved between 2022/23 and 2023/24. Were we to achieve the average level of savings expected, return on investment would be achieved by 2027/28.

⁶ Clement Ojediran, Development Surveyor, Property and Land

Figure 10: Estimated investment appraisal assumption 1: Tender at £19 per hour – High Needs

Investment Appraisal	2018/19	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort High Needs - Tender price £19 per hour			Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment		1,260,000								
Running Costs										
Care and Support			£672,308	£672,308	£672,308	£672,308	£672,308	£672,308	£672,308	
Resident related running costs			31,377	31,377	31,377	31,377	31,377	31,377	31,377	
Building related running costs			38,693	38,693	38,693	38,693	38,693	38,693	38,693	
Building Lease			55,000	55,000	55,000	55,000	55,000	55,000	55,000	
Net Cost			797,378	797,378	797,378	797,378	797,378	797,378	797,378	
Current estimated Cost			1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	
Net Operating (Saving)/deficit			(242,339)	(242,339)	(242,339)	(242,339)	(242,339)	(242,339)	(242,339)	5
Capital Charges *			37,800	37,800	37,800	37,800	37,800	37,800	37,800	
Net (Saving)/Deficit including Capital Charges			(204,539)	(204,539)	(204,539)	(204,539)	(204,539)	(204,539)	(204,539)	6

Lease Income *			(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease Income			(259,539)	(259,539)	(259,539)	(259,539)	(259,539)	(259,539)	(259,539)	5
Potential Cost Avoidance re Inflation on Current Contracts			(42,000)	(63,600)	(85,700)	(108,200)	(131,200)	(154,600)	(178,500)	

NOTES

Based on £19 per hour - Total savings and cost avoidance **excluding Capital Charges is £242,339 per annum**. This equates to a payback period of 5 years.

Lease Income - This is an estimate based on figures provided by LBH housing services. The actual lease value would need to be confirmed.

Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 11: Estimated investment appraisal assumption 2: Tender at £21 per hour – High Needs

Investment Appraisal	2018/19	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort High Needs - Tender price £21 per hour			Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment		1,260,000								
Running Costs										
Care and Support			742,800	742,800	742,800	742,800	742,800	742,800	742,800	
Resident related running costs			31,377	31,377	31,377	31,377	31,377	31,377	31,377	
Building related running costs			38,693	38,693	38,693	38,693	38,693	38,693	38,693	
Building Lease			55,000	55,000	55,000	55,000	55,000	55,000	55,000	
Net Cost			867,870	867,870	867,870	867,870	867,870	867,870	867,870	
Current estimated Cost			1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	1,039,717	
Net Operating (Saving)/deficit			(171,847)	(171,847)	(171,847)	(171,847)	(171,847)	(171,847)	(171,847)	7
Capital Charges *			37,800	37,800	37,800	37,800	37,800	37,800	37,800	
Net (Saving)/Deficit including Capital Charges			(134,047)	(134,047)	(134,047)	(134,047)	(134,047)	(134,047)	(134,047)	9
Lease Income *			(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	

Total Net (Saving)/deficit including Capital Charges and estimated Lease Income			(189,047)	(189,047)	(189,047)	(189,047)	(189,047)	(189,047)	(189,047)	7
Potential Cost Avoidance re Inflation on Current Contract			(42,000)	(63,600)	(85,700)	(108,200)	(131,200)	(154,600)	(178,500)	

NOTES

Based on £21 per hour - Total savings and cost avoidance **excluding Capital Charges is £171,847 per annum**. This equates to a payback period of 7 years.

Lease Income - This is an estimate based on figures provided by LBH housing services. The actual lease value would need to be confirmed.

Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 12: Estimated investment appraisal assumption 3: Tender at £19 per hour – Lower Needs

Investment Appraisal	2018/19	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort Lower Needs - Tender price £19 per hour			Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment		1,260,000								
Running Costs										
Care and Support			616,767	616,767	616,767	616,767	616,767	616,767	616,767	
Resident related running costs			31,377	31,377	31,377	31,377	31,377	31,377	31,377	
Building related running costs			38,693	38,693	38,693	38,693	38,693	38,693	38,693	
Building Lease			55,000	55,000	55,000	55,000	55,000	55,000	55,000	
Net Cost			741,837	741,837	741,837	741,837	741,837	741,837	741,837	
Current estimated Cost			830,449	830,449	830,449	830,449	830,449	830,449	830,449	
Net Operating (Saving)/deficit			(88,612)	(88,612)	(88,612)	(88,612)	(88,612)	(88,612)	(88,612)	14
Capital Charges *			37,800	37,800	37,800	37,800	37,800	37,800	37,800	
Net (Saving)/Deficit including Capital Charges			(50,812)	(50,812)	(50,812)	(50,812)	(50,812)	(50,812)	(50,812)	25

Lease Income *			(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease Income			(105,812)	(105,812)	(105,812)	(105,812)	(105,812)	(105,812)	(105,812)	12
Potential Cost Avoidance re Inflation on Current Contract			(33,600)	(50,800)	(68,500)	(86,400)	(104,800)	(123,500)	(142,600)	

NOTES

Based on £19 per hour - Total savings and cost avoidance **excluding Capital Charges is £88,612 per annum**. This equates to a payback period of 14 years.

Lease Income - This is an estimate based on figures provided by LBH housing services. The actual lease value would need to be confirmed.

Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 13: Estimated investment appraisal assumption 2: Tender at £21 per hour – Lower Needs

Investment Appraisal Indicative Identified Cohort Lower Needs - Tender price £21 per hour	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	1,260,000								
Running Costs									
Care and Support		681,459	681,459	681,459	681,459	681,459	681,459	681,459	
Resident related running costs		31,377	31,377	31,377	31,377	31,377	31,377	31,377	
Building related running costs		38,693	38,693	38,693	38,693	38,693	38,693	38,693	
Building Lease		55,000	55,000	55,000	55,000	55,000	55,000	55,000	
Net Cost		806,529	806,529	806,529	806,529	806,529	806,529	806,529	
Current estimated Cost		830,449	830,449	830,449	830,449	830,449	830,449	830,449	
Net Operating (Saving)/deficit		(23,920)	(23,920)	(23,920)	(23,920)	(23,920)	(23,920)	(23,920)	53
Capital Charges *		37,800	37,800	37,800	37,800	37,800	37,800	37,800	
Net (Saving)/Deficit including Capital Charges		13,880	13,880	13,880	13,880	13,880	13,880	13,880	(91)

Lease Income *		(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	(55,000)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease Income		(41,120)	(41,120)	(41,120)	(41,120)	(41,120)	(41,120)	(41,120)	31
Potential Cost Avoidance re Inflation on Current Contract		(33,600)	(50,800)	(68,500)	(86,400)	(104,800)	(123,500)	(142,600)	

NOTES

Based on £19 per hour - Total savings and cost avoidance **excluding Capital Charges is £23,920 per annum**. This equates to a payback period of 53 years.

Lease Income - This is an estimate based on figures provided by LBH housing services. The actual lease value would need to be confirmed.

Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

See Appendix 3 for Risks

See Appendix 4 for Outline Benefits Plan

Appendix 1: Background

Options explored

Prior to the completion of this business case, the following options have been discussed and rejected by the Supported Housing Programme Board in principle:

- Do nothing
- Request an external SEND residential provider to develop the solution

Strategic context

Havering's Joint SEND Strategy⁷ highlights a key objective as, "to deliver improved services that are 'person-centred' and provide better value for money". Another aspiration of the strategy is that, "services will be delivered more locally to fit the needs of the family". The development of this provision in the borough will support these ambitions by providing additional local support to families of disabled children, and delivering a high quality service that achieves value for money.

This project supports one of Havering's strategic mission statements; Havering Making Communities. This proposal will support vulnerable residents in our communities. It will ensure that children who need care will receive it in a stable, meaningful and sustainable way and that young people with SEND are provided with a carefully planned programme of support for their transition into adulthood.

This project runs in line with plans to open a new special school in the borough, meaning that Children with SEND's housing and education needs could both be met in Havering, reducing the use of high cost out of borough residential educational provision.

Local Authority Statutory Duties

The Children and Family Act 2014 places a duty on the local authority to ensure that all children and young people, irrespective of disability, are better prepared to lead a full, active and productive life.

Part 3 of the Children and Family Act 2014 outlines the Local Authority's responsibility to support children with special educational needs and disabilities, giving children, young people and their parents' greater control and choice over their care.

In addition, The Sufficiency Guidance 2010 places a duty on Local Authorities to improve outcomes for Looked After Children (LAC) by taking steps that secure sufficient accommodation to meet the needs of children in their care within the authority's area. This duty is supported by statutory guidance that makes it clear that children should live in the local authority area, with access to local services and close to their friends and family, when it is safe to do so. The guidance emphasises that 'having the right placement in the right place, at the right time', with the necessary support services such as education and health in place, is crucial in improving placement stability, which leads to better outcomes for looked after children.

⁷ Joint Special Education Needs and Disabilities (SEND) Strategy, 2018

Social care authorities have an absolute duty to secure accommodation for vulnerable children where this need arises out of their need for care or support.

Finally, the Local Authority has a duty to ensure respite services are available if they are assessed as needed in a carer's assessment. Respite support for carers does not have to be provided as overnight care in a specialist or dedicated building.

Demand

In coming years, more demand is predicted for accommodation specific to children with SEND, and for services to support children with SEND and their families.

The overall population of Havering is growing; there was a 10.7% population increase from 2002 to 2015, and the population is estimated to grow a further 6% by 2022 and 13% by 2032. Havering has the largest inward migration of children from other boroughs, causing deprivation and diversity of need to rise. Across a six year period (from 2010 to 2015), 4,536 children have settled in the borough from another part of the United Kingdom. A large number of families have moved into Havering from Barking and Dagenham, Redbridge and Newham, bringing new care needs and challenges.⁸

The ONS live birth data shows that Havering is the only London Borough to have a year on year increase in the birth rate every year since 2013. While many London boroughs have already experienced the increase in birth rate which is now starting to plateau, Havering is still at the early stages of the increase and there is need to ensure that there is capacity to accommodate the growing numbers of children and their needs. Table 1 below demonstrates Havering's increased birth rate.

It is projected that Havering's population will continue to rise with the largest increases in population occurring in children aged 0-17 and older people at 65 and over⁹. Children with SEND are likely to need accommodation and support as older children or teenagers in the age range 11-17, the age at which we can see the largest increases in population size between now and 2033. The future projected growth of children in Havering is set out in Figure 11 below.

Figure 11. SEND population figures

Age group	Population percentage change from 2018 to		
	2023	2028	2033
0-4	6%	9%	5%
5-10	12%	20%	19%
11-17	21%	37%	43%
18-24	1%	12%	22%
25-64	6%	10%	10%
65-84	7%	18%	26%
85+	11%	22%	54%

Data source: GLA 2016-based Demographic Projections – Local Authority population projection Housing-led Model; Greater London Authority (GLA); Produced by Public Health Intelligence

⁸ This is Havering, 2017 <http://www.haveringdata.net/wp-content/uploads/2017/04/This-is-Havering-Havering-Demographic-Profile-Main-Document-v2.4.pdf>

⁹ This is Havering 2018 –A demographic and socio-economic profile

Nationally, the number of children with a disability has increased by 33% over the past 10 years to nearly 1 million¹⁰. There is also evidence of their needs becoming more complex.¹¹ In Havering, the number of children with special educational needs and disabilities increased at an average of between 40 and 60% in all groups between 2012 and 2015. These are particularly marked in respect of children with the most severe and complex needs where there are disproportionate growths¹². Since 2015 growth has been slower but broadly consistent. Outlined in Table 2 below is the latest projection¹³.

Figure 12. Children with disabilities in Havering

Children with a statement or EHCP for all children attending all schools in and out of borough					
Year	Cognition and learning needs	Communication and interaction needs	Social, Emotional and Mental Health	Sensory and/or physical needs	Total
2015/16	461	492	124	133	1210
2016/17	468	524	161	149	1302
2017/18	484	596	141	153	1374
2018/19	490	606	155	155	1406
2019/20	496	616	157	157	1426
2020/21	506	629	160	161	1455
2021/22	513	638	163	163	1477
2022/23	521	648	165	166	1500

The projections show the number of children and young people with communication and interaction needs will continue to rise; recent increases are mainly in autistic spectrum disorder. The projections also show a significant rise in numbers of children and young people with cognition and learning difficulties (16% in three years and a further 9% in the following three years). The numbers of children and young people with social, emotional and mental health difficulties (SEMH) are likely to increase by around 10% every three years. Similarly, children with sensory or physical needs are also expected to increase in number at around the same rate as those with SEMH.

Despite slowing in recent years there is still an anticipated increase in the number of children and young people with special educational needs and disability of around 20% or 200 by 2022/23¹⁴. This compares with around a 15% increase in the children's population; indicating an increase in the prevalence of SEND in future. These projections suggest a total of approximately 1,500 children with SEND by 2022/23¹⁵. However, if this prevalence was to rise to levels comparable with outer London and England over the next 5 years, this would bring the number of children with SEND to around 1,850.

The demand for residential placements for children with disabilities has also increased since 2013/14. There has been an overall increase in the numbers of Looked After Children in residential provision for Children with Disabilities (see Figure 13 below)

¹⁰ DWP Family Resources Survey (2015/16)

¹¹ Chief Medical Officer annual report 2012: children and young people's health

¹² Havering Health and Social care Needs 2018 – An overview

¹³ Expression of Interest – Local Authority Commissioned Special Free Schools 2016

¹⁴ Havering High Needs Review 2017

¹⁵ Havering draft commissioning plan for Education Services 2019-2023

Figure 13. Figures for residential care

Number of children with disabilities placed in residential care						
Year	2013/14	2014/15	2015/16	2016/17	2017/18	Oct 2018
Number of LAC in CWD Residential Placements (at March 31 st)	8	5	8	11	10	13

The demand analysis carried out for this business case has identified three cohorts of children who could access a new residential / short breaks facility in Havering.

C1 – Younger children already living away from the family home

There are currently 21 children with disabilities in residential homes or foster care. The number of looked after children has risen slightly over the last 3 years and has been relatively consistent.

Of the 21 above there are seven children aged 4 to 13 who currently live away from home, six with foster carers and one in a residential home. Some of these may return to families.

There are 33 children aged 10 to 15 attending out of area specialist independent schools. A small number of these will be residential. A small number of these children may require accommodation away from the family home. The presence of an additional children's service in the borough alongside a new specialist school may replace some of the reliance on out of borough specialist residential schools in future.

C2 - The next generation of children who may require residential accommodation in havering (currently aged 15 or under).

There are 531 children with an EHCP aged 10 to 15 of whom 422 attend in-borough schools. Another 76 pupils attend other schools, mostly in neighbouring authorities. A small number of these children will probably require long term accommodation away from the family home.

Currently the majority of the children needing accommodation are aged 14-17. Comparing the numbers of children currently in the 14-17 and 10-13 age groups with risk factors that could result in a need for residential accommodation shows us that need for residential accommodation should rise for the next cohort of 14-17 year olds

The table below shows a modest but consistent upward trend in prevalence of risk factors for children with SEND.

Figure 14. Risk factors

Risk factors	Aged 14-17	Aged 10-13
Abuse or neglect	35	43
Parental/ family dysfunction/stress	20	20
Family homeless/absent beyond control etc.	4	7
Total	59	70

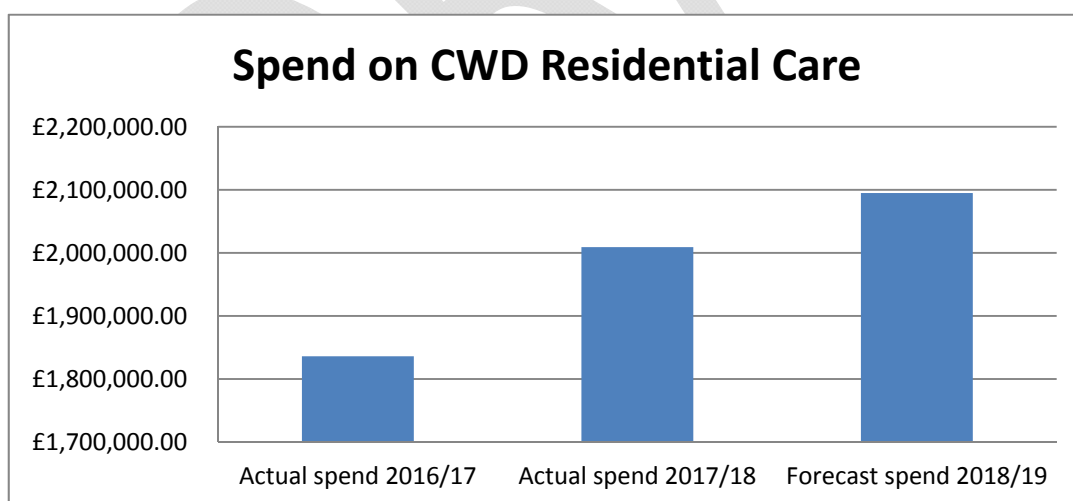
C3 – Inward migration from families

The presence of a new school specialist school opening in Havering in 2022 may encourage families to move to Havering but in all likelihood, those who do this will be motivated by active support for their disabled child. As such they are (speculatively) less likely to require accommodation away from the family home as children. The opening of the new school may bring children who are currently in residential education provision out of the borough back into the borough, and the family home. This could increase demand for respite in Havering, and this cohort could make use of a new short breaks facility in the borough.

Spend

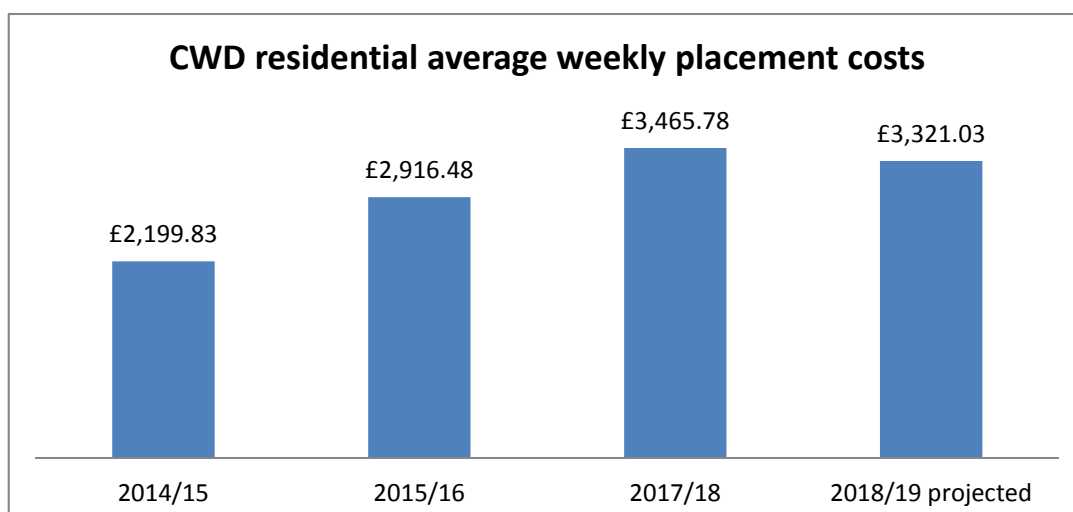
As demand for residential placements for Children with SEND has increased, so has the council's spend on residential care, putting increasing pressure on the budget for residential placements for children with disabilities. Figure 13 below demonstrates increases in spend between 2016/17 and now.

Figure 13. Residential care expenditure - annual



This increased spend is also reflected in an increase in unit costs for residential care for children with SEND since 2014/15 (see Figure 14 below).

Figure 14. Residential care expenditure - weekly



It is not currently possible to access equivalent data on historic annual spend on overnight short breaks, or the historic average costs of overnight short breaks, as this data has not been collated by the authority.

Placement Commissioning Information

Currently, over half of Havering's children with SEND who are in residential care are placed out of the borough, resulting in a disruptive process for children and families, and higher costs for the council.

There is a lack of overnight short breaks provision in Havering; there are currently no commissioned providers in borough who offer short breaks, and the council is reliant on spot purchasing short breaks from providers who are generally based out of borough. There is one provider on the council's short breaks framework who offers overnight breaks, but they are based in North London, and currently only one family is using the service. This is due to families not being able to travel these distances to access breaks. This highlights the need for more local provision of short overnight breaks.

Havering intends to provide a new specialist free school. The new school will create extra provision for SEN places in the Borough and it will allow some of the Borough's children currently educated outside of the Borough to be educated in Havering. Havering currently provides for circa 44 pupils under 16 out of borough and 19 children and young adults aged 16-25. The new school will be co-educational, 3-16 years age group and will provide 60 places for pupils with Communication and Interaction Needs (C&I) and Social, Emotional and Mental Health (SEMH). The school will open in 2023. An additional school within the borough should help prevent some of the current placements in residential schools out of borough, and increase demand for placements in the borough.

Pathway Planning

In 2016, the London Borough of Havering launched its 'face to face' programme in Children's services, which aligns its children's practitioners to a systemic approach. Systemic practice is often described as 'fitting the system to the family rather than asking

the family to fit to the system'. This way of working focuses on keeping children and young people in their own homes or living in the community connected to personal, family and community assets for longer; living as independently as possible. This is in line with the principles of the Care Act and Children and Families Act.

The vision of the Havering Joint SEND Strategy (2018 - 2020) is to strengthen the current Preparing for Adulthood processes and pathways for SEND young adults, to continue to develop a multiagency approach to transition, to put young people at the centre of their transition planning, and create a smooth transition into adulthood for children with SEND.

It is anticipated that the short breaks element of this service would provide a means by which to support disabled young people to remain living at home for longer, and develop skills to prepare them for adulthood.

The residential element of this service would be anticipated to fulfil the council's aims of allowing disabled young people to remain connected to family and community assets even if they are unable to live at home. Through the care and support provided in the residential facility, we would anticipate that disabled young people would be taught independence and preparing for adulthood skills, which would support them when leaving the facility.

The pathways for move on from the residential provision will depend on the level of independence that a young person is able to achieve.

Young people who move on from the facility before reaching adulthood

For young people whose level of need reduces, and the level of support provided in the residential facility is not necessary, options for move on would include young people's semi-independent housing, a long term foster placement, or in exceptional circumstances, a staged return to the family home, with access to short breaks to support the maintenance of the family situation.

Young people who remain in the facility until adulthood:

For young people with a high level of need, for whom the level of support needed is the same as within the residential facility when they reach adulthood, the main option for move on would be a placement in a residential care home or 24 hour supported living service for adults with disabilities.

For young people who need additional care and support when they reach adulthood, but not to the same level as that provided in residential care, there is a range of support that could be accessed, including shared lives services or low-level and/or long-term supported living services

For those who achieve a high level of independence, and are able to seek employment or training, there is the possibility of being supported to access rented accommodation, either through council housing or public / private sector rented accommodation. Longer term, there is the option of low cost home ownership for people with long-term disabilities (HOLD) with support and advice to access, with the appropriate care and support in place.

For those who may need additional care and support when living in their own

accommodation, there could be a range of support that could be accessed, including:

- Use of community assets and support networks i.e. friends, family, neighbours, carers, voluntary/community services/groups etc.
- Use of equipment and assistive technologies
- A direct payments to purchase the relevant care and support that meets eligible needs
- A personal assistant to meet the eligible needs
- An individual service fund to meet the eligible needs
- A homecare service to meet the eligible needs

It is recognised that the above pathways will not be suitable for everyone and people may move around the pathway non-sequentially depending on their needs and circumstances.

Comparable Services and Benchmarking

At present, there are no residential or short breaks provisions within Havering that we can draw comparisons with for this business case. Investigation has been carried out into the offers of other Local Authorities, and there are examples of council owned residential homes for children with SEND, and also council owned short breaks facilities. However it has not been possible to find examples of where the two facilities have been brought together. We also have not found examples of Local Authorities who have commissioned care providers to deliver the care and support within provisions. All the examples found have been of facilities that are managed in house. We have not been able to obtain costs for any of these provisions or feedback on the success of the schemes.

Council owned residential homes for children with SEND

Reading:

- Pinecroft: 1 x 6 bed residential home with care and support managed by the council

Council owned homes for short breaks

Essex:

- Lavender House: 1 x 4 bed unit with care and support managed by the council
- The Maples: 2 x 4 bed units with care and support managed by the council

Reading:

- Cressingham: 1 x 6 bed unit with care and support managed by the council

National and Local Market Conditions

The market for the provision of residential and respite care for children with SEND is currently controlled by providers. Where the council is spot purchasing placements for both respite and residential when there is urgent need for a placement, providers are able

to set high fees and the council has no option but to accept.

The appetite for delivering services through a block contract will be tested by issuing a PIN notice to gauge interest from potential providers, and market warming events held to further stimulate the market.

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Appendix 2: Proposed Service Model

Summary

Havering will contract a provider to build a residential and short break facility in borough and commission one provider to manage and deliver care and support on a block contract. Flexibility will be built in to purchase additional support hours on a case by case basis.

Building this facility will provide the Council with the following benefits:

- Enable greater control over placement costs
- Improve outcomes for children with SEND and their families
- Deliver savings

We will commission a provider to deliver a high quality service. We will test the market through a Prior Information Notice (PIN), which will also inform the subsequent tender. We expect a longer term contract that shares the risk of voids to be attractive to providers. Havering's ownership will enable us greater control on lease costs.

Discussions with senior managers in children's social care have already taken place to understand our current position. The development of the service specification and contract for the new build will be delivered in partnership with Children's Social Care.

The development will be discussed with children with SEND and their families. The insight they provide will be used to feed into the development of the service delivery and service specification.

We will work in partnership with our Housing colleagues to use land owned by the Housing Revenue Account (HRA). The location of the land has been identified and will be agreed following consultation with Councillors and local residents.

Proposed Building Design

Ofsted requirements are that the short breaks and the residential provisions must remain separate, with a clear separation between each provision, and a separate entrance for each. It is proposed that there will be flexibility within the building design to allow for reconfiguration of the split between residential and short breaks, to allow us to respond to changes in demand and need. This is subject to final approval from Ofsted as to whether this would meet their requirements. The space used by young people should all be on the ground floor. The facility could be built on one level, or two levels, with the upstairs being utilised as staff space.

Residential Unit

It is proposed that the residential unit contains four bedrooms, all fully wheelchair accessible. The unit should contain at least two bathrooms, and a separate toilet. Bathrooms need to include space for a changing table, and be fully wheelchair accessible. The unit should include a large kitchen / diner, and separate dining and living rooms, all

wheelchair accessible and large enough to cater for four children and their support staff. The unit should also include a self-contained studio flat with sleep in and shower facilities for a staff member. The unit needs to enable 24 hour care, and accommodate both sleeping and waking staff overnight.

Short Breaks Unit

It is proposed that the short breaks unit contains two bedrooms, both fully wheelchair accessible. The unit should contain two bathrooms, one with a shower and one with a bath. Bathrooms need to include space for a changing table, and be fully wheelchair accessible. The unit should include a large kitchen / diner, and a separate living room, all wheelchair accessible and large enough to cater for two children and their support staff. The unit should also include a self-contained studio flat with sleep in and shower facilities for a staff member. The unit needs to enable 24 hour care, and accommodate both sleeping and waking staff overnight.

Shared space

The building should also house some office space for staff. As there will be one support and care provider for both the residential and the short breaks units, this office space can be shared across the two units.

The office space should accommodate two desks, CCTV equipment, filing and seating for an additional three people.

Outdoor space

As families will be coming and going from the short breaks unit, several members of staff will be on site at all times, and transport will be needed to take children in the residential facility to and from school, it will be necessary to have a parking area with space for several cars.

Both facilities should have a wheelchair accessible garden / play area.

Size of development

Based on this brief, Housing Services have estimated that the total floor area required is 345m².

Proposed Service Model

Both the residential and the short breaks units should be staffed 24 hours a day with support staff providing waking night support, and a sleeping member of staff available if needed. The children who are placed in the provision will have high level, complex needs, and it is likely that the majority will require at least one to one support. If additional two to one support is required, then we intend on purchasing this 'as needed' on a flexible basis when exceptional issues arise; this will be factored into the proposed contract.

Procurement Timetable

Two procurement exercises will take place in order to set up the provision:

1. Building development contract procurement
2. Care and support contract procurement

The service model is proposed as being a block care and support contract delivering 24 hour care, seven days per week. Additional top-up care will be purchased for children as required. As such, a procurement exercise must take place to secure this.

In order to satisfy local and national Procurement guidelines Havering will offer these opportunities to all our residential and short breaks providers via an open tender. 8-12 months will be needed to complete the commissioning process and award the contract.

Housing Services have estimated the earliest build completion date as April 2020. The care and support procurement will be completed in this time, and will be aligned to the relevant stages of the building construction so the provider can contribute to the final design.

Contracts and Lease Agreement

The proposed duration for the care and support contract is five years with the option to extend up to a further two years. The contract will have suitable break clauses built in to cover unforeseen circumstances.

The total annual cost of running the facility would be £861,570, based on a lease cost of £55,000 per year, an hourly rate of £19, and a daily running cost of £16.96 per bed. This is also based on running the residential unit at 100% capacity, for children with high needs and running the short breaks unit at 75% capacity.

If a 5 year (plus 2 year extension) contract was awarded to a care provider, the total cost for a 7 year contract would be in the region of £6,030,990.

The type of lease / lease agreement is to be provided by Housing colleagues. This information is currently unknown although the assumption at this point in time is for a full repairing lease agreement, subject to further discussions with the housing department.

Tenancy / License Agreements with Residents

As this is a residential care home for children, tenancy agreements are not a consideration here and the assumption is that licence agreements will be issued for the residential care units.

Referrals & Allocation Pathway

This service will be included within the pathway model which supports young people from being looked after through to leaving care. Referrals for the residential service will be made by Operational Teams and put forward for decision at a Service Referral Panel (SRP). The SRP remit will manage referrals and allocations for all Havering owned provisions, ensuring that each young person is matched appropriately. The SRP will

include representation from commissioned providers, Operational teams, and commissioning. In addition, SRP meetings can be used to monitor progress of outcomes for young people.

Short breaks referrals will be put forward and approved at CAD Resource Panels.

Sustainability and Exit Strategy

The proposed service model is for children up to 18 years of age. When children are at the age that they would need to move on from the facility, they will be supported to move on to alternative forms of housing for adults, such as supported living schemes for adults with disabilities. The P3 project within the Supported Housing programme will develop a supported living scheme for young adults with learning disabilities who are at the transitions stage. This means that there would be specific provision for young adults moving on from the residential unit, and a strong pathway could be developed from one to the other. The CAD service offers support to young people at the transitional age of 16 to 18 years, and young people will be supported through their journey into adulthood. The sustainability of this and other locally commissioned services will be reviewed every 12 months to ensure the contract is providing the intended outcomes. It will also allow the opportunity for commissioners to review current and future demand.

If local needs were to change and there was no longer a demand for local residential provision, there are various options for sustainability and exit strategies:

Flexibility of the model

The intention will be to design and build a facility that allows for flexibility over the use of the residential and short breaks beds. The intention is to ensure that two beds out of the six could be dual purpose; to house either a residential placement or a short breaks placement, depending on demand for each type of provision at the time. Within this flexibility, we would need to ensure that there is no disruption for young people living in the residential facility, and that Ofsted requirement for a clear separation of the two provisions is adhered to through careful design.

Low demand for short breaks facility

If we were unable to consistently fill the beds in the short breaks provision, there is the option to adapt the usage of the short breaks facility, and turn the development into a 6 bed residential property, potentially with the two beds previously used for short breaks being utilised as residential beds for children with higher needs who are less able to share accommodation with other children.

There is also potential to look into the viability of selling beds to other Local Authorities on a spot purchase basis were we to experience continued low demand.

Low demand for residential facility

If there was low demand for in borough residential provision, there would be the option of offering the four residential beds as respite beds and changing the nature of the provision. Again, using the two bed facility for children with more complex needs.

There are examples in other Local Authorities (Reading and Essex) of both 6 bed residential units and 6 bed short breaks units, so these are models that work elsewhere if it was necessary to change the nature of the provision.

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Appendix 3. Major Risks

Description of Risk	Impact	Likelihood	Total	Mitigation
Short breaks are a preventative measure and there is a risk that immediate savings are not made	3	4	12	
Cost of building the unit may be more than what has been estimated by housing	3	2	6	Work with housing and architects to develop new designs based on the new model
Planned savings are not realised – providers tender at a higher rate than we are expecting	4	3	12	Robust financial analysis and value for money gained through procurement. Exit strategies planned
The business case is not developed sufficiently to accurately demonstrate potential savings	4	3	12	Detailed business case is in development in partnership with operational teams and finance
Building project is not delivered within time frame	4	2	8	Ensure that the building project is delivered in line with the procurement of the care and support provider. Meet regularly with housing so that issues with the build timeframe are communicated in a timely manner
The building specification is not appropriate to meet the needs of Children with SEND	3	3	9	OTs to review architect's designs and design of the building to be jointly developed with commissioning and the operational team
The care model is not appropriate to meet the needs of Children with SEND	3	2	6	Co design with families and operational teams
The provider is unable to fill the provision and manage voids. This is an increased risk for the short breaks unit	4	2	8	Communication with provider, setting up an allocations panel
Demand may change and the need for the provision may no longer be there	3	4	12	Develop a comprehensive exit strategy
Availability of accurate data on the client group to inform project design and specifications	2	3	6	Work with operational teams, and housing consultants to gather the data that is needed from various sources

Appendix 4: Outline Benefits Plan							
Ref	Accountable Person for Benefit Realisation	Expected Benefit	Baseline to Measure Against	How will Achievement be Measured?	When Benefit can be Measured?	Frequency - when the Benefit will be measured	Resources Required for Review
2	Tim Aldridge	Cost avoidance / savings for the council	Unit costs for residential placements in 2018/19 Unit costs for overnight short breaks for 2018/19	Unit costs in new facility compared to 2018/19 unit costs	From the start of the first placement.	Quarterly through 20/21 financial year For the comparative data against what the costs are for other placements made, from the start of the first placement	Performance team. Children's commissioning group.
3	Tim Aldridge	Improved outcomes for children and families	Feedback following consultation with young people and families	Annual consultation	Dec 2020 in year 1. Dec 2021 in year 2 Dec 2022 in year 3	Annually	Performance team. Children's commissioning group. Feedback from social workers on individual outcomes. Participation officer.
4	Tim Aldridge	Increasing capacity for short breaks may increase demand, which the council cannot meet	Current number of requests for overnight short breaks	Comparison of current requests to requests once facility is developed	One year in to contract	Annually	CAD team data

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Appendix 2 - Business Case

Project Name:	New build of a supported living service primarily for young adults with disabilities (Supported Housing Programme: P3)		
Date:	17 May 2019	Release:	Draft
Author:	Amy Reed		
Owner:	John Green		
Client:	Adult's Services		
Document Number:	v0.9		

Distribution

This document has been distributed to:

Name	Date of Issue	Version
David Mitchell, Programme Manager	19-Nov-18	0.2
David Mitchell, Programme Manager	20-Feb-19	0.12
John Green, Head of Joint Commissioning	27-Feb-19	0.13
Barbara Nicholls, Director of Adult Services	01-Mar-19	0.14
John Green, Head of Joint Commissioning	11-Mar-19	0.15
David Mitchell, Programme Manager	27-Mar-19	0.17
Sima Khiroya, Strategic Business Partner	17-May-19	v0.8

1. Executive summary

Approval is being sought to obtain capital funding of £1.6m to build one property (total of six one bedroom studio flats with additional communal facilities) in borough designed to provide supported living services for young adults with learning disabilities.

It was originally proposed that £2.8m capital funding be obtained to build two supported living services for a total of 12 adults with learning disabilities. The original model has been amended following extensive discussions with operational teams, reaching a conclusion to concentrate on a smaller but annually recurring cohort of young people with disabilities transitioning from children's to adults social care. The original idea of moving people back in borough from more expensive placements will remain an option where there is a willingness on the part of clients and their families to do so. However, previous experience has shown that doing so after people have established links to their placement is time consuming and usually ineffective.

This new approach means that a new cohort is likely to require one property initially, with the potential to build or source further properties in future.

This business case is therefore based upon the development of one six bedded unit using £1.6m capital funding, with associated cost savings.

Approval is further being sought to carry out a procurement exercise to appoint an experienced care provider to manage the service on behalf of the Council through a block contracting arrangement. Revenue funding will be redirected to fund the provider costs.

The establishment of a new provision targeted at those transitioning from children's to adults services, staying short and longer term, will deliver:

- Increased accommodation capacity in Havering
- Improved outcomes for people living in the provision
- Financial savings through greater control over costs
- Reduced need to place out of borough to meet needs
- Reduced travel time for social workers
- Ease of access to local amenities for clients i.e. GPs, walk-in centres, hospital
- Improved crisis intervention strategies
- Access to local networks i.e. community and social services

There were initial assumptions in the original C2 Capital Budget Proposal Submission that this project would deliver savings of £500k in the 2021/22 financial year by moving people back into the borough from higher cost placements. With the revised approach, savings in year 1 would amount to £225k, but with reduced capital investment (i.e. building one property). The savings over the 7 year period would be approximately £2m, including income from rent. This means that the capital investment would be returned within year 7 of the property being built. These savings would increase if we committed to building more properties in future.

For the background to the initiative and its rationale see Appendix 1: Background.

2. Reasons / Drivers

Improved outcomes

People

Having access to supported living services in Havering is important to delivering positive outcomes for young adults with learning disabilities. When people are placed outside of their community; family, friends and professional relationships are often disrupted or severed, and consistency is lost in terms of access to education, employment and local services. By having access to supported living services, the provision enables people to learn and practice independent living and develop life skills that can enable them to live more independently and as active members of their community.

Having our own supported living provision in borough can also lead to:

- Better response to crisis situations
- Improvement of the level of oversight and quality control over providers
- The opportunity to improve quality of care by minimising spot purchasing
- General improvement of outcomes because people are placed locally

Workforce

30% of young people aged 18-30 who need supported accommodation live out of borough. Having a provision in borough that can be utilised by this cohort can support with reducing the travel times and costs associated with visiting clients out of borough, as well as increased ease of contact between practitioners and clients.

Community

In this model, we can work with the provider to achieve outcomes and troubleshoot challenges. Having a council-owned property for adults with disabilities will enable us to work closely with local services such as education, employment, health, and housing services. Keeping services local helps the authority plan more coherently and respond swiftly to issues. Bringing new services into the community is positive in terms of adding social value, building community spirit, and increasing access for vulnerable members of the community. Developing this provision in borough will support people to maintain links to their community and their network of support.

Operational service intelligence

Based on discussions with operational services, the following intelligence has been collected:

Key challenges

- The greatest difficulty is seen when placing young adults with high support needs in shared accommodation when they need their own or additional

space and do not respond well to sharing

- It can be difficult to place people with external supported living providers due to limited capacity and high costs
- Due to the limited availability of an appropriate supported living provision for an individual, we can place people in costly residential care instead of supported living, which may meet needs but does not promote independence
- It can be challenging to match clients in shared accommodation due to the varying needs of the individuals and the risks around the people not living well together – this can make shared accommodation difficult to fill particularly if there is a limited amount of lead-in time to match the clients

Market perceptions

- The costs per week can vary when purchasing placements privately
- When placing with external provisions, the local authority has limited control over the care and support model and the extent to which independent living for the clients is promoted/encouraged
- There is not enough in-borough supported living provision suitable for the needs of Havering

Key risks

- There is a risk of social isolation for people living in self-contained flats with no communal spaces for residents to socialise
- There are risks that people with complex, costly needs placed in self-contained accommodation may not be able to manage independent living
- There are risks that costs may vary as clients with different needs to those requiring accommodation now may present

The information collected from operational colleagues has been used to form the basis of the model and configuration of the building. This intelligence has also been used to identify the key risks that need to be mitigated with regard to the planning, mobilisation, building design and care and support contract.

Savings and/or cost avoidance

The development of the supported living provisions will provide opportunities for direct savings and/or cost avoidance through five key areas:

- a) Reduced spend on placements due to greater control over the accommodation costs due to the building being council-owned
- b) Reduced spend on placements due to greater control over the care and support costs due to how a block contract will be used
- c) Improved management of expenditure of placements with private sector supported living provisions due to the local authority having a benchmark
- d) Improved management of demand through promotion of independent living within the supported living services; with potential for reducing demand on council services in the future if people are more independent
- e) Increased value for money on supported living placements through improved outcomes for people, the workforce and community

The project will also create an asset for the council.

Client mapping exercise

Focusing on the first key area of where savings/cost avoidance could be realised, an exercise was undertaken with operational services to review the current clients known to:

- adult social care (aged 18-30)
- the children and adults disabilities team (aged 16-25)
- the Transforming Care Partnership¹

This exercise identified a group of clients that either have an immediate need for supported living as a young adult or a future need once they turn 18 and move to adult social care services. These clients were identified based on operational judgement of their potential to live in, and benefit from such a setting.

This exercise enabled an assumption to be made about the potential client cohort that may access the new provision. This showed that, if the provision was available today, there would be the following trends:

- All clients would be moving from children's residential educational provisions
- The majority (80%) of clients would be moving back in borough after education ends in their residential educational placement out of borough

Potential care and support costs

As the final care and support costs for the provision will not be known until the completion of the tender, an approximation of the likely costs has been developed. It is approximated that the local authority will pay between £17.00 and £20.00 per hour to the care and support provider, which is an inclusive cost (including staff, management and overheads).

It should be noted that it has been challenging to identify a breakdown of the rates from private sector companies due to competition.

It is assumed that the care and support provider will be contracted under the following arrangement:

1. A core contract value based on a set number of hours which can be used flexibly to deliver the care and support to tenants
2. An hourly rate that can be used to purchase additional top-up care as required for clients if more hours are needed than what is within the core offer

The assumptions are that the new service provision, as the model is currently proposed, may require²:

- 24 hour staff on site per site

¹ See page 11 for details

² Information obtained based on operational service intelligence around client cohort

- At least four staff employed during the day
- Two waking/sleep-in night time staff
- One manager available across the site during key hours

A fully developed specification will be completed following a series of market warming events and coproduction workshops. It is possible that the figures projected in figure 1 will change following the completion of these events.

Estimations have been calculated to demonstrate the potential care and support costs for the clients identified above if they were to reside in the new provision. This has been calculated based on operational/market intelligence and by using the Financial Appraisal Tool³. It should be noted that these assumptions are highly dependent and variable on both the needs of clients that can move in and the bids received by care and support providers as part of the tender exercise.

Figure 1: Potential care and support estimates for new provision

Estimated care & support costs	Total estimated for scheme				
	Support hours		Estimated rate per hour (Incl. on cost)	Estimated weekly cost (Incl. on cost)	Total estimated annual cost
	Per day	Per week (7 day week)			
Staff costs:					
Senior Support Staff	7.14	49.98	£18.00	£899.64	£46,907.23
Support Staff	60.00	420.00	£18.00	£7,560.00	£394,178.40
Waking Nights	9.00	63.00	£18.00	£1,134.00	£59,126.76
Sleep-In	9.00	63.00	£18.00	£1,134.00	£59,126.76
			Totals	£10,727.64	£559,339.15
Other costs⁴:		Rent charge	Service charge	Weekly cost	Annual cost
Staff office		£107.90	£99.37	£207.27	£10,807.91

Figure 1 uses an example of an hourly rate of £18 per hour being received. If this was increased to £20.00 per hour, the total annual cost of the provision would increase to £621,487.94.

Potential savings/cost avoidance

Using assumptions of the potential client group and the costs of care and support in a new provision, as detailed in the Financial Appraisal Tool⁵, figures 2 and 3 outline the potential savings/cost avoidance that could be anticipated for the client cohort when the building is ready.

The estimations in figures 2 and 3 were produced by comparing the new provision

³ Supported Housing Programme Financial Tracking Tool developed by Corporate Finance

⁴ Assumed provider funds 'other costs'

⁵ Supported Housing Programme Financial Tracking Tool developed by Corporate Finance

costs against a client cohort aged 18-30 already in adult social care supported living services, with similar needs.

It should be noted that the figures have been worked out based on the following assumptions:

- That these will be the clients that would need this accommodation when the new provision is ready
- That the accommodation is suitable for the client and their needs at the time the provision is ready
- That the clients do not require any additional care that is outside of the 'core' contracted hours/support, meaning there is no need for the local authority to pay a 'top-up' on the care and support charges
- That these clients remain in the provision for a full financial year
- That the care and support tender costs come in at one of the rates calculated above
- That the construction costs total the ring-fenced amount
- That the rent and service charge is the rate stipulated above
- That there are no voids in the provisions due to vacancies (planned or unplanned)
- That the Housing Benefit/Universal Credit received by the client covers the full cost of the rent and service charges for the client

The above assumptions are subject to change due to the nature of business cases providing estimates and projections based on assumptions. As these assumptions change, the estimates for spend and saving/cost avoidance provided in figures 1, 2 and 3 will be impacted. This means that savings/cost avoidance can be realised, however there are risks around achieving these levels of savings/cost avoidance.

However, these figures can be used as a possible indication of the differences in costs if these clients were moved from where they currently reside to a council-owned supported living provision.

Improved management of expenditure

The local authority often has to place with private sector providers where we have little control over the costs, which can often result in high spend.

It is expected that a benefit of developing a council-owned provision with a care and support provider will enable the local authority to better shape the market. It is assumed that this could, in turn, set precedence for supported living placement costs and therefore help stabilise the costs of placements made in borough with private organisations.

It is assumed that this could be achieved through greater intelligence of the costs of running a supported living provision; enabling the commissioning, operations and brokerage teams to set a benchmark of placement costs based on needs and subsequently negotiate better value for money in the brokerage of placements, thus bringing the overall placement costs down.

Quality and contract management

The care and support contract will be monitored by the Joint Commissioning Unit in line with the local social care contract management principles⁶ and corporate requirements⁷ for contract management at Havering Council.

It is anticipated that a minimum of quarterly contract monitoring meetings will take place with the provider and regular data (quantitative and qualitative) is received at agreed intervals. This will establish the value for money of the provision and will monitor projections for future requirements for such a service.

It is expected that the measurement of savings/cost avoidance will be facilitated by the contract manager in the Joint Commissioning Unit, working with the relevant operational teams/panels, transactional services including Corporate Finance, and the Transformation Team. The measurement of this and its relationship with the Medium Term Financial Strategy will need to be clarified.

By having a council-owned provision and a commissioned care and support provider delivering the contract, it is anticipated that the local authority will have a higher level of control over the quality of the provision and better management and oversight of the outcomes achieved for clients.

⁶ Joint Commissioning Unit Contract Management Toolkit August 2018

⁷ Strategic Procurement Unit: Guide to Contract Management February 2016

3. Costs

The capital budget request is estimated at: £1,600,000.

Estimated construction costs have been sought from the Development Surveyor within Housing Services as advised by the Supported Housing Board member, the Director of Regeneration Programme Delivery.

Estimates have been provided with allowances for professional and planning fees, but excluding land costs and LBH time charges. This information should be used with caution until further clarification can be sought, especially in this situation where approved feasibility/design drawings are not yet available.⁸

The on-going funding of supported living placements has already been secured through the Adult Social Care budget.

4. Investment Appraisal

An investment appraisal looks at investment and how long it will take for benefits to return that investment. This only gives a sense of the value that the initiative is delivering in financial terms, without considering the wider benefits that are outlined elsewhere in the business case.

These are the estimates of the financial benefits of the investment from current information available, based upon certain assumptions. If the assumptions do not materialise, resulting in changes to the information, the business case will be updated and decision makers advised.

This investment appraisal does not take into account that this project will also produce an asset for the council.

Assumptions include:

- Providers will come in at an hourly rate between £17.00- £20.00 per hour
- Provision will be fully operational during 2020/ 2021
- Current supported living unit costs continue to increase by 2% each year
- Children's and Adult Social Care identify clients that are ready/appropriate to move into the newly built property, at a former alternative cost per week that will realise value for money if placed in this provision instead
- The income from rent will be within the projected levels

See figure 2 and 3 below for full investment appraisal.

⁸ Clement Ojediran, Development Surveyor, Housing Services

Figure 2: Estimated investment appraisal assumption 1: Tender at £18 per hour

Investment Appraisal	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort - Tender price £18 per hour		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	1,600,000								
Running Costs									
Care and Support		559,300	559,300	559,300	559,300	559,300	559,300	559,300	
Rent and Service Charges		64,800	64,800	64,800	64,800	64,800	64,800	64,800	
Income									
Housing Benefit re Rent and Service Charges *		(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	
Net Cost		559,300	559,300	559,300	559,300	559,300	559,300	559,300	
Current Estimated Cost		766,600	766,600	766,600	766,600	766,600	766,600	766,600	
Net Operating (Saving)/deficit		(207,300)	(207,300)	(207,300)	(207,300)	(207,300)	(207,300)	(207,300)	8
Capital Charges *		48,000	48,000	48,000	48,000	48,000	48,000	48,000	
Net (Saving)/Deficit including Capital Charges		(159,300)	(159,300)	(159,300)	(159,300)	(159,300)	(159,300)	(159,300)	10
Lease Income *		(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease		(193,100)	(193,100)	(193,100)	(193,100)	(193,100)	(193,100)	(193,100)	8

Income									
Potential Cost Avoidance re Inflation on Current Contract		(31,000)	(46,900)	(63,200)	(79,800)	(96,700)	(114,000)	(131,600)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease Income and Potential Cost Avoidance on Inflation		(224,100)	(240,000)	(256,300)	(272,900)	(289,800)	(307,100)	(324,700)	5

NOTES

Based on £18 per hour – Total savings and cost avoidance **excluding Capital Charges and Lease Income is £207,300 per annum**. This equates to a payback period of 8 years.

Housing Benefit – It is assumed that all Rent and Service charges will be covered by Housing Benefit as with Heather Court, however if that is not the case there is a risk that the shortfall will need to be funded by LBH.

Lease Income – This is an estimate based on current rental charges at Heather Court. The actual lease value would need to be confirmed.

Capital Charges – This represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the Housing Revenue Account (HRA) – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 3: Estimated investment appraisal assumption 2: Tender at £20 per hour

Investment Appraisal	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort - Tender price £20 per hour		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	1,600,000								
Running Costs									
Care and Support		621,500	621,500	621,500	621,500	621,500	621,500	621,500	
Rent and Service Charges		64,800	64,800	64,800	64,800	64,800	64,800	64,800	
Income									
Housing Benefit re Rent and Service Charges *		(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	(64,800)	
Net Cost		621,500	621,500	621,500	621,500	621,500	621,500	621,500	
Current Estimated Cost		766,600	766,600	766,600	766,600	766,600	766,600	766,600	
Net Operating (Saving)/deficit		(145,100)	(145,100)	(145,100)	(145,100)	(145,100)	(145,100)	(145,100)	11
Capital Charges *		48,000	48,000	48,000	48,000	48,000	48,000	48,000	
Net (Saving)/Deficit including Capital Charges		(97,100)	(97,100)	(97,100)	(97,100)	(97,100)	(97,100)	(97,100)	16
Lease Income *		(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	(33,800)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease		(130,900)	(130,900)	(130,900)	(130,900)	(130,900)	(130,900)	(130,900)	12

Income									
Potential Cost Avoidance re Inflation on Current Contract		(31,000)	(46,900)	(63,200)	(79,800)	(96,700)	(114,000)	(131,600)	
Total Net (Saving)/deficit including Capital Charges and estimated Lease Income and Potential Cost Avoidance on Inflation		(161,900)	(177,800)	(194,100)	(210,700)	(227,600)	(244,900)	(262,500)	6

NOTES

Based on £20 per hour - Total savings and cost avoidance **excluding Capital Charges and Lease Income is £145,100 per annum**. This equates to a payback period of 11 years.

Housing Benefit - It is assumed that all Rent and Service charges will be covered by Housing Benefit as with Heather Court, however if that is not the case there is a risk that the shortfall will need to be funded by LBH.

Lease Income – This is an estimate based on current rental charges at Heather Court. The actual lease value would need to be confirmed.

Capital Charges – this represents the cost of borrowing and is based on 3% of the capital outlay.

Land Appropriation from the Housing Revenue Account (HRA) – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

See Appendix 3 for Major Risks

See Appendix 4 for Outline Benefits Plan

Appendix 1: Background

Options explored

Prior to the completion of this business case, the following options have been discussed and rejected by the Supported Housing Programme Board in principle:

- Do nothing
- Request an external housing association to develop the solution

Local Authority Statutory Duties

Care Act

Under the Care Act 2014, it is the duty of the local authority to meet people's assessed eligible needs for care and support. The duty is supported by statutory guidance which clearly identifies the need for local authorities to consider a person's wellbeing in all manners of providing care and support, and in ensuring people have a choice over where they live.

Children and Families Act

The Children and Family Act 2014 places a duty on the local authority to ensure that all children and young people, irrespective of disability, are better prepared to lead a full, active and productive life.

Part 3 of the Children and Family Act 2014 outlines the Local Authority's responsibility to support children with special educational needs and disabilities, giving children, young people and their parents' greater control and choice over their care.

In addition, The Sufficiency Guidance 2010 places a duty on Local Authorities to improve outcomes for Looked After Children (LAC) by taking steps that secure sufficient accommodation to meet the needs of children in their care within the authority's area. Statutory guidance indicates children should live locally, with access to services and close to friends and family, when safe to do so. 'Having the right placement in the right place, at the right time', with necessary support services such as education and health, is crucial in improving placement stability, which provides better outcomes.

Transforming Care Partnership

The Transforming Care programme aims to improve the lives of children, young people and adults with a learning disability and/or autism who display behaviours that challenge, including those with a mental health condition. The programme has three key aims:

- To improve quality of care for people with a learning disability and/or autism
- To improve quality of life for people with a learning disability and/or autism

- To enhance community capacity, thereby reducing inappropriate hospital admissions and length of stay

It is a national plan to improve care and build the right support for people with disabilities, and there are 48 transforming care partnerships across England working to support this.

The programme is underpinned by the principle of building the right support for people with disabilities.

Improving health and care through the home memorandum of understanding 2018

The memorandum of understanding on improving health and care through the home is a Public Health England owned document which has been signed by over 25 government bodies and organisations in the health, social care and housing sector. It aims to set out a shared commitment between government, health, social care and housing sectors across England in order to work towards achieving better health and wellbeing outcomes and to reduce health inequalities for people⁹.

Demand

Findings from Housing Learning & Improvement Network (LIN) and Mencap on 'The Scope and Scale of the Specialised Supported Housing Sector'¹⁰ showed that 78% of people using supported housing have learning disabilities and/or autism with complex needs. The research estimates that there are between 22,000 and 30,000 supported housing units across the UK. Estimated demand for supported housing properties across the UK is anticipated to increase from the baseline of 22,000-30,000 to 25,000-33,500 units in 2017-18, and to 29,000-37,000 units in 10 years' time. This evidence points to a predicted national increase in the need for supported housing across the UK.

In line with the 'Better Living Programme'¹¹ and 'Systemic Approach'¹², it is likely that the council will be moving more towards using supported living services which have a focus on promoting independent living, and less towards using residential care. All indicators suggest therefore that an increased capacity for supported living services will both be beneficial for vulnerable people and in line with policy initiatives that will drive demand for this type of provision.

Using data from previous years, it can be summarised that the demand for accommodation comes from three broad areas:

- Young people with disabilities entering housing and support services
- People with disabilities who have been in accommodation and support for

⁹ GOV.UK: Improving health and care through the home memorandum of understanding
<https://www.gov.uk/government/publications/improving-health-and-care-through-the-home-mou>

¹⁰ Housing Lin and Mencap: The Scope and Scale of the Specialised Supported Housing Sector
https://www.mencap.org.uk/sites/default/files/2018-04/2018.052%20Housing%20report_FINAL_WEB.pdf

¹¹ Better Living Programme: Using a three conversations model to promote people's strengths and utilise community assets to meet people's needs

¹² Systemic Approach: An approach in which practitioners focus on fitting the system to the family and not asking the family to fit the system

some time whose needs are changing and they need to move

- Older people with disabilities living with family or independently that require supported living because of a change in circumstances or increased need

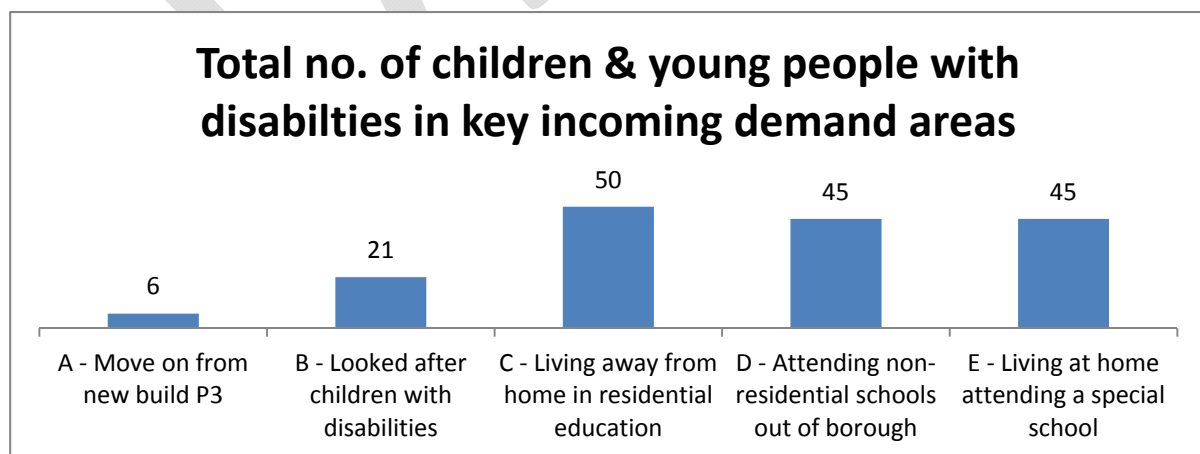
Driven by overall growth in the younger population, there are anticipated to be more young people with disabilities who will need accommodation in adult life. Based on operational intelligence, the greatest difficulty experienced is securing accommodation for those who need their own/additional space and who have needs that are incompatible with shared living arrangements i.e. having their own room but some/all shared facilities.

Data analysis shows that demand for accommodation-based support will come from the following groups of young people:

- Occupants of the proposed children's SEND residential service (P2) reaching adulthood, moving on to long-term housing and support in Havering
- Looked after children with disabilities who no longer live with families, reaching adulthood and requiring long-term housing and support from adult social care in Havering
- Children under 18 and young adults over 18 with disabilities who already live away from the family home for long periods, including in residential schools, homes, hospital settings etc.
- Children and young adults with disabilities who are currently living at home but attending non-residential specialist schools out of the borough
- Young adults with disabilities who are living at home where family care was thought to be stable but unforeseen changes mean alternatives are needed, often at short notice
- Families moving into Havering with children and young adults with disabilities

It is recognised that there is existing demand for supported living services in addition to what has been analysed below.

Figure 4: Total no. of children and young people with disabilities in key incoming demand areas



A – Move on from the planned residential service (P2)

The proposed new residential service for children with special educational needs and disabilities, P2, will provide for a range of needs, including both long and short stay for a wide age range. It is likely that those approaching 18 will need a longer term housing and support solution and it is anticipated that this project, P3, will provide an option for some of those residents. The P2 residential service is proposed to have flexibility of providing up to six residential beds.

B – Looked after children who no longer live with families

There are 21 children with disabilities in residential homes or foster care. The number of looked after children has risen slightly over the last three years. The average cost of these services is over £2,400 per person per week.

C – Already live away from the family home for long periods

Of the 50 children and young adults attending independent schools; mostly out of the borough, it can be estimated that between 5 and 10 reside in some form of residential placement. The majority of this group are aged 15 to 24. Experience from Supported Housing Specialists suggests that the cost of a weekly board/term time for a school residential placement is upwards of £1,500 per person per week, and frequently over £2,000 per person per week.

D – Living at home but attending non-residential specialist schools out of the borough.

There are 45 children and young people attending non-residential specialist schools out of borough who still live with their families in borough most of the time. It is expected that a number of these people will require accommodation early in their adult life. The majority of pupils attending independent schools have complex needs including autism and severe learning disabilities.

E – Living at home attending one of Havering's three specialist schools

Excluding those identified in earlier groups above, there are a further 78 pupils attending the three main specialist schools aged 15 to 20; with 45 of those known to adult social care or transition teams. These clients have complex needs, and some children and young people also have profound and multiple disabilities and physical disabilities in addition to autism and other complex needs. It is assumed that some of these clients will require accommodation early in their adult life.

F – Inward migration

It should also be recognised that demand may come from inward migration to the borough. The child population in Havering is projected to grow from 56,671 to 61,148 by 2020 and 62,668 by 2021¹³.

¹³Office for National Statistics: 2016 Subnational population projections for England
<https://www.ons.gov.uk/releases/subnationalpopulationprojectionsforengland2016basedprojections>

Placement commissioning information

Based on data analysis of adult social care placements for people with disabilities aged 18-30, a number of conclusions can be drawn, including:

- Supported living placements make up half of the accommodation services accessed by people aged 18-30 with disabilities, making it the most used (figure 5)
- A high proportion (30%) of people aged 18-30 with disabilities in adult social care accommodation live out of borough (figure 6)
- On average, in borough supported living and residential care for people aged 18-30 with disabilities is 33% cheaper than out of borough provision (figure 7)

Figure 5: No. of people with disabilities aged 18-30 per accommodation type

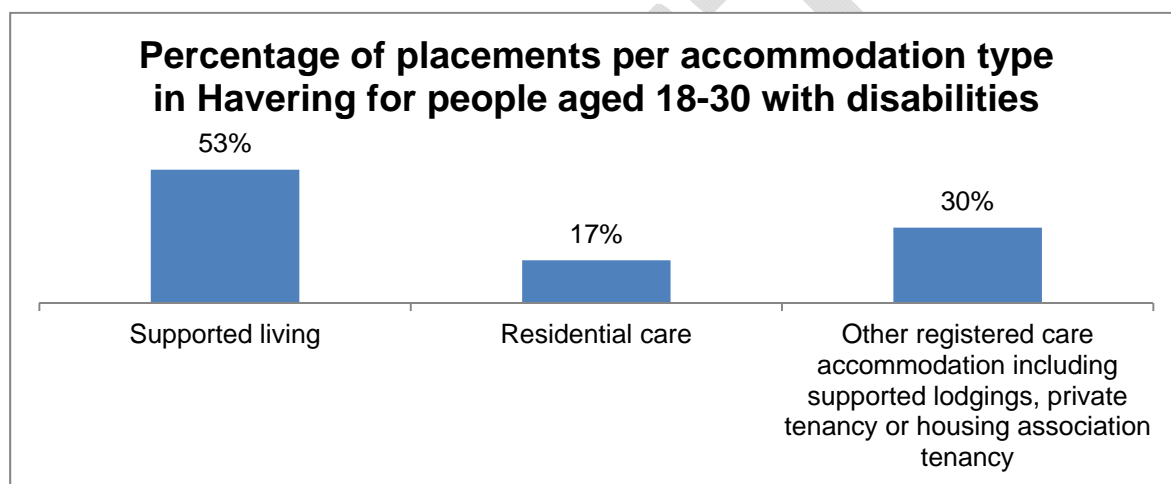


Figure 6: No. of people aged 18-30 in adult social care accommodation in borough and out of borough

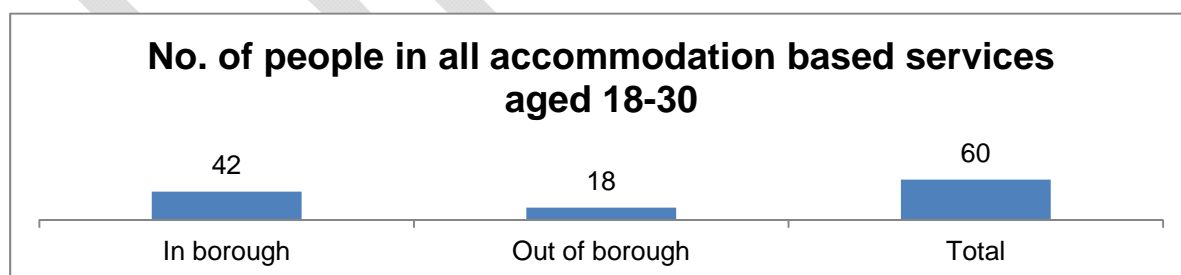


Figure 7: Average cost per week for people with disabilities aged 18-30 in out of borough and in borough accommodation services

Average cost per week for in borough and out of borough accommodation services for people with disabilities aged 18-30



Pathway planning

In 2016, the London Borough of Havering launched its 'face to face' programme in Children's services, which aligns its children's practitioners to a systemic approach. Systemic practice is often described as 'fitting the system to the family rather than asking the family to fit to the system'. This way of working focuses on keeping children and young people in their own homes or living in the community, which has in turn reduced the need for residential care placements for children and young people in Havering.

In 2018, the 'first point of contact practitioners' in the adult's social care team adopted a strengths based approach towards needs assessments and care planning in the form of a 'Better Living' programme. This way of working focuses primarily on identifying people's strengths and community assets, and connecting people to personal, family and community sources of support that may be available to help people with their presenting need. The long-term intention of this approach is that it will manage the demand on council services by reducing people's need for council intervention and increasing their use of community assets and resources to meet their needs.

In line with the principles of the Care Act and Children and Families Act, Havering aims to keep people living at home, connected to personal, family and community assets for longer; living as independently as possible, and this is demonstrated within both approaches outlined above.

It is anticipated that this service would primarily form one of the options for a young adult transitioning to adult social care services to live or practice living independently in the community on a long-term basis, or on a short-term basis as a stepping stone to more independent living, with support designed to maximise the individual's strengths and promote their independence.

There are a range of services or accommodation options available for children, young people and adults with special educational needs and disabilities or learning disabilities in Havering and it is anticipated that people could move to the new supported living provision from any of these provisions.

This can include:

- Children's special educational needs and disabilities residential care
- Children/young person's residential educational setting
- Foster care services

- Young people's semi-independent housing
- Home, living alone or with family
- Shared lives services
- Adult's residential care
- Adult's supported living services
- Hospital living setting

However, it is anticipated that the primary source of referrals will be for young adults with special educational needs and disabilities transitioning from children's to adults services from the following services or places:

- Children's special educational needs and disabilities residential care
- Children/young person's residential educational setting
- Foster care services, where appropriate
- Young people's semi-independent housing, where appropriate
- At home, living alone or with family

It is anticipated that the provision will issue short or fixed-term tenancies in order to enable the local authority and the people living there to reflect on their needs and the opportunities available for them to move on to other forms of housing and support.

The aspiration would be that, for those who achieve a high level of independence and for whom it is appropriate, the following types of accommodation could be accessed as the next step:

- Low cost home ownership for people with long-term disabilities (HOLD) with support and advice to access, and the appropriate care and support in place. This type of home ownership is a viable option for people with learning disabilities who earn enough to support a mortgage for all or a share of a property, have access to capital through their families, have an inheritance or trust funds or those who are in receipt of an Employment and Support Allowance who qualify for support for mortgage interest (SMI).
- Home ownership on the open market and support and advice to access, and the appropriate care and support in place.
- Social housing and support and advice to access, and the appropriate care and support in place.
- Private sector rented and support and advice to access, and the appropriate care and support in place.

Some of these care and support options that could be in place may be:

- Use of community assets and support networks i.e. friends, family, neighbours, carers, voluntary services, community groups etc.
- Use of equipment and assistive technologies
- A direct payment to purchase the relevant care and support that meets eligible needs
- A personal assistant to meet the eligible needs
- An individual service fund to meet the eligible needs
- A homecare service to meet the eligible needs

It is recognised that not everyone will be able to move on to one of the above forms of independent living and may move on to other forms of independent living with the appropriate support, including

- Shared lives services
- Low-level and/or long-term supported housing
- Residential and/or nursing care (in exceptional circumstances where an increased level of support is needed)

It is recognised that the above pathway will not be suitable for everyone and people may move around the pathway non-sequentially depending on their needs and circumstances.

It is also recognised that there may be individuals who will stay in the new supported living provision on a long-term basis as this is the optimal level of independent living that can be achieved.

It should be noted that there may be other variables leading to people with learning disabilities being unable to move on and live independently in dwellings in the community. This could be due to the limited availability of accessible properties. A paper developed by 'Equality Human Rights'¹⁴ highlights an estimation of typical local authority expenditure where there are no/limited accessible homes in the community, demonstrated within figure 8.

Figure 8: National estimation of typical public expenditure when adaptable and accessible homes are provided

Item	Average cost nationally	Who pays?
Early move to residential care home	£26,500-£28,000 per year	Household or social care budget
Early move to residential care home with nursing care	£34,500-£54,000 per year	Household or social care budget
Single extra night in hospital due to temporary access needs not being met	£400 per night	NHS
Ramp to threshold and widen door of M4 Category 1 Home	£1,000-£2,000 depending on requirements	Household or Disabled Facilities Grant (Better Care Fund) budget

As part of long-term planning for housing for people with disabilities under the Supported Housing Programme, consideration should be given to where accessible properties can be built and/or accessed through the general housing stock to cater for people moving on through the pathway to independent living. This is the subject of a separate report being compiled.

¹⁴ <https://www.equalityhumanrights.com/sites/default/files/housing-and-disabled-people-local-authorities-toolkit-england-planning-accessible-homes.pdf>

Comparable services and benchmarking

According to the 'National Development Team for Inclusion' (ndti) in their paper on 'Developing Supported Living Options for People with Learning Disabilities'¹⁵, shared supported housing is the most common supported living model in England.

Findings from 'Housing Lin' on the scope and scale of the 'Specialised Supported Housing sector'¹⁶ highlighted that over three quarters of the supported housing stock across the UK is provided within shared housing settings, for example, with tenants having a room in a supported housing scheme with shared communal facilities. The paper also highlights that more recent developments have tended to be self-contained housing units, often in a building containing a number of self-contained flats with or without some shared communal facilities.

The same report indicates through discussions with registered providers that whilst there is an ongoing demand for shared supported housing, it is likely that the reason there is a higher proportion of this type of supported housing available across the UK, demonstrated within figure 9, is due to shared housing being the predominant model in the past.

Figure 9: Total unit estimates of supported living across the UK

Type of housing	Percentage
Self-contained	24%
Shared housing	76%
Total	100%

The UK estimates are similar to the estimations for the split of housing types within Havering, demonstrated within figure 10.

Figure 10: Total unit estimates of supported living within Havering

Type of housing	Estimated percentage
Self-contained	27%
Shared housing	73%
Total	100%

Specialists in supported housing development brought in for the development and delivery of the Supported Housing Programme in Havering¹⁷ recommend that local authorities venturing on building new supported living schemes build what is currently unavailable in the local market.

From the benchmarking information above, this further suggests that the local authority builds more services like Great Charter Close, as detailed below, with a model of self-contained flats.

¹⁵ https://www.ndti.org.uk/uploads/files/Supported_Living_-_Making_the_Move,_May_2010.pdf

¹⁶ https://www.mencap.org.uk/sites/default/files/2018-04/2018.052%20Housing%20report_FINAL_WEB.pdf

¹⁷ Supported Housing Consultants contracted to the London Borough of Havering

Due to the challenges highlighted from operational services around placing complex, costly clients in self-contained flats and the challenges with social isolation, it has been suggested that the model developed for the new provision includes self-contained flats with some shared communal facilities.

Case studies

Great Charter Close, Rainham – In 2015, Havering opened a council-owned supported living scheme as part of a regeneration of former garage sites. The building is owned by the local authority and the council commissions an external care and support provider to provide the support to residents. The care and support contract is made up of:

- A core service charge that can be used flexibly by the provider to meet the needs of the clients
- An agreed 'top-up' rate that can be used to provide additional hours of care required to meet eligible, assessed needs

The model included having four self-contained flats and three bungalows that people with learning disabilities could live in, with care and support staff on site in a flat on site. The flat used by care and support staff can also be used for training purposes.

Each individual flat/bungalow has its own kitchen, bedroom, bathroom, dining and living area; with all of the bungalows having access to a garden. The building is fully accessible with lifted access.

Great Charter Close is seen as a successful model in general but one of the key lessons from the building design is that there could be more shared communal spaces to promote social inclusion and enable opportunities for the residents to socialise with other tenants outside of their own flats.

Sunnyside House, Thurrock – As an example of an external supported living service outside of Havering, which Havering does utilise, Sunnyside House is a scheme for people aged 16+ which markets itself as an independence training home. The scheme's specialism is providing training, to people with learning disabilities and mental health needs, on life skills and independent living.

The scheme houses 14 people and all bedrooms are spacious with their own private en-suite.

The building has a number of communal areas, including a:

- Lounge
- Kitchen
- Dining room
- Summer house
- Garden

The building has three self-contained flats on site, which were purpose built as training flats. The flats each have:

- A shower or bathroom
- A kitchen
- Assistive technology

The scheme focuses on developing residents' independent living skills to encourage and promote people moving on to independent living in the community. They follow a 'My Life Learning Programme'¹⁸ which includes developing people's skills around:

- Budgeting
- Shopping
- Cooking and nutrition
- Washing and ironing
- Cleaning
- Using public transport
- Sexual health
- Socialising

The staffing levels within the scheme are flexible depending on the clients' needs.

Sanctuary Supported Housing, Leicester¹⁹ – This supported housing service is for people aged over 18, with housing that's been designed to meet people's needs and a care and support model that naturally encourages independence.

The service has three types of housing services, including:

- Supported housing, with low level housing management support only – care and support is not provided by the scheme on this site but can be brought in if residents need the support
- Supported living with care for clients with medium to high level support needs – to develop skills and provide personal care to enable residents to move on to supported housing or more independent living
- Residential care, for clients with high level support needs – the service provides support whilst promoting and encouraging the development of independent living skills, meaning that some residents either remain in the service but live as independently as possible, or move on to supported living as their skills and independence improves
- Floating support and community based support, provided to people who are not residents of the service, but require short-term support in their own home or community based setting to better manage challenging circumstances until they no longer need support

To focus on the supported living with care service, the building has large, purpose-built apartment buildings where people have their own flats with access to communal facilities. The properties are located in residential areas and are close to local amenities, leisure facilities and employment opportunities.

As the service offers communal living, the scheme reports that residents make new

¹⁸ <http://www.mylifelearning.co.uk/>

¹⁹ <https://www.sanctuary-supported-living.co.uk>

friendships, develop social skills and can get involved in group sessions such as cooking, gardening and film nights, should they choose to.

The residents in the scheme have medium or higher level support need, have their own tenancy agreements and rent their own home, while receiving support to build the confidence and skills needed to live independently. The scheme reports that, typically, people are ready to live independently or move on to alternative supported housing from between six months to two years.

Sanctuary Supported Housing, Hackney²⁰ – This supported living service has 25 fully furnished one-bedroom flats spread across three floors, with level access throughout the building, with the specialism of supported people with mental health needs or in mental health recovery.

The scheme has the following communal areas:

- A lounge
- A rehab kitchen
- Activity room
- Computer room
- Laundry room
- Shared garden

It also includes:

- A staff office on site
- CCTV
- Secure door access system
- Assistive technology

The care and support model is focused around the Mental Health Recovery Star Model²¹ and includes:

- Staff on site 24 hours a day, seven days a week
- An overnight concierge service
- Support with daily living skills
- Managing personal care and medication
- Maintaining a tenancy support
- Positive behaviour management
- Managing finances (budgeting and benefits)
- Building positive relationships
- Developing hobbies and interests
- Maintaining health, safety and security
- Signposting and accessing other services
- Planning a successful move-on
- Additional follow-on support to live independently once moved on

²⁰ <https://www.sanctuary-supported-living.co.uk/find-services/mental-health/london/park-lodge>

²¹ <https://www.sanctuary-supported-living.co.uk/our-services/mental-health>

National and local market conditions

In Mencap's report on 'Housing for people with a learning disability'²², it is evidenced that many people with a learning disability want to live a more independent life, which requires there to be housing arrangements that promote this. The report details that there are a number of barriers to achieving this, including:

- Resources: With growing demands on housing and support services, alongside reductions in local budgets, authorities find it increasingly difficult to house people with a learning disability and support them to live independently.
- Planning: Systematic failures in planning for the future of people with a learning disability are resulting in many areas not being adequately prepared. A lack of support for planning for the future by individuals and families may also lead to people with a learning disability reaching crisis point and, therefore, to high-cost emergency housing solutions.
- Complex needs: Some people with learning disabilities face greater barriers to independent living than others. This is largely due to a lack of planning, appropriate services and resources. The groups affected include: people with profound and multiple learning disabilities, people with a learning disability and behaviour that challenges; and people living with elderly parents.
- Lack of housing: 61% of local authorities believe that local housing arrangements do not meet the needs of people with a learning disability. This has led to long waiting lists, large numbers of people living far away from family and friends, and a high number of people living in arrangements that do not promote independent living.

According to Equality Human Rights' toolkit on 'Housing and Disabled People'²³, it is recognised that new housing has a critical role in bridging the gap between the need and availability of accessible and adaptable homes.

Within the toolkit, it is nationally recognised that, when developing housing for people with disabilities, local authorities face challenges, specifically around:

- Having variable access to, and confidence in, data used to support planning recommendations
- The requirement to demonstrate the viability of the plan
- The requirement to evidence the benefits of building accessible homes

Despite these challenges, it is recognised in national reports²⁴ that local authorities have opportunities within the planning process to promote the availability of accessible homes which develop the independence of people with disabilities. Independent research and evidence²⁵ suggests this can aid people to move on to independent living in their community.

²² https://www.mencap.org.uk/sites/default/files/2016-08/2012.108-Housing-report_V7.pdf

²³ <https://www.equalityhumanrights.com/sites/default/files/housing-and-disabled-people-local-authorities-toolkit-england-planning-accessible-homes.pdf>

²⁴ As above

²⁵ <https://www.equalityhumanrights.com/sites/default/files/housing-and-disabled-people-local-authorities-toolkit-england-planning-accessible-homes.pdf>

Appendix 2: Proposed Model

Summary

It is proposed that Havering contracts a provider to build a new supported living service in borough which is council-owned, with care and support being delivered by an external care provider.

We will commission a provider to deliver a high quality support service. We will test the market through a Prior Information Notice (PIN), which will also inform the subsequent tender. We expect a longer term contract that shares the risk of voids to be attractive to providers. Havering's ownership will enable us greater control on rental costs.

The development of the service specification and contract for the new build will be completed in partnership with Children's Social Care and development colleagues in Housing services.

We will work in partnership with our Housing colleagues to use land owned by the Housing Revenue Account (HRA). The location of the land has been identified and will be agreed following consultation with Councillors and local residents.

Proposed building design

The provision will consist of 6 self-contained flats/apartments, one staff office with a bedroom en suite and communal facilities.

The property could be built on one level or two levels; however it will need to be fully accessible.

It has been proposed that each flat will have the following facilities:

- Bedroom
- Bathroom
- Kitchen
- Lounge
- Dining area

And that the communal facilities include:

- Garden
- Laundry room
- Activity room that can be used flexibly for tenancy meetings, lounge space, activities, social gathering etc.
- Kitchen

To ensure the building is appropriate for the clients, considerations will be made to ensure the building/area:

- Is fully wheelchair accessible
- Is spacious

- Enables entrances of an ambulance/bus
- Has reinforced ceilings to cater for ceiling track hoists
- Has considerations for hard wiring of assistive technologies
- Has call alarm systems
- Has adjustable spaces
- Has car parking available within the area
- Is within an accessible neighbourhood with access to public transport and local amenities

As it progresses, options to enable a flexible design of the building, e.g. moveable features, will be explored.

Regard will be given to the statutory guidance 'Access to and use of buildings: Approved Document M'²⁶, for the most appropriate category to be used.

It should be noted that the above considerations for the provision have been developed through independent research and intelligence about the client group from operational services. It is assumed that these considerations, including the category agreed for the building within the Approved Document M, may have an impact on the constructions costs and subsequent capital investment.

The capital outlay and construction costs will not accurately be known until the building design has been confirmed with the architects and the procurement for the construction provider has been completed. Housing Services have estimated that the construction will be £1.6 million for the purposes of completing this business case based on an estimated total floor area of 432.0m².

Proposed service model

Supported living has no legal definition but has a commonly accepted set of 'I' principles for people living in such services, which are defined in the Reach Standard in Supported Living²⁷:

- I choose who I live with
- I choose where I live
- I have my own home
- I choose how I am supported
- I choose who supports me
- I get good support
- I choose my friends and relationships
- I choose how to be healthy and safe
- I choose how to take part in my community
- I have the same rights and responsibility as other citizens
- I get help to make changes in my life

It is proposed that the model of the building be a supported living scheme where the local authority owns the building but does not deliver the care and support. The

²⁶ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

²⁷ <http://www.paradigm-uk.org/wp-content/uploads/2014/04/Reach-Support-for-LIVING.compressed.pdf>

building will therefore be owned by the local authority and the care and support will be delivered to residents under a separate contract.

There are a range of options for the delivery of the care and support model, including:

1. Tenants use a personal budget to pay for care and support to be delivered to them within the setting
2. Tenants receive a direct payment and use this to pay for their care, support and other assessed needs
3. A block contract is commissioned to deliver the care and support to tenants with a set number of hours that can be used creatively to meet people's needs, with residents or the council purchasing additional top-up care as required either through the provider or another service via the local authority or themselves via a personal budget or direct payment

It is proposed that the council considers option 3 as the service model. This provides better value for money by establishing a core contract that can be provided flexibly to offer varying levels of individual support, while offering some stability to the provider, and the ability to add on additional hours where required.

As the local authority will not be delivering the care and support, the authority and the scheme itself will not be required to register with the Care Quality Commission (CQC)²⁸, as set out within the Health and Social Care Act 2008. However, the care and support provider operating in the scheme will be required to have the relevant registration with the CQC.

As a minimum principle, it is expected that the care and support provider will have duties and outcome/performance indicators around promoting independent living and developing residents' life skills in a personalised and strengths based way. Through a series of market warming and operational workshops/events, the model of care to be delivered within the service will be finalised through a comprehensive service specification.

Running costs

Service charges

The Havering Income Team have provided an estimation of what will need to be paid for as a minimum based on the service charges at Great Charter Close:

- Waste Collection
- Street CCTV
- Community Warden
- TV Aerial
- Door
- Estate Environmental Services
- Fixed Security System
- Grounds Maintenance

²⁸ https://www.cqc.org.uk/sites/default/files/20151023_provider_guidance-housing_with_care.pdf

- Sheltered Housing Cleaning

Rent

The rent will not be known until the building has been completed. The Havering Income Team suggests that the building will be charged under 'affordable rent', which is currently set at 80% of the market rent in the area the building resides within. 'Affordable rent' is currently worked out on current rent (80% of the market rent) minus 1 percent. From the 2020/21 financial year, the Income Team advises that this will change to current rent plus 1%.

The Housing Benefit Team has assumed that the clients will be able to apply for Universal Credit or Housing Benefit in order to fund their rent and service charges in full, as it is expected that all clients will be over 18 and will be eligible for the level of Universal Credit or Housing Benefit required to fund the full costs. This is an assumption and will need to be confirmed as the project progresses as it will be dependent on both the client's employment situation and the actual cost of the rent and service charge.

In order to calculate an estimated rent and service charge for the new provision, an average has been taken from rates at Heather Court, a commissioned service run by a Housing Association with a similar building structure; with self-contained flats and communal spaces.

Figure 11: Rent and service charges based on a current similar provision²⁹

Site	No. of units	Rent charge	Service charge	Total
Heather Court	16	£107.90	£99.37	£207.27

Although the rent and service charge will not accurately be known until the construction of the building has been completed, these figures can be used as an indication.

Procurement timetable

There will be two procurement exercises taking place:

1. Building development contract procurement
2. Care and support contract procurement

The service model is proposed as being a block care and support contract delivering a core amount of hours that can be used flexibly, with additional top-up care being purchased for/by individuals as required. This will mean that a procurement exercise will need to be undertaken for a care and support contract.

Housing Services have estimated that the earliest build completion date will be April 2020. The procurement of the care and support provider will be done within this timeframe and its completion will be aligned to the relevant stages of the building construction so the provider can contribute to the final design.

²⁹ Information correct as of October 2018

Contracts and lease agreement

The proposed contract length for care and support is five years with the option to extend up to a further two years. The total contract value will depend on the costings submitted during the tender. For a five year contract it is estimated that the total contract value will be £2.8million, and £3.9million using the further two years extension.

It is expected that the care and support provider will have responsibilities in relation to the building.

The full details of the contract and service specification will be worked through following a series of coproduction workshops with operational teams and service users, and following market warming events being held with potential bidders.

Tenancy/licence agreement(s) with residents

It is assumed that clients living in the provision will be issued with short-term tenancies of between 12 and 24 months in order to promote move-on through the pathway towards independent living. There is an assumption that people, due to their needs, may need to extend their tenancies for an additional period whilst their move-on provision becomes available or due to their continuing need for support. It is assumed that the type of tenancy and length will be developed as the project progresses.

Referral and allocation pathway

There will need to be a formalised arrangement to process the service referrals and monitor the placements frequently. Should a vacancy arise, planned or urgent, a discussion will need to take place regarding the vacancy and to identify an eligible/appropriate person to move into the accommodation. It is anticipated that this discussion will be held at a joint allocation meeting for this and other similar supported living services.

The clients currently living in the provision will also be discussed in terms of their progress on meeting identified outcomes and their needs, in order to link people with other community services and assets to support them and identify their next step.

As short-term tenancies are anticipated to be issued, this forum can also be used to forward plan upcoming vacancies and ends to tenancies, including extending tenancies or working with the individual to explore appropriate move on options.

Sustainability and exit strategy

Sustainability

For the proposed service model, the intended length of stay will be short to medium term in order to prepare residents as much as possible for independent living.

It is recognised that not everyone will move on to more independent living and in these instances the tenancy may be extended for a prolonged period. Also, if people

are settled and there is no housing available in the market, the tenancy may be extended until such housing becomes available.

The sustainability of this service and other locally commissioned services will be reviewed yearly to ensure that the contract delivers outcomes and fits into the care and support pathway, with regular quarterly contract monitoring taking place. This will allow the opportunity for commissioners and other stakeholders to review the current and future demand. This will also enable discussions to be held regarding the residents and the status of their lease, in order to establish the pending vacancies.

Exit strategy

If the business need for such a service decreases over time, or does not realise value for money, the asset could be released to general housing stock with minimal additional investment due to the flexible design of the buildings.

The Havering Housing Market Position Statement 2018³⁰ indicates that Havering's full objectively assessed housing need is for 25,200 new homes over the period between 2011 and 2033. This information also identifies the need for affordable housing and the size of properties required, which further demonstrates that these dwellings will be appropriate to be released to general housing stock.

³⁰ Table 4.1 Havering's Objectively Assessed Housing Need (Outer North East London SHMA – Update for Havering 2016)
https://www.havering.gov.uk/download/downloads/id/1958/lbhlp15_housing_position_statement_2018.pdf

Appendix 3: Major Risks

Description of Risk	Impact	Likelihood	Total	Mitigation
The construction costs are estimated and the accurate cost will not be known until build completion.	3	2	6	Work with housing and architects to develop detailed designs based on the model to ensure costs are as accurate as possible.
Capital requirements (C2s) are estimated – could be misleading.	3	3	9	Realistic capital costs are being modelled for the project.
Planned savings are not realised.	4	3	12	Robust financial analysis and value for money gained through procurement and work completed with operational services to identify clients. Exit strategies planned. Ensure construction is completed on time.
Building project is not delivered within time frame.	4	2	8	Ensure that the building project is delivered in line with the procurement of the care and support provider. Meet regularly with housing so that issues with the build timeframe are communicated and resolved in a timely manner.
The building specification is not appropriate to meet the needs of adults with disabilities.	3	3	9	OTs to review architect's designs and design of the building to be jointly developed with commissioning and the operational team.
The care model is not appropriate to meet the needs of adults with disabilities.	3	2	6	Co design with people with disabilities and operational teams.
Management of voids. This is an increased risk for the shared accommodation.	4	2	8	Communication with provider, setting up an allocations panel.
Demand may change and the need for the provision may no longer be there by the time the provision is available.	3	4	12	Develop a comprehensive exit strategy and ensure robust contract management mechanisms in place.
Availability of accurate data on the client group to inform project design and specifications.	2	3	6	Work with operational teams, and housing consultants to gather the data that is needed from various sources.

Appendix 4: Outline Benefits Plan

Ref	Accountable person for benefit realisation	Expected benefit	Baseline to measure against	How will achievement be measured?	When benefit can be measured?	Frequency when the benefit will be measured	Resources required for review
1	Barbara Nicholls	Increased proportion of adults aged 18-30 with disabilities in supported living will be in borough	% of supported living placements for adults aged 18-30 outside the borough before the provision is available	Monitoring the % of placements made for the transitions cohort out of borough once the provision is available	From 20/21 financial year or when accommodation is occupied fully, whichever is the earlier	Quarterly through 20/21 financial year or when accommodation is occupied fully, whichever is the earlier	Performance team, Joint Commissioning Unit, Operational Services
2	Barbara Nicholls	Reduction in unit cost of supported living placements	Unit costs for supported living for 3 years prior to new provision.	Overall unit costs of supported living in 20/21 compared to previous years and unit cost of placements in this provision compared to on-going placements through other provisions	From the start of the first placement	Quarterly through 20/21 financial year For the comparative data against what the costs are for other placements made, from the start of the first placement	Performance team, Joint Commissioning Unit, Operational Services
3	Barbara Nicholls	Improved outcomes	Feedback following consultation with service users, their families/carers and operational staff	Annual consultation	Dec 2020 in year 1 Dec 2021 in year 2	Annually	Performance team, Joint Commissioning Unit, Operational Services, service users

Appendix 3 - Business Case

Project Name:	New Build of Semi-Independent Properties in Borough (Supported Housing Programme: P4)		
Date:	9 th May 2019	Release:	Draft
Author:	Jonathan Cassidy		
Owner:	John Green		
Client:	Children's Social Care		
Document Number:	v0.8a		

Distribution

This document has been distributed to:

Name	Date of Issue	Version
David Mitchell, Programme Manager	19-Nov-18	0.2
David Mitchell, Programme Manager	20-Feb-19	0.12
John Green, Head of Joint Commissioning	27-Feb-19	0.13
Barbara Nicholls, Director of Adult Services	01-Mar-19	0.14
John Green, Head of Joint Commissioning	11-Mar-19	0.15
David Mitchell, Programme Manager	27-Mar-19	0.17
Sima Khirya, Strategic Business Partner	17-May-19	v0.7

1. Executive Summary

Approval is being sought to obtain capital funding to build two properties (total of 12 1x bedroom studio flats with additional communal facilities) in the borough designed to provide semi-independent accommodation for young people.

The original concept was to build a residential care facility with an attached semi-independent provision. Estimated capital costs were £1.9m but there was always recognition that there were a range of uncertainties that needed to be addressed as we moved towards a more conclusive idea of capital cost.

As the programme has developed the model has changed, as approved by Board, to build two separate semi-independent provisions on the same site of 12 x 1 bedroom studio flats with additional communal spaces and staff facilities.

The latest estimate of cost provided by the Development Surveyor indicates a total capital cost of £3.26m, significantly higher than the initial estimate.

Additionally, approval is also being sought to proceed with a procurement exercise to appoint an experienced organisation to provide support within the two buildings.

The establishment of these provisions will provide valuable resources locally, delivering:

- Increased semi-independent accommodation capacity in Havering
- Cashable and non-cashable savings and efficiencies
- Improved outcomes for young people in the provisions
- Improved pathways and housing opportunities for Looked After Children leaving care

It is expected that there will be a range of additional benefits in having a local semi-independent accommodation provision including;

- Reduced travel time for social workers
- Ease of access to local professional therapies/health economy
- Improving crisis intervention strategies
- Increased placement stability
- Access to local networks i.e. community services

For the background to the initiative and its rationale please see Appendix 1: Background.

2. Reasons/Drivers

Improved Outcomes

People

Children and young people in care across the country have reported that stable

relationships are of paramount importance. When children are placed out of their community, family and professional relationships are often disrupted or severed. When this happens, children placed out of their community are at greater risk of going missing from their placement and are at greater risk of exploitation. Building our own semi-independent properties will allow a single provider to build positive relationships and support young people who have come through the care system to reach their full potential.

Workforce

Having semi-independent properties in-borough will enable operational social work staff to access local provision to best support young people. This will improve relationships between young people and social care, thus enabling improved achievement of long term goals. Social care staff will be able to develop close working relationships with the provider on a longer term basis which will join up support for young people. There is an assumption that the Council will avoid costs and increase resources as a result of social care staff not having to travel out of borough to carry out regular visits and reviews. The time saved in travelling out of borough will increase face-to-face work with young people.

The improved outcomes are also in line with recommendations made from the Ofsted single inspection framework (SIF) in 2016 and the corresponding improvement plan. As semi-independent provision is unregulated, quality measures are not prescribed by a regulator. We intend on working closely with the commissioned provider throughout the life of the contract to develop and improve quality measures within the provision.

Community

Two local semi-independent properties will provide an opportunity to better co-ordinate the care pathways for young people. This model provides an opportunity to better support transitions from foster care or residential care into semi-independent care and then onto independent living accommodation. Building and managing our own semi-independent provision will enable social care to work closely with local services i.e. education, employment, and housing services. Keeping services local helps the local authority plan services more coherently and respond swiftly to any issues arising and increasing placement stability. Having the services in the local area will also enable the young people the opportunity to tap into the peer support networks that are on offer, for example, through the Cocoon.

Operational Service Intelligence

There are a number of young people leaving care who care managers feel will never be likely to sustain their own tenancies without support; or at least not for many years and not consistently. A significant number are believed to have no formal mental health or learning disability diagnoses and are therefore unable to access Adult Social Care Supported Housing schemes.

Traditionally, they would have found refuge in the previous Supporting People funded schemes but, following the changes in funding and council's responses to

austerity, such schemes have largely ceased and these care leavers are now more likely to be found in the Borough's Houses in Multiple Occupation, homelessness services or as rough sleepers; and with an increasing involvement in the Criminal Justice system. 12 such young people have already been identified in the current cohort of care leavers with further work continuing. This has resulted in commissioning inappropriate types of support with increased support hours for this cohort as an alternative; however this has resulted in repeated placement breakdown.

The Children Act 1989 places duties on Local Authorities towards 'looked after' and previously 'looked after' children as they exit the care system. It is the Council's responsibility to ensure each care leaver has access to assistance with employment, education and training, suitable accommodation and support with livings costs. Therefore we have a duty to support care leavers following any tenancy breakdown.

Heather Court is a good example of a service in Havering which aims to support young people leaving care to manage their own tenancy and develop their own independence skills. We wish to improve on this already successful service model to ensure we meet the need of the identified cohort, whilst ensuring the Council achieves value for money.

If we place 1 young person in their own stand-alone flat, we pay a core service to support that child on an individual basis. In Heather Court we are able to achieve economies of scale by commissioning a single provider to provide a core service across 15 flats in a single scheme for a weekly support cost of £207 per young person. The core service for Heather Court includes a share of sleeping night cover, 24 hour presence and 1:1 directed support. Rent and service charge at Heather Court is £207 per week per young person. Heather Court is commissioned to deliver 150 hours week which, on average, is 5-8 hours direct support per week for each young person. The cohort of young people are considered to have low to medium levels of support needs.

Identified Cohort

To understand the potential benefits of the new provision the approach has been to identify a current cohort of young people who would be suitable to move into the new provision, if it were available now, and compare current costs to prospective costs.

Operational services identified 12 young people aged 18-24 who meet the criteria for the provision, that is they have medium to high levels of support needs. Table 1 below shows the current costs of the identified young people. The average weekly cost for this cohort is £1,057, which will be used when calculating the proposed costings and savings.

Table 1 – Identified Cohort Placement Costs

Client	Placement Type	Weekly Cost
1	Type: Semi-independent	£2,455.00
2	Type: Semi-independent	£1,435.00
3	Type: Semi-independent	£1,222.00
4	Type - Semi-Independent	£895.00
5	Type: Semi-independent	£895.00
6	Type- Friends & Family	£890.00
7	Type: Semi-independent	£850.00
8	Type: Semi-independent	£845.00
9	Type: Semi-independent	£843.00
10	Type: Semi-independent	£800.00
11	Type - Semi-Independent	£793.00
12	Type: Semi-independent	£761.00

Savings &/or Cost Avoidance

Procuring a care provider through a longer term contract is the means by which Havering will look to reduce care costs and make cashable savings.

For the identified 12 young people, we currently pay an average of £1,057 per week for accommodation and support and based on discussions with senior managers in Children's Social Care, there is an assumption that the identified cohort of young people accessing the new semi-independent build will require an increased number of support hours per week due to the complexity of their needs.

We hold intelligence on the current market that indicates providers would deliver the service for the identified cohort at an hourly rate of between £18 and £20 per hour. The proposed service model will deliver 440 hours per week which, on average, is 10-15 hours direct support per week for each young person. Based on these assumptions the estimated costs of the new semi-independent 24 hours placement

will be between £867 and £947 per young person per week. This is based on the assumption that young people placed within the new provision will be over 18 and eligible for housing benefit and therefore will cover the cost of service charge and the rent will be paid as income to the Council via a lease agreement.

It is expected that the new build provision will address the requirement for having services located in the borough and at a reduced unit cost. The build of this provision will be completed in partnership with Housing Services to ensure the rent and accommodation costs are accurate. As a result of building our own provision, we will have greater control over the costs throughout the lifetime of the contract.

Improved Management of Expenditure

The local authority often has to place with private sector providers where we have little control over the costs, which can often result in high spend.

It is expected that a benefit of developing a council-owned provision with a care and support provider will enable the local authority to better shape the market. It is assumed that this could, in turn, set precedence for semi-independent placement costs and therefore help stabilise the costs of placements made in borough with private organisations.

It is assumed that this could be achieved through greater intelligence of the costs of running a semi-independent provision; enabling the commissioning, operations and brokerage teams to set a benchmark of placement costs based on needs and subsequently negotiate better value for money in the brokerage of placements, thus bringing the overall placement costs down.

Quality & Contract Management

A high percentage of young people are placed outside of Havering (as described in Appendix 1 Background) and this results in us not having the desired level of oversight and control to commission and maintain high quality services and to develop the positive working relationships with providers that result in better outcomes for young people. It is much more difficult to ensure providers deliver high quality of care in provisions when using a spot purchasing approach. Additionally, the difficulties of monitoring a provision outside of Havering can mean the positive outcomes for children in these placements are not maximised.. Developing local provisions and commissioning a provider to manage and deliver the service through a block contract offers the chance to develop and maintain a positive longer term relationship and have much better oversight of quality. In this model we will work with the provider to jointly achieve identified outcomes and troubleshoot jointly when challenges arise.

Through improved contract management of our own semi-independent properties over a longer term contract, we will improve relationships with providers and establish better partnership working leading to improvements in our ability to manage demand more effectively while developing quality measures to improve outcomes for children and young people in these services.

The proposed model for the building design and service is outlined in Appendix 2.

3. Costs

An initial bid for capital funding of £1,900,000 was approved for this scheme, from the submission of a Capital Budget Proposal Template (C2 form), in March 2018 subject to a further detailed business case and Cabinet member approval.

The proposed design of the scheme has changed and latest estimates by the Development Surveyor indicate that the capital costs would amount to £3.26m.

Estimated construction costs have been sought from the Development Surveyor within Housing Services as advised by the Supported Housing Board member, the Director of Regeneration Programme Delivery.

Estimates have been provided with allowances for professional and planning fees, but excluding land costs and LBH time charges. This information should be used with caution until further clarification can be sought, especially in this situation where approved feasibility/design drawings are not yet available.

The on-going funding of semi-independent placements has already been secured through the Children's budget.

4. Investment Appraisal

An investment appraisal looks at investment and how long it will take for benefits to return that investment. This only gives a sense of the value that the initiative is delivering in financial terms, without considering the wider benefits that will be outlined elsewhere in the business case.

These are the estimates of the financial benefits of the investment from current information available, based upon certain assumptions. If the assumptions do not materialise, resulting in changes to the information, the business case will be updated and decision makers advised.

These are the estimates of the financial benefits of the investment from current information available, based upon certain assumptions. Assumptions include:

- Providers are likely to submit an hourly rate of £18-20 per hour
- Rent and service charge is covered by housing benefit
- Rent will be claimed as income to the Council via lease agreement
- Current semi-independent unit costs increase by 2% each year
- That the information about costs passed on by providers proves to be accurate once we have gone through a real tendering process
- That the provision will be fully operational during 2020 to achieve savings
- The young people who are identified by Children's Social Care will be ready to

move into the newly built property

See Figure 1, Figure 2 and Figure 3 for investment appraisals.

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Figure 1: Investment Appraisal – Tender price £18 per hour

Investment Appraisal	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort - Tender price £18 per hour		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	3,260,000								
Running Costs									
Care and Support		541,200	541,200	541,200	541,200	541,200	541,200	541,200	
Building Running Costs		129,000	129,000	129,000	129,000	129,000	129,000	129,000	
Income									
Housing benefit re Rent and Service Charges *		(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	
Net Cost		541,200	541,200	541,200	541,200	541,200	541,200	541,200	
Current estimated Cost		659,600	659,600	659,600	659,600	659,600	659,600	659,600	
Net Operating (Saving)/deficit		(118,400)	(118,400)	(118,400)	(118,400)	(118,400)	(118,400)	(118,400)	28
Capital Charges		97,800	97,800	97,800	97,800	97,800	97,800	97,800	
Net (saving)/Deficit including Capital Charges		(20,600)	(20,600)	(20,600)	(20,600)	(20,600)	(20,600)	(20,600)	158

Lease Income *		(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	
Total Net (Saving)/deficit including Estimated Lease Income		(87,600)	(87,600)	(87,600)	(87,600)	(87,600)	(87,600)	(87,600)	37
Potential Cost Avoidance re Inflation on Current Contract		(26,600)	(40,400)	(54,400)	(68,700)	(83,200)	(98,100)	(113,200)	

Notes:

- Based on £18 per hour - Total savings and cost avoidance excluding Capital Charges is £118,400 per annum. This equates to a payback period of 28 years.
- Housing Benefit - it is assumed that all Rent and Service charges will be covered by Housing Benefit as with Heather Court, however if that is not the case there is a risk that the shortfall will need to be funded by LBH.
- Lease Income - This is an estimate based on current rental charges at Heather Court. The actual lease value would need to be confirmed.
- Capital Charges – this represents the cost of borrowing and is based on 3% of the capital outlay.
- Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 2: Investment Appraisal – Tender price £20 per hour

Investment Appraisal	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort - Tender price £20 per hour		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	3,260,000								
Running Costs									
Care and Support		586,900	586,900	586,900	586,900	586,900	586,900	586,900	
Building Running Costs		129,000	129,000	129,000	129,000	129,000	129,000	129,000	
Income									
Housing benefit re Rent and Service Charges *		(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	
Net Cost		586,900	586,900	586,900	586,900	586,900	586,900	586,900	
Current estimated Cost		659,600	659,600	659,600	659,600	659,600	659,600	659,600	
Net Operating (Saving)/deficit		(72,700)	(72,700)	(72,700)	(72,700)	(72,700)	(72,700)	(72,700)	45
Capital Charges		97,800	97,800	97,800	97,800	97,800	97,800	97,800	
Net (saving)/Deficit including Capital Charges		25,100	25,100	25,100	25,100	25,100	25,100	25,100	N/A

Lease Income *		(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	
Total Net (Saving)/deficit including Estimated Lease Income		(41,900)	(41,900)	(41,900)	(41,900)	(41,900)	(41,900)	(41,900)	78
Potential Cost Avoidance re Inflation on Current Contract		(26,600)	(40,400)	(54,400)	(68,700)	(83,200)	(98,100)	(113,200)	

Notes:

- Based on £20 per hour - Total savings and cost avoidance excluding Capital Charges is £72,700 per annum. This equates to a payback period of 45 years.
- Housing Benefit - it is assumed that all Rent and Service charges will be covered by Housing Benefit as with Heather Court, however if that is not the case there is a risk that the shortfall will need to be funded by LBH.
- Lease Income - This is an estimate based on current rental charges at Heather Court. The actual lease value would need to be confirmed.
- Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.
- Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Figure 3: Investment Appraisal – Tender price £18 per hour excluding High Cost Outlier

Investment Appraisal	2019/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Indicative Identified Cohort excluding High Cost Outlier - Tender price £18 per hour		Saving**	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Cost avoidance*	Payback in Years
Estimated capital investment	3,260,000								
Running Costs									
Care and Support		541,200	541,200	541,200	541,200	541,200	541,200	541,200	
Building Running Costs		129,000	129,000	129,000	129,000	129,000	129,000	129,000	
Income									
Housing benefit re Rent and Service Charges *		(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	
Net Cost		541,200	541,200	541,200	541,200	541,200	541,200	541,200	
Current estimated Cost		580,300	580,300	580,300	580,300	580,300	580,300	580,300	
Net Operating (Saving)/deficit		(39,100)	(39,100)	(39,100)	(39,100)	(39,100)	(39,100)	(39,100)	83
Capital Charges		97,800	97,800	97,800	97,800	97,800	97,800	97,800	

Net (saving)/Deficit including Capital Charges		58,700	58,700	58,700	58,700	58,700	58,700	58,700	N/A
Lease Income *		(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	(67,000)	
Total Net (Saving)/deficit including Estimated Lease Income		(8,300)	(8,300)	(8,300)	(8,300)	(8,300)	(8,300)	(8,300)	393
Potential Cost Avoidance re Inflation on Current Contract		(23,400)	(35,500)	(47,800)	(60,400)	(73,200)	(86,300)	(99,600)	

Notes:

- Based on £18 per hour - Total savings and cost avoidance excluding Capital Charges is £39,100 per annum. This equates to a payback period of 83 years.
- Housing Benefit - it is assumed that all Rent and Service charges will be covered by Housing Benefit as with Heather Court, however if that is not the case there is a risk that the shortfall will need to be funded by LBH.
- Lease Income - This is an estimate based on current rental charges at Heather Court. The actual lease value would need to be confirmed.
- Capital Charges - this represents the cost of borrowing and is based on 3% of the capital outlay.
- Land Appropriation from the HRA – There is a risk that costs associated with the transfer of land from the HRA to the General Fund will apply. It is unknown what these costs are at this stage and are therefore not included in the investment appraisal.

Appendix 1: Background

Options Explored

Prior to the completion of this business case, the following options have been discussed and rejected by the SHP Board in principle:

- Do nothing
- Request an external housing association to develop the solution

Therefore, this business case will be exploring the option for the local authority to develop a council-owned building and commissioning a provider to deliver the care and support. This project will link with the project to refurbish two properties in borough which, together, will enable improved pathway planning for Looked After Children leaving care to achieve optimal independence.

Local Authority Statutory Duties

It is the duty of the local authority looking after children (LAC) to provide continuous accommodation, to advise, assist and befriend children in care with a view to promoting their welfare and providing support for accommodation when the authority have ceased to look after them (section 19A and 22 of the Children's Act 1989). The Sufficiency Guidance 2010 places a duty on local authorities to provide sufficient accommodation to meet the needs of young people in its care.

This duty is supported by statutory guidance that makes it clear that children should live in the local authority area, with access to local services and close to their friends and family, when it is safe to do so. The guidance emphasises that 'having the right placement in the right place, at the right time', with the necessary support services such as education and health in place, is crucial in improving placement stability, which leads to better outcomes for looked after children.

It is a duty of the local authority under the Children (Leaving Care) Act 2000 to improve the life chances of young people living in and leaving local authority care. Its main aims are: to delay young people's discharge from care until they are prepared and ready to leave; to improve the assessment, preparation and planning for leaving care; to provide better personal support for young people after leaving care; and to improve the financial arrangements for care leavers.

Demand

In coming years, we can predict that there will be more demand for semi-independent provision in Havering, in order to support young people leaving care. This is due to an increase in Havering's general population, an increase in the number unaccompanied asylum-seeking children and young people leaving care requiring accommodation and support up to the age of 25 years.

The general population of the Borough has increased year on year since 2002, with a 13.7% increase from 2002 to 2017. It is projected that the largest increases in population will occur in children (0-17 years) and older people age groups (65 years

and above) up to 2033.

Table 2 shows the breakdown of the relevant age groups in Havering as at mid-2017 by gender and five-year age bands:

Table 2 – Age Population Figures

AGE BAND	MALE	FEMALE	TOTAL
0-4	8,671	8,553	17,224
5-9	8,371	7,820	16,191
10-14	7,359	7,306	14,665
15-19	7,277	6,833	14,110
20-24	7,316	7,308	14,624

The increases in the number of children and young people in these groups have arisen as a result of various factors including:

- increases in the number of births in Havering
- increases in the general fertility rate from 58 (per 1,000 women aged 15-44) in 2004 to 68 in 2017; equating to an additional 10 births per 1,000 women
- the inward migration of children from other areas. Between 2011 and 2016 alone Havering experienced the largest net inflow of children across all London boroughs with a net growth of 4,580 children from other parts of the UK.

In Havering, LAC numbers have also increased over recent years, although this is largely attributable to the Council joining the national scheme for accommodating unaccompanied asylum-seeking children (UASC). This is shown in Table 3 below:

Table 3 – Looked After Children Figures

	2013-14	2014-15	2016-17	2016-17	2017-18	Oct-18	Average
Number non UASC LAC at 31 March	204	223	210	222	221	214	216
Placement Type - Looked After Children - Excluding UASC							
Independent Fostering Agency	59	73	67	79	74	65	70
In-house Foster Care	69	75	74	60	68	63	68
Placed with Adopters	8	7	5	8	6	10	7
Placed with Parents	5	1	1	0	4	5	3
Family and Friends	22	26	21	28	28	21	24
Missing from Placement	0	0	0	0	0	0	0
NHS/health trust	1	0	0	1	1	1	1
Family Assessment Unit	0	6	2	0	1	1	2
Residential Unit	10	17	18	15	7	8	13
Residential Unit CWD	8	5	8	11	10	13	9
Secure Unit	2	0	2	1	3	3	2
Semi-independent	20	13	12	19	19	24	18
Unaccompanied Asylum Seeking Children							

	2013-14	2014-15	2016-17	2016-17	2017-18	Oct-18	Average
Number LAC at 31 March	3	17	19	23	27	38	21
Placement Type - UASC							
Independent Fostering Agency	1	1	2	2	1	4	2
In-house Foster Care	0	0	3	6	16	16	7
Semi-independent	2	16	14	15	10	18	13
Total LAC	207	240	229	245	248	252	237

As well as this quantitative demand data, front-line, back office and managerial staff in Children Services have provided us with insights as those who deal with these issues day to day. Operational teams have provided the following observations:

1. There is an increasing number of young people who are unlikely to ever be able to live completely independently without support; or at least until significantly beyond their 25th year. Allied to this there is an increasing number who have low level/undiagnosed mental health issues or learning difficulties.
2. Whilst young people who have been on remand for 13 weeks become looked after by default (and therefore eligible for a Leaving Care service), historically the Probation and After Care service has often retained responsibility for providing them with a service upon discharge. Following privatisation of the Community Rehabilitation Service, the number of young offenders being referred to the Council upon release has risen and seems to be continuing to rise.
3. The number and type of children arriving as unaccompanied asylum seekers requires that the new service model timescales are flexible, as it is recognised that they generally arrive later in life and are often better equipped in terms of life experiences and motivation to move on to independent accommodation earlier. An analysis of the recent cohort of UASC children showed that they are also often accommodated out of Havering and are predominantly male. Thus, since 2013/14:
 - there have been 83 new LAC who are UASC
 - 49 were accommodated in the borough and 34 out of borough
 - 72 were males and 11 females
 - at the time of arrival their ages were recorded as 14 (1 person), 15 (7), 16 (31) and 17 (44)

Spend

As shown in Table 4, there has been cumulative overspend of £778,922 in the LAC budget over the last three years. As demand has increased, the unit cost of placements has also increased over the last three years and is projected to continue to increase in the coming years. This is also in the context of a decrease in central government funding. In order to deliver quality services within the means of the children's services budget, it is essential that we move away from a spot-purchasing

model; develop new partnerships and new commissioning arrangements to provide greater control over costs.

Table 4 - LAC Budget Spend

Year	LAC Budget	Actuals	Difference	LAC Population
2017-18	£8,413,120	£8,646,992	£233,872	252
2016-17	£7,953,790	£8,105,783	£151,993	245
2015-16	£7,828,900	£8,221,957	£393,057	230
			£778,922	

Placement Commissioning Information

The current provision of semi-independent accommodation in Havering does not meet the requirements of the Council – partly due to a shortfall in provision and also as those that are present are taking placements from other Councils. As a consequence, a significant number of young people are placed out of Borough in semi-independent accommodation. As of 30/09/18 Havering had 34 young people over the age of 18 placed out of the borough in semi-independent or residential placements. When analysed this cohort on average have been placed 63 miles away from Havering.

Although we operate under a framework for semi-independent placements, we often have to spot purchase placements for looked after children and leaving care. In part, this approach has been beneficial in sourcing the variety of provisions needed to meet the differing and complex needs of our children in care. However, due to changes in the market and changes to EU procurement law, spot purchasing is no longer sustainable. We are in the process of phasing out this practice by implementing a more dynamic and flexible framework.

Table 5 - Placements Activity 2017/18 (Data Provided by Children's Placements Team)

Placement Activity 2017/18	Total No. of Placements*	No. in-borough	No of out of borough	% out of borough
Semi-Independent U18	35	18	17	48%
Semi-Independent 18+	23	12	11	47%
TOTAL	78	30	28	35%
*Includes new placements and existing transfers				

Analysis of semi-independent placements during the period 2017-2018 (Table 5) shows that 47% of young people over the age of 18 are placed in semi-independent accommodation outside of Havering. 34% of placement referrals were for an emergency placement – which leaves little room to negotiate and identify a range of properties to offer young people, and little time for social workers to support them in the decision. An additional pressure is the lack of properties available in Havering of the type required.

In addition to the 23 placements made for 18+ during 2017/18, Table 6 shows that Havering had 63 young people who are 18+ and placed within provision. However, due to the way we currently record data, only 30 young people have costing information held. Further scrutiny of the placements data provided by CYPS performance team has allowed us to understand which costs reflect the true picture of 18-24 young people currently placed within standalone semi-independent.

Table 6 – Placement Costs (Data Provided by CYPS Performance Team)

Placement Data (as of 30/09/18)	Total No. of Placements	Average Cost per week	Highest Cost per Week	Lowest Cost per Week
Young People Aged 18+	63	£757	£2,445	£382

Pathway Planning

The local authority aims to support care leavers to become independent; paying attention to practical self-care needs i.e. health, budgeting and domestic skills. By ensuring that young people are placed in the right provision with the right level of support they will be enabled to fulfil their potential in education, training and employment. To ensure that effective pathway planning is achieved, Havering needs access to different types of provision for young people in that pathway to achieve independence.

Comparable Services & Benchmarking

Heather Court is a comparable service which provides a valuable resource to support young people to achieve full independence in Havering and is an important element of the wider portfolio of options for providing young people with supported accommodation. This model (operational since 2010) has been successful in Havering in supporting 16-24 year olds, across 15 flats, who wish to be supported in managing their own tenancy, with support from a service provider.

Heather Court houses a cohort of young people leaving care with low to medium support needs including those at risk of offending or misusing substances. Equally, young people leaving the family home after irretrievable family breakdown or abusive situations whose needs can be met by supported accommodation within Havering.

Heather Court provides a valuable asset to Havering. However there is currently a waiting list for young people. As a result some young people leaving care are being placed in stand-alone properties at a higher cost often with low or no effective support. It is our intention to work closely with our partners in Housing Services to continue to develop future housing opportunities for young people leaving care. Further benchmarking for the type of provision this project is proposing to build was challenging for a number of reasons. No local authority in the North East London footprint has commissioned their own semi-independent provision to support care leavers, therefore we could not request costings and make comparison.

Havering contacted all semi-independent providers who are known to the Children's Placements Team to request costings for 24 hour semi-independent provision. The information we received was based on 24 hour support for 16-18 year olds which is shared accommodation, not self-contained studio flats and therefore is only partially comparable. Information provided from providers for 18+ provisions were based on a weekly spot purchase rate for stand-alone properties which is non comparable to the proposed new builds.

National & Local Market Conditions

The market for semi-independent provision is currently controlled by providers. Where the council is spot purchasing placements for both respite and residential when there is urgent need for a placement, providers are able to set high fees and the council has no option but to accept.

The appetite for delivering services through a block contract will be tested by issuing a PIN notice to gauge interest from potential providers, and market warming events held to further stimulate the market.

Appendix 2: Proposed Model

Summary

It is proposed that Havering will contract a provider to build two new semi-independent properties in borough and commission a single provider to manage and deliver care and support on a block contract with flexibility built in to enable the ability to purchase additional support hours should this be required on a case by case basis.

Building a new semi-independent property in borough will provide the Council with the following benefits:

- Enable greater control over placement costs
- Improved pathway planning and enabling independence
- Improve the quality of care and support for young people.
- Improve outcomes for young people
- Allow access to local services, education, community groups and existing family networks
- Deliver savings

We will commission an experienced provider to deliver a high quality service. We will test the market through a Prior Information Notice (PIN), which will also inform the subsequent tender. We expect a longer term contract that shares the risk of voids to be attractive to providers. Havering's ownership will enable us greater control on rental costs.

As mentioned in this report discussions with senior managers in children's social care have already taken place to further understand our current position. The development of the service specification and contract for the new build will be completed in partnership with Children's Social Care.

We will work in partnership with our Housing colleagues to use land owned by the Housing Revenue Account (HRA). The location of the land has been identified and will be agreed following consultation with Councillors and local residents.

Using the well-established children's community hub, the Cocoon, will enable us to discuss our ideas regarding a new semi-independent property build with young people who have previously lived in them. The insight they provide will be used to feed into the development of the service delivery and service specification. The programme manager for the 8 borough residential commissioning innovations strategy will be linked in throughout the project.

Proposed Building Design

The preferred model, as advised by operational social care teams, is to build a semi-independent scheme with self-contained studio flats including an additional space for staff and communal facilities to enable 24 hour staff support. We are proposing to utilise the large site at Mawney Close to develop two blocks of 6 x self-contained

studio flats which will be linked by the staff office, sleep in and shower facilities, with a good size communal space.

The studio flats will contain a fully equipped kitchen with white goods, en suite bedroom with built in wardrobe and space for drawers and a desk and living area large enough to accommodate a sofa, a small table, chairs and a television. Each studio flat will have a small balcony.

The flexible communal space will include a kitchenette area with domestic type cooker, fridge/freezer and kitchen cupboards, tables and chairs to accommodate up to 12 people, relaxed seating and sofa area for up to 8 people with enough space for a television, games console, and computer station. The communal space will be used for small group sessions and tenants meetings.

There will be a staff office area large enough for 2 desks, CCTV equipment, filing and seating for an additional 3 people. An interview room to accommodate up to 4 people and a shared staff flat comprising a bedroom with en suite shower room and toilet.

Estimated construction costs have been sought from the Development Surveyor¹ as advised by the Supported Housing Programme Board member, Director of Regeneration Programme Delivery².

The total floor area to cover x12 self-contained studio flats is 875.06m². The total estimate for clients in P4 category, including allowance for professional and planning fees, excluding land costs and LBH time charges, is estimated to cost £3.26 million.

Estimates have been provided with allowances for professional and planning fees, but excluding land costs and LBH time charges. This information should be used with caution until further clarification can be sought, especially in this situation where approved feasibility/ design drawings are not yet available

Proposed Service Model

The proposed model will be similar to that of Heather Court however Operational Teams have confirmed that the young people referred will have more complex needs and will each require up to 15 hours support per week. This has further been translated to between 10 and 15 hours per week. The semi-independent provision will include 12 self-contained studio flats across two buildings which will be staffed 24 hours a day with support staff sleeping in. If night support (e.g. extension of daytime support, waking nights, specialist security staff) is required, then we intend on purchasing this 'as needed' on a spot purchase basis when exceptional issues arise.

The breakdown of hours proposed is:

- Basic cover for 24 hour support is 336 hours per week (excluding any

¹ Clement Ojediran – Development Surveyor (Property & Land)

² Neil Stubbings – Director of Regeneration Programme Delivery

provision for handovers)

- Additional 104 support hours per week (on top of the 336) specifically to facilitate some flexibility as well as 1:1 support.
- This gives a total of 440 core hours of support per week.

Based on the proposed 440 support hours per week we expect each young person to have a minimum of 8 hours of planned 1:1 support each week. In addition we also expect that each young person has access to a further range of targeted support hours based on her/his assessed needs and identified outcomes; this support can be provided through a combination of small group work, additional planned or ad hoc. 1:1 sessions. The provider will ensure that staff record all support provided to each young person, including 1:1 and small group sessions.

There is an expectation that support for each young person will vary across their tenancy as support needs change and as independence skills are gained. It is also expected that support needs may fluctuate from week to week as situations occur and difficulties or issues are resolved.

The overall hours will be used flexibly to maximise the support available and staff rotas and shift patterns will reflect this. A straight delivery of 440 hours every week is unlikely to evidence the level of flexibility expected. There is also an expectation that we will agree an hourly rate for any hours specifically commissioned over and above the core 440 hours, for those individuals who may have additional complex needs. These would need to be agreed and signed off by the relevant Head of Service.

The proposed service model is one that delivers structured support with the following aims:

- Developing responsibilities around holding a tenancy, paying rent, incorporating an approach around 'good' neighbour issues
- Budgeting, managing money, accessing benefits and addressing debt
- Accessing training, education, volunteering or employment
- Improving daily living skills such as cooking, meal planning, healthy eating, laundry, cleaning etc.
- Signposting to more specialist services, when required
- Developing a culture whereby service users value independence and acquire the skills to sustain independent living.

Running Costs

Rent & Service Charge

Once the construction of the semi-independent property has been developed and completed, Housing services will inform us on the rent and service charge of each self-contained flat. Based on the assumption that each young person at Heather Court currently pays a total of £207.27 per week for rent and service charge (Rent = £107.90 & Service Charge = £99.37), we assume a similar level of charge for this provision. It is expected that Housing rent and service charges would be eligible for Housing benefit.

Housing management activities will not be funded through the Care & Support contract and it is expected that the provider will work closely with Havering's Housing Services to support each young person in paying their individual rent and service charge.

Procurement Timeline

There will be two procurement exercises taking place:

1. Building development contract procurement
2. Care and support contract procurement

The service model is proposed as being a block care and support contract delivering a core amount of hours that can be used flexibly, with additional top-up care being purchased for/by individuals as required. This will mean that a procurement exercise will need to be undertaken for a care and support contract.

Housing Services have estimated that the earliest build completion date will be July 2020. The procurement of the care and support provider will be done within this timeframe and its completion will be aligned to the relevant stages of the building construction so the provider can contribute to the final design. The timeline for the completion of the care and support services are as follows:

Contract & Lease Agreement

The proposed contract length for care and support is five years with the option to extend up to a further two years. The total contract value will depend on the costings submitted during the tender. For a five year contract it is estimated that the contract value is £1,830,400.

The type of lease and cost of the lease agreement is currently unknown. Service charge office and staff space is currently unknown at this stage.

Tenancy/Licence Agreements

It is expected that each young person will be on an assured shorthold tenancy which is renewable every six months. Operational service has recommended that the average length of stay to be in the region of twelve to eighteen months, although it is recognised that service users' progress in developing the necessary skills will vary and some service users may require a longer period of support. It is currently unknown what licence agreements will be put in place.

Referrals & Allocation Pathway

This service will be included within the pathway model which supports young people from being looked after through to leaving care. The Supported Housing Programme includes the refurbishment of two existing properties in Havering to become semi-independent provision for 16-18 and 18+. In addition, this service will link into existing provision available in the borough, for example Heather Court. Referrals for the service will be made by Operational Teams and put forward for decision at a Service Referral Panel (SRP). The SRP remit will manage referrals and allocations

for all Havering owned provisions, ensuring that each young person is matched appropriately. The SRP will include representation from commissioned providers, Operational teams, and commissioning. In addition, SRP meetings can be used to monitor progress of outcomes for young people.

Sustainability and Exit Strategy

For the proposed service model the intended length of stay is up to eighteen months and young people will be supported to move on to permanent housing either in the social or private housing sectors. It is also recognised that if the young people are settled in their property and there is no available housing in the market then there would be an option to extend the tenancy for a period of time. The sustainability of this and other locally commissioned services will be reviewed every 12 months to ensure the contract is providing the intended outcomes. It will also allow the opportunity for commissioners to review current and future demand.

If at the end of the contract period, following a review, it was decided that we no longer required the type of support in the future, the design and layout of the properties would enable the Council to retain the property for general needs housing or sell the properties at the market rate.

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Appendix 3: Major Risks

Description of Risk	Impact	Likelihood	Total	Mitigation
Information on current situation provided by Operational Team does not match with data provided by CYPS Performance Team	H	H	10	Escalation to Head of JCU that data provided includes missing information and does not support the perception from Operational Team
Hourly rate for care and support submitted for tender is in excess of £20	H	H	10	Escalate to Board if bids exceed economic viability.
Housing benefit may not be claimed which will impact upon the weekly costings and savings	H	M	8	Ensure there are mechanisms within the contract which enables all young people to access housing benefit
That the referrals made to the service are not appropriate or wrongly matched.	H	L	10	This will be mitigated through a clear specification that outlines the pathway for the service and eligibility criteria
If the other improvement efforts we are delivering to reduce the cost of placements are successful then the baseline figures proposed in the business case may prove to be inaccurate.	M	M	8	The baseline figure and saving estimate may need to be altered in the future. Escalate to Board if this threatens viability.
The bid figure proposed by providers on a nominal basis may prove to be unsustainable.	M	M	8	Bids will be challenged and clarification sought to establish the rationale behind bids.
That we do not identify provider to carry out the works within the timescale stated.	L	L	4	The works will be managed by Housing Services through a single procurement process.
We may not identify a suitable support provider who will be able to offer a service that delivers outcomes at the level expected by the local authority.	M	M	8	We have a number of semi-independent providers on an existing framework who have expressed an interest in providing this type of service in borough and we will extend this reach further by holding a provider market event with all semi-independent providers.
Placing children from other boroughs may cause instability in the placement due to	H	H	12	By block commissioning the whole service we would decide who is placed and would insist

different levels of support from respective local authorities.				that any referral is screened and appropriate matching with the existing cohort.
There is a major risk that without developing the business case fully the savings anticipated will not be realised.	H	H	12	Further develop the business case with the service, ensuring baselines and assumptions are correct.
That by the time that the provision is ready the market or demand may have changed.	M	M	8	Steps will be taken throughout the development of the service through analysis that the approach is still relevant and achievable.
Accountability may be unclear in regards to local authority and partner staff who undertake work with young people in the placement.	M	M	8	There will be clear lines of governance outlined in the service specification on what the responsibilities of the provider are.
If we fill voids with placements from other boroughs, we may then be required to place Havering children out of borough.	M	M	8	The provision would be exclusively for Havering but allow for flexibility around voids. We will hold the responsibility for managing voids. A robust matching criterion will be developed supporting cohesion within the placements.
That the provider running the service refuses to accept a referral.	L	L	4	This will be mitigated through a clear specification that outlines the pathway for the service and eligibility criteria.

Appendix 4: Outline Benefits Plan

Ref	Accountable Person for Benefit Realisation	Expected Benefit	Baseline to Measure Against	How will Achievement be Measured?	When Benefit can be Measured?	Frequency when the Benefit will be measured	Resources Required for Review
1	Tim Aldridge	Increased proportion of placements of semi-independent and residential in borough	44% of semi-independent placements out of the borough; and 100% of residential placements are outside the borough.	% of placements out of borough.	From 19/20 financial year or when accommodation is occupied fully, whichever is the earlier.	Quarterly through 19/20 financial year or when accommodation is occupied fully, whichever is the earlier.	Performance team. Children's commissioning group.
2	Tim Aldridge	Reduction in unit cost of semi-independent placements	Average cost of identified cohort	Overall unit costs of semi-independent in 19/20 compared to previous years and unit cost of placements in this provision compared to on-going placements through other provisions.	From the start of the first placement.	Quarterly through 19/20 financial year For the comparative data against what the costs are for other placements made, from the start of the first placement	Performance team. Children's commissioning group.
3	Tim Aldridge	Improved outcomes	Feedback following consultation	Annual consultation	Feb 2020 in year 1. Feb 2021 in year 2	Annually	Performance team. Children's commissioning

			with young people		Feb 2022in year 3		group. Feedback from social workers on individual outcomes. Participation officer.
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19/56 +
appendices
1, 2 + 3
DECISION
NOW MADE

Notice of KEY Executive Decision

Subject Heading:	Approval to develop three new build supported housing schemes
Cabinet Member:	Cllr Robert Benham, Cabinet Member for Education, Children & Families Cllr Jason Frost, Cabinet Member for Health and Adult Care Services
SLT Lead:	Barbara Nicholls, Director of Adults Services
Report Author and contact details:	David Mitchell T: 01708 433192 E: david.mitchell@haverling.gov.uk
Policy context:	Havering Corporate Plan 2019/20 Communities Theme: Helping young and old fulfil their potential through high-achieving schools and by supporting people to live safe, healthy and independent lives. This proposal is guided and underpinned by the principles of the Care Act 2014, the Children's Act 1989 and the Children and Families Act 2014.
Financial summary:	The proposals require capital monies to build three new schemes at an estimated total cost of £6,120,000.
Reason decision is Key	Expenditure of £500,000 or more and impact on communities living or working in an area comprising two or more wards
Date notice given of intended decision:	20 th May 2019

Key Executive Decision

Relevant OSC:	Children and Learning OSC and Individuals OSC
Is it an urgent decision?	N/A
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

1. This report is seeking Cabinet approval for:
 - approval of the projects along with the necessary capital expenditure to develop three new build supported housing schemes
 - delegated authority for the procurement and award of the building works contracts
2. The schemes have been developed, as part of the Supported Housing Programme, in response to the ongoing financial pressures on the needs led service areas of adults and children's social care.
3. Finance has set aside capital for each of the schemes pending Cabinet approval of individual business cases.
4. The three proposed schemes are as follows;
 - P2: Residential Care Home and Short Breaks Facility for Children with Special Educational Needs and Disability (SEND)
 - P3: Supported Living Service for Adults with Disabilities
 - P4: Semi-Independent Scheme for Young People Leaving Care
5. The three buildings will be developed on HRA garage sites and remain the property of the Council but each will be leased to the respective care and support provider under a full repairing and insuring lease agreement, linked to individual contracts for the delivery of the respective care and support services to be provided within each of the properties.
6. Three garage sites have provisionally been identified, subject to further detailed appraisals once Cabinet agreement is obtained. The three proposed garage sites are as follows; P2: Aldwych Close, Hornchurch (Hylands Ward), P3: Mowbrays Close, Romford (Pettits Ward), P4: Mawney Close, Romford (Mawneys Ward).
7. The establishment of the new provisions will provide greater control over costs and quality for children, young people and adults, delivering:
 - Increased accommodation capacity in Havering
 - Savings and cost avoidance
 - Improved outcomes
 - Reduction in the need to place out of borough
 - Ownership of multi-million pound assets that would otherwise be owned by private providers, paid for from council revenue funds

Recommendation:

8. The Cabinet is asked to:
 - a) review and approve the development of three new build supported housing schemes as set out in the report;
 - b) agree the necessary capital funding in respect of the development as set

- out in the report; and
- c) delegate authority to the Director of Housing Services, in consultation with the Chief Operating Officer and Deputy Director of Legal Services, to procure and subsequently award the necessary construction works contract for the building works.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution Part 3.2 para 2.1: General functions of the Cabinet

- (i) To exercise control over the Council's revenue and capital budgets (including the housing revenue account).

STATEMENT OF THE REASONS FOR THE DECISION

1. Background

- 1.1 The Supported Housing Programme was set up at the beginning of 2018 with the Director of Adults Services as Senior Responsible Officer (SRO). The Supported Housing Programme Board provides governance for the programme and individual projects.
- 1.2 Bids for capital funding were approved in March 2018, subject to a further detailed business case for each project and Cabinet member approvals. Capital budgets have been set up by corporate finance for each of the three schemes.
- 1.3 The Council does not own or operate any provisions for children, all being placed with independent providers. This is the same situation with adults' services with the exception of one building owned by the Council; a supported housing scheme for adults with learning disabilities developed in partnership with Housing in 2015. This scheme demonstrates a much greater level of control over accommodation and support costs.
- 1.4 Operational teams across all service areas have identified a need to develop good quality services in the borough that can meet the needs of individuals with a range of complex needs.
- 1.5 The initiative to develop supported housing that is owned by the Council is based on the business case that by owning the properties, control of provision will be increased. This will extend to control over costs and quality, improving outcomes for end users.
- 1.6 Four projects have been developed as follows:
- *P1. Children's refurbishments - 2x units (12 young people) - utilising 2 existing Council properties to create 2x semi-independent provisions (this has previously been approved by Cabinet and is in implementation phase)*

- P2. Children's Residential (SEND) – residential care unit for 6 children (with potential for respite facilities) – new build scheme
- P3. Supported Living Service for Adults with Disabilities – 1x units (6 adults) – new build scheme
- P4. Semi Independent Scheme for Young People Leaving Care – 2x units (12 young people) – new build scheme

- 1.7 The three new build schemes (P2, P3 and P4) are the subject of this Cabinet report and decision.
- 1.8 Detailed business cases for each of the three proposed schemes have been developed in partnership with operational services with advice from finance business partners, and are attached as Background Papers.
- 1.9 Proposals have been developed and agreed by members of the Supported Housing Programme Board;
- Director of Adults Services – SRO
 - Director of Children's Services
 - Chief Operating Officer
 - Director of Housing
 - Director of Regeneration Programmes
 - Head of Finance
 - Head of Service, Joint Commissioning Unit
- 1.10 Key risks for the programme are listed at below at 7. and key risks for each scheme are contained within individual business cases, reviewed regularly with members of the Supported Housing Programme Board.

2. P2: Residential Care Home and Short Breaks Facility for Children with SEND

- 2.1 The intention of this is to enable children with higher needs who cannot live at home, to live locally, reducing the numbers of out of borough placements, ensuring local networks are maintained, controlling costs and ensuring that a good quality service is delivered.
- 2.2 The proposed building is a residential care unit for 6 children comprising of 4 long stay residential beds and a further 2 respite / short breaks beds
Estimated build cost: £1,260,000
Estimated net operating revenue savings / cost avoidance between £23,920 and £242,339 per annum including capital charges (expected to commence 2021/22) dependent on variants as described within the business case, attached as a background paper.

3. P3: Supported Living Service for Adults with Disabilities

- 3.1 The intention of this is to support young adults with learning disabilities, with additional complex needs, to develop independent living skills within a supported environment, reducing the numbers of out of borough placements, ensuring local networks are maintained, controlling costs and ensuring that a good quality service is delivered.

- 3.2 The proposed scheme is one building comprising of 6x self-contained flats with additional communal space
Estimated build cost: £1,610,000
Estimated net operating revenue savings / cost avoidance between £130,900 and £193,100 per annum including capital charges (expected to commence 2021/22) dependent on variants as described within the business case, attached as a background paper.

4. P4: Semi-Independent Scheme for Young People Leaving Care

- 4.1 The intention is to support young people leaving care with medium to high levels of need, to develop independent living skills within a supported environment, reducing the numbers of spot purchase placements, many of which are out of borough. This project will support greater control over costs and positive outcomes leading to improved pathways out of care for young people.
- 4.2 The proposed scheme consists of a total of 12x self-contained flats with additional communal spaces
Estimated build cost: £3,260,000
Estimated net operating revenue savings / cost avoidance between £41,900 and £87,600 per annum including capital charges (expected to commence 2021/22) dependent on variants as described within the business case, attached as a background paper.

5. Buildings

- 5.1 An architect has been appointed and is waiting to complete detailed site appraisals and develop detailed drawings for each of the three projects, once approval to proceed has been secured.
- 5.2 Design proposals for each individual scheme will be agreed in consultation with operational teams and the respective Occupational Therapy leads to ensure they are fit for purpose for the relevant cohorts. Providers will also be engaged in service designs as appropriate.
- 5.3 Potential garage sites have been identified by the 'Land & Property Team (New Business)' and three have been selected as preferred options due to size and location, subject to a detailed appraisal by the architect. Development costs have been estimated based on the information available at this time and are subject to confirmation once detailed drawings have been prepared and costed. Contingency has been included within the estimated figures.
- 5.4 Initial discussions have been held with colleagues in the Planning Department to outline the proposed developments.
- 5.6 Outline timetable, subject to variation:
- Cabinet decision to proceed – August 2019
 - Site evaluations and buildings designs – September and October 2019
 - Planning applications submitted November / December

- Planning Approvals –January / February
- Appointment of Developers –February / March
- Build programmes commence Spring 2020
- Buildings completed Spring / Summer 2021

6. Procurement Strategy

- 6.1 Procurement of a contractor to develop the buildings will be led by colleagues in the 'Land & Property Team (New Business)', and supported by the 'Strategic Procurement Unit' subject to planning permissions. It is planned that this will be conducted using call off from an existing construction framework to ensure compliance with the Public Contract Regulations and the Council's Contract Procedure Rules.
- 6.2 A further report seeking cabinet approval for the care and support contract procurement process will be brought in due course. The 'Joint Commissioning Unit' will procure experienced care and support providers for each of the three schemes in partnership with social care colleagues, service users or carers, where practicable, and supported by the 'Strategic Procurement Unit'. Detailed timetables for each scheme will be developed following the decision to proceed with the overall project.
- 6.3 These services fall under Schedule 3 of the Public Contracts Regulations 2015 (i.e. health, social and other services) and as such individual reports will be prepared for each procurement, in line with the Public Contract Regulations 2015 and the Council's scheme of delegation and Contract Procurement Rules. It is planned that each will be conducted using an open tender process.

7. Key Risks

- 7.1 The following risks and mitigations will be regularly reviewed and reported into the Supported Housing Programme Board and through the Communities Theme Board.
- 7.2 Risk: Proposed garage sites are not suitable, following detailed site appraisals.
Mitigation: This will be mitigated by alternative garage or council sites being made available.
- 7.3 Risk: Planning permissions are not granted.
Mitigation: This is mitigated by regular meetings with the Planning department and architects as part of the design phase, with the option to consider alternative garage sites.
- 7.4 Risk: Development costs exceed estimates.
Mitigation: The estimates have been provided by Housing Services and include contingencies to, as much as possible and reasonable, cover unforeseen costs. Further mitigations include potential alterations to building size and configuration that will be considered as each project is designed.

8. Reasons for the decision:

- 8.1 The schemes have been proposed with cross-service objectives including:
- To develop property owned by the LBH that is designed to provide care for vulnerable people
 - To manage costs more effectively as a result of owning the properties and being able to commission providers on improved terms
 - To deliver improved outcomes to the residents of the properties
 - To get a return on investment from the property element of care costs, that would otherwise fund private sector asset building
- 8.2 These projects will deliver a range of benefits including:
- Greater control over the local care markets
 - Improved quality of the services provided
 - Reduction in unit cost of placements for the respective cohorts
 - Improved outcomes for service users
 - Meeting the Office for Standards in Education, Children's Services and Skills (OFSTED) 2016 inspection report recommendation that the London Borough of Havering (LBH) brought more of its children and young people (CYP) back to the borough.
 - Reduced travel time incurred by social workers visiting children and young people placed out of borough and increased time spent on case work or face to face contact.
 - Facilitating improved access to local partner services and community services e.g. CAMHS, local schools and colleges
 - Cashable savings, as detailed in each of the three business cases
- 8.3 Detailed business cases have been developed for each scheme proposed and are attached to this report as background papers. Each business case describes in detail the drivers for each of these proposals.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Option one:

That we continue to spot purchase placements across the cohorts where the price is determined by the market and a significant percentage of placements are outside the borough.

This approach would see us continue to purchase placements at increasing cost and increasing the pressure on budgets across children's and adults social care.

This option will see us continue to fund or subsidise property costs, including funding mortgages and private property investments.

2. Option two:

That we contract private developers or a housing association to source land in

Havering, build and operate the schemes. The cost of land and subsequent build costs will be higher than if the Council uses the proposed garage sites and directly controls the development.

This approach would see little control over the design, cost and quality of the accommodation and result in less control over ongoing placement costs. This approach would also mean that any developer or housing association would expect a long term commitment from the Council for the buildings and care and support services, reducing the control afforded by option three below and at a higher cost.

Income from rents will go directly to the developer or housing association to fund mortgage and/or investment costs.

3. Option three:

Appropriate three garage sites from the HRA to the General Fund. Contract a supplier to build the three schemes, designed to our own specifications, utilising existing empty HRA garage sites in Havering. Alongside the building works, we will commission experienced providers to manage and deliver care and support services at each of the three schemes.

This option will give us greater control over the cost and quality of placements while keeping more children, young people and young adults with disabilities local. This option also gives the Council control over its additional assets, including income from the leases.

In the long term this will give the Council ownership of multi-million pound assets that would otherwise be owned by private providers, paid for from council revenue funds.

This is the option preferred by the Supported Housing Programme Board.

4. Recommended option:

Option three is the recommended option; that we build three new schemes, designed to our own specifications on the available garage sites, and contract experienced suppliers to provide high quality care and support services.

The approach will reduce the accommodation cost element of a provider's unit cost and deliver revenue savings, and reduce the reliance on spot purchasing arrangements. We also project improved outcomes for children, young people and adults with disabilities through improved contract monitoring practices and robust service specifications.

PRE-DECISION CONSULTATION

Proposals have been developed and agreed by members of the Supported

Key Executive Decision

Housing Programme Board in consultation with key representatives from the respective operational teams.

The Supported Housing Programme Board consists of ;

- Director of Adults Services – SRO
- Director of Children's Services
- Chief Operating Officer
- Director of Housing
- Director of Regeneration Programmes
- Head of Finance (Strategic)
- Head of Service, Joint Commissioning Unit

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: David Mitchell

Designation: Commissioning Programme Manager, Supported Housing

Signature:



Date: 25th July 2019

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. The Care Act 2014 sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Section 2 of the Care Act 2014, places a general duty on local authorities to provide, arrange or otherwise identify services, facilities or resources to help prevent, delay or reduce the needs of adults for care and support. The provision of the proposed works forms part of this duty. Section 8 of the Care Act 2014 details how a local authority should respond to an identified need and contains an illustrative list of what may be provided to an adult in need.
2. The Council also has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, together with the power under section 111 of the Local Government Act 1972 to do anything ancillary to or which facilitates any of its functions. The proposed contracts may therefore be procured in accordance with these powers.
3. The Council's Contract Procures Rules 4, 8 and 22 set out the strategy for the procurement of Works contracts of above the EU threshold (currently £4,551,413 as of January 2018) in value to be submitted to a Member of SLT for approval of procuring such contracts. If the three (3) projects are procured separately then CPR 13 (Constructionline) procedures would also apply. The details of the proposed tender process are set out within the body of this report.
4. This report is seeking the Cabinet Member's approval for the undertaking of a OJEU compliant tendering process for the construction of three (3) schemes at three (3) HRA owned garage sites (to be confirmed), following successful planning approvals. The total estimated costs for the construction works contracts sum is £6,130,000.00. The estimated length of the individual build contracts will be approximately 12 to 18 months. The proposed form of contract to be used is the JCT Design & Build 2016 with the Council's supplemental amendments, subject to agreement as part of the Checkpoint and Executive Decision making process.
5. The Council must procure these contracts in accordance with the Public Contracts Regulations 2015 ("PCR 2015") and the Council's Contract Procedure Rules ("CPR").
6. The Cabinet Member will be aware of the Public Sector Equality Duty (PSED) set out in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - c) foster good relations between person who share a relevant protected

characteristic and those who do not share it.

The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation

7. The Legal and Governance officers will be available to assist the client department with the tender exercise, in reviewing and finalising the terms and conditions of the proposed contracts.

FINANCIAL IMPLICATIONS AND RISKS

Financial implications and risks:

1. Detailed financial costings are provided in the Business Cases attached to this Cabinet Report. It must be stressed that at this stage in the programme these costs are based on best current estimates and could change as the work progresses. The capital costs will be refined as the detailed design progresses.
2. The Council's current Capital programme includes a £5.900m for these three schemes. The current estimated capital cost of the three business cases is £6.130m. It is recommended that the shortfall of £230k is financed from the corporate capital contingency. It should be noted however that the Business cases contain contingency provisions so it is possible that the schemes will be completed within the original funding envelope
3. It was originally agreed that the £5.9m Capital cost would be funded from available capital receipts. The business cases however notionally show a 3% financing cost to recognise that if receipts are applied to these schemes they would not then be available for other Council priority projects
4. The Net operating saving (below) includes capital charges and estimated lease income from the Care Management company. The tables below summarise the positions in the detailed business cases.

P2 New Build In Borough Residential Care Home and Short Breaks Facility for Children with SEND

5. A financial evaluation has been provided based on an existing client cohort of high and lower need clients at £19 per hour and £21 per hour (current market rates).

Investment Appraisal – Identified Cohort/Price	19/20	20/21 to 26/27 per annum	Payback in Year
Estimated Initial Capital Investment	£1,260,000		
Net Operating (Saving)/ Deficit - Tender Price High Needs £19 per hour		(£259,539)	5

Net Operating (Saving)/ Deficit - Tender Price High Needs £21 per hour		(£189,047)	7
Net Operating (Saving)/ Deficit – Tender Price Lower Needs £19 per hour		(£105,812)	12
Net Operating (Saving)/ Deficit – Tender Price Lower Needs £21 per hour		(£41,120)	31

P3 New Build Supported Living Service for Adults with Disabilities

6. The financial evaluation has been based on an existing cohort of clients at £18 per hour and £20 per hour (current market rates).

Investment Appraisal – Identified Cohort/Price	19/20	20/21to 26/27 per annum	Payback in Year
Estimated Initial Capital Investment	£1,600,000		
Net Operating (Saving)/ Deficit - Tender Price £18 per hour		(£193,100)	8
Net Operating (Saving)/ Deficit - Tender Price £20 per hour		(£130,900)	12

P4 New Build Semi-Independent Scheme for Young People Leaving Care

7. The financial evaluation has been based on an existing cohort of clients at £18 per hour and £20 per hour (current market rates). This particular business case is very marginal in terms of financial benefits but is recommended on the basis of the non-financial benefits set out in section 8.

Investment Appraisal – Identified Cohort/Price	19/20	20/21to 26/27 per annum	Payback in Year
Estimated Initial Capital Investment	£3,260,000		
Net Operating (Saving)/ Deficit - Tender Price £18 per hour		(£87,600)	37
Net Operating (Saving)/ Deficit - Tender Price £20 per hour		(£41,900)	78

8. The initial capital investment includes a contingency amount, however, there will be a requirement for the land (and any corresponding HRA debt, if any) to be novated to the General Fund. The financial implications of this have yet to be fully worked through with the capital costs, however the net book value of the sites being discussed is some £244,000, and they should not impact on the operating revenue surplus generated by the investment.

9. The financial modelling has made assumptions regarding care and support

costs, based on the existing identified client cohorts, and the recovery of rent and service charges through Housing Benefit/Universal credit, and this may change over the longer term. The lease income projections have been based on similar rates to income realised from Heather Court. Any fluctuations in these variables, will have an impact on the financial outturn of this modelling, and will need to be closely monitored as the project develops.

10. Consideration was given to the HRA undertaking the landlord role in these schemes where the young adults would be living in the properties. The main driver of all the schemes is care and support rather than housing. The shift of the landlord function to the care provider organisation could shift the risk of rent income collection and housing benefit from the council dependent upon the contract arrangements, but that would need to be carefully considered in the procurement process.
11. Particular care will need to be undertaken when pricing the P4 tender, based on the current financial modelling. There is a risk that this could lead to a net operating deficit if the contract is not managed closely. The procurement process for these contracts is critical in ensuring the cost efficiency of the new operating models.
12. The three schemes all have significant benefit through cost avoidance and improved service outcomes for clients. The potential costs avoided are set out in business cases attached to this decision. The cost avoidance aggregates across the likely initial contract length where it is expected costs will largely be fixed. There are also many social benefits related to these schemes which are set out in section 8 of this report and in more detail throughout the business cases.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

These are new services which will be contracted out to appropriate providers to manage. Therefore, the recommendation made in this report does not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

An Equality & Health Impact Assessment will be drafted and submitted for each individual scheme to support the design of the buildings and care and support provisions and consultations will be undertaken as each project is further developed.

The proposals are an opportunity to promote equality and enhance the outcomes for children, young people leaving care and young adults with disabilities, many of whom may otherwise be placed out of the borough. The approach will operate within the spirit of the Equality Act 2010 and Havering Council's Fair to All Equality

Policy.

BACKGROUND PAPERS

Business cases are attached as appendices for each of the following schemes;

Appendix 1: P2: Residential Care Home and Short Breaks Facility for Children with SEND

Appendix 2: P3: Supported Living Service for Young Adults with Disabilities

Appendix 3: P4: Semi-Independent Scheme for Young People Leaving Care

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Proposal NOT agreed because

Details of decision maker

Signed



Name: **Cllr Damian White, Leader of the Council**

Date: **15th August 2019**

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 15/8/2019

Signed 

CABINET

Subject Heading:

The Development of a Semi-Independent Provision and Residential Units in Borough

Cabinet Member:

Councillor Robert Benham Cabinet Member for Children's and Learning Services.

SLT Lead:

Tim Aldridge, Director of Children's Services.

Report Author and contact details:

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Policy context:

Following the Office for Standards in Education, Children's Services and Skills (OFSTED) 2016 inspection report¹ there was a recommendation that LBH brought more of its children and young people back to the borough.

In the LBH's action plan in response to the OFSTED report, LBH committed to developing provision in partnership with providers.

The Secretary of State's Sufficiency Guidance² places a statutory duty on local authorities to provide sufficient accommodation to meet the needs of young people in its care.

Financial summary:

The works tender requires capital monies to carry out the refurbishment of two Council owned buildings at an estimated total contract value of £350,000.

¹ Inspection of services for children in need of help and protection, children looked after and care leavers and Review of the effectiveness of the Local Safeguarding Children Board Report published: 9 December 2016.

² Department for Children Schools and Families (2010), Sufficiency - Statutory guidance on securing sufficient accommodation for looked after children.

There will also be a tender(s) for a care provider(s) to provide services for either two semi-independent or one semi-independent and one residential contract for five years.

Based on current costs, to provide semi-independent living for 6 people, over 5 years, estimated expenditure would be £1.25m. (for both provisions this would double to £2.5m for 12 people). The intention is to provide savings by tendering for these services with increased assurance for the provider and with more control over property costs.

Based on current costs, to provide residential care for 6 people, over 5 years, estimated expenditure would be £5.0m. The final agreed values might be less than these amounts given that this is a competitive tender.

The funding of care services will come from existing revenue budgets.

Is this a Key Decision?

The proposal is the subject of a Cabinet report because it is a significant change in the way that the LBH will accommodate looked after children within the borough. It covers permission to tender for both renovation of property and provision of care.

The change will have an effect on two Wards.

When should this matter be reviewed?

March 2020

Reviewing OSC:

Children's Services

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

This report provides background information, reasons, options, risks, mitigation and partner's feedback on our proposal.

RECOMMENDATIONS

The Cabinet is recommended to review and approve the commencement of tendering processes for:

- 1) The works to refurbish two council properties;
- 2) The funding to carry out the works, which is estimated to be £350k
- 3) A care provider to deliver and manage a semi-independent 6 bedded unit in the borough.
- 4) A care provider to deliver and manage a residential or semi-independent 6 bedded unit in the borough.
- 5) The delegated authority for the Director of Children's Services to make the decision in relation to decide on whether the provision will be semi-independent or residential.

REPORT DETAIL

1. Background

- 1.1 Cabinet approval is sought to obtain capital funding to redevelop two buildings in the borough to provide care for children and young people and to commence the tender process for care provision in the aforementioned buildings.
- 1.2 The buildings being refurbished have the flexibility to be either developed into a semi-independent or residential provision. We will involve impartial providers to inform the final design of the two sites.
- 1.3 Semi-independent provision is intended to support and transition young people leaving care to become capable of managing their lives independently.
- 1.4 Residential care is generally for younger children taken into care who need accommodation and support whilst being separated from their family

There is a choice whether to use the properties:

- 1.4.1 Both as semi independent
- 1.4.2 To use one for residential care and one for semi independent
- 1.5 The first option is attractive because there is clear demand in the market for such provision and it is relatively straightforward to implement.
- 1.6 The second option has attraction because there are greater potential savings from establishing a residential provision³; however developing a residential provision requires an increased level of compliance with OFSTED for registration purposes which risks delay in getting the provision operational.
- 1.7 There is also a risk that the demand from Havering will not be sufficient to fully populate the provision. Successful policies have pushed down the number of residential placements required in the past year.
- 1.8 In addition there needs to be consideration of compatibility of the children, in terms of living in the same accommodation, many of whom have high needs and whether, by the nature of the problems they experience, that it is more appropriate for the child / young person to be placed outside Havering.
- 1.9 This makes it unlikely that the Havering current cohort of 8 children in residential care would be suitable to simply transfer into a provision of 6 beds. An option that has been in consideration is that spare capacity could be used for generating receipts from other boroughs but there is a risk that this would add complexity to the management of the provision. It is also of note that on reaching the age of 18, any young person placed in Havering by another borough, who wishes to remain here as they enter adulthood, any Care Act 2014 duties and responsibilities will likely fall to Havering Adult Social Care (although any residual leaving care duties stay with the original placing authority)
- 1.10 Further analysis is underway in regards to the need for in borough residential provision, which could be provided within the planned new builds that will be delivered after the refurbishments. This would allow for the more complex planning and requirements of a residential home to be built into a longer timeline.
- 1.11 Further analysis of these risks and comparative benefits will be conducted and lead to a balanced recommendation.

³ Based on the current residential out of borough placements a level of savings of between two and three hundred thousand in the first full year of delivery has been estimated. This depends however on the provision being fully occupied consistently with children from current out of borough provisions.

- 1.12 In the meantime the refurbishment can proceed without this decision because, in either case, the property changes will be the same. This report will therefore illustrate the benefits of two semi-independent provisions because this provides a minimum level of savings. Any increased savings from residential would only enhance the financial case.
- 1.13 In general the establishment of these provisions will provide a range of benefits, including:
- Increased accommodation capacity in Havering
 - Financial savings
 - Improved outcomes for children in the provisions
- 1.14 Revenue funding will be redirected to fund the provider costs.
- 1.15 The project is estimated to save, for two semi-independent units, an annual sum of £144,104 across both sites in the 2019/20 financial year which will contribute to the medium term financial strategy for Children's Services.

2. The properties

- 2.1 We have tried going to the open market to secure a number of buildings in order to base the semi-independent units in the borough, but this has proved prohibitive based on local rental costs and availability.
- 2.2 Following discussions with colleagues in Property Disposal we have been able to secure two vacant council owned buildings in the borough on five-year leases for an occupancy fee of £2,300 per month, exclusive of VAT, for each property.
- 2.3 These properties are proposed to be the site of the new services in borough. The capital funding will enable the refurbishment and bring the properties up to a standard that will encourage the Council's ethos of a family environment.
- 2.4 A schedule of works has been shared with Technical Services who will be managing the refurbishment project and have estimated the cost of the works. The timeline for the refurbishment is 24 weeks.
- 2.5 The Corporate Procurement Category Officer will be supporting and advising the Commissioning Project Manager through the commissioning of a supplier to carry out the works.
- 2.6 The capital required for the renovation of both properties is estimated at £350,000. The two proposed services will be based at:
- Widcombe Close, in the Heaton ward (6 bedded home)
 - Park End Road, in the Romford Town ward (6 bedded home)

3. Semi-independent provider

- 3.1 We will undertake an open tender procedure which covers exclusion grounds, selection and award criteria. An Open procedure means that any organisation can respond to the advertised Contract Notice, request/download the procurement documents and submit a tender. The tender will identify a provider who will submit a bid and rate below the framework price and the market. The difference in what we will be charged for the service will form the basis of a proportion of the savings for the project.
- 3.2 We have met with providers to inform our approach and to identify some of the potential risks.
- 3.3 The timeline for the procurement of the care provider for semi-independent will take approximately three months.

4. Tender processes

- 4.1 Due to the contract value the authority is obliged under Public Contract Regulations (2015), European and United Kingdom procurement rules, to follow a tender process to identify prospective providers to carry out the works or services required.
- 4.2 The objective of the tender is in general, a competitive tender process carried out in an open, objective and transparent manner to achieve best value for money. We will ensure that the following principles are adhered to in conducting the procurement function including: non – discrimination, equal treatment, transparency, mutual recognition, proportionality, freedom to provide service and freedom of establishment. The Directives impose legal obligations on public bodies in regard to advertising and the use of objective tendering procedures for contracts above certain value thresholds.
- 4.3 To support the execution of the key requirements in the tender process a project plan has been pulled together and key stakeholders have been invited to form a project group with a governance structure established in order to report on progress of the proposal. This project reports into:
 - a) Supported Housing Programme Board
 - b) Children's Services Commissioning Group
- 4.4 The project plan sets out the tasks, activities, deliverables, milestones and includes the following:
 - a) Governance and compliance
 - b) Provider engagement
 - c) Filling the provision
 - d) Care provider tender process for residential and semi-independent

- e) Consultation and communication
 - f) Buildings – property costs
 - g) Building contractor tender process
- 4.5 In accordance with the Council’s contract procedure rules the procurement exercises will take the following tender approaches:
- a) The refurbishment works will be through a single stage selective tendering process
 - b) The semi-independent care provider(s) tender will be from an open procedure.
- 4.6 We have followed the appropriate authority and delegation path to ensure we have sufficient delegated authority to proceed with a procurement activity that this report is part of.
- 4.7 We are seeking the authority to procure in order to assist the Council in achieving its statutory duties, responsibilities, strategies, policies and service objectives.
- 4.8 Authority is going to be obtained from Checkpoint to proceed with the proposed approach. A robust business case has been drafted and approved by the Senior Leadership Team.
- 4.9 The procurement timetable is as follows;

Stage	Timescale
SLT Meeting	6th March 2018
Forward Plan	30 th May 2018
Leader’s Briefing	9 th July 2018
Checkpoint 1	17th July 2018
Cabinet Meeting	25 th July 2018
Report Published Decision	30 th July 2018
Young People’s Consultation	July 2018
Care Provider Tender Published	September - October 2018
Evaluation	November 2018
Award	January 2019
Completion of Works	February 2019
Mobilisation and contract start semi-independent	March – April 2019

REASONS AND OPTIONS

5. Reasons for the decision

- 5.1 It is the duty of the local authority looking after children to provide continuous accommodation, to advise, assist and befriend children in care with a view to promoting their welfare and provide support for accommodation when the authority have ceased to look after them (section 19A and 22 of the Children's Act 1989). The Sufficiency Guidance 2010 places a duty on local authorities to provide sufficient accommodation to meet the needs of young people in its care.
- 5.2 This duty is supported by statutory guidance that makes it clear that children should live in the local authority area, with access to local services and close to their friends and family, when it is safe to do so. The guidance emphasises that 'having the right placement in the right place, at the right time', with the necessary support services such as education and health in place, is crucial in improving placement stability, which leads to better outcomes for looked after children.
- 5.3 There are limited numbers of semi-independent placements in the borough. Havering currently has thirty-four children or young people placed out of the borough in semi-independent placements.
- 5.4 Along with a scarcity of provision in the borough, demand is also increasing. Nationally the number of looked after children continues to increase. At 31 March 2017 there were 72,670 looked after children, an increase of 3% on 2016.
- 5.5 The level of increase in Havering is significantly greater than the national trend. Havering has seen a 32% increase in its looked after population since 2013, compared with some of our comparator boroughs that have seen decreases in their looked after population or increases of less than 10%.

Local Authority	2013	2014	2015	2016	2017	Diff	% Change in LAC Pop since 2013
Barking and Dagenham	415	455	450	415	410	-5	-1%
Havering	185	205	240	230	245	60	32%
Redbridge	205	215	215	215	230	25	12%
Bexley	255	260	275	260	240	-15	-6%
Dudley	730	755	740	725	675	-55	-8%
Essex	1,255	1,135	1,025	1,005	1,010	-245	-20%
Kent	1,825	1,820	1,870	2,315	1,900	75	4%
Medway Towns	410	380	425	430	390	-20	-5%

- 5.6 The increase in the looked after child population places increasing pressure on the brokerage team in sourcing placements to meet demand. Finding placements locally for the growing 'children in care' population that is able to meet their totality of needs, including consideration of ethnicity and culture. Market forces are also a constraint as other local authorities in the region and nationally are competing for vacancies across the sector.

5.7 The unit cost of placements has also increased over the last three years in the context of a decrease in central government funding. In order to deliver quality services within the means of the children's services budget, it is essential that we develop cost effective capacity.

5.8 There are therefore, two main drivers for seeking capital funds to develop semi-independent and residential provisions in Havering.

6. Cashable savings

6.1 Through the development of in borough services, in a Council owned property, we will be able to offer prospective providers an opportunity to rent the properties at below the market rate. This will reduce the unit cost that a provider will bid to secure the contract for these services.

6.2 Below are current semi-independent costs for a subset of young people who are potential matches for the proposed provision. The costs of this group are representative of the wider population of young people in semi-independent provisions. The current costs are matched against the newly proposed costs to identify potential savings.

6.3 The cost of care under the new proposal is based on provider feedback. These costs remain an estimate from the best information available until now, so their veracity will continue to be worked upon in dialogue with external and internal social care and property expertise.

Current Placement	Current Costs				Proposed Costs				Estimated Saving Yr 1
	Current Weekly Cost	Care	Accom	Current Annual Cost	Proposed Weekly Cost	Care	Accom	Proposed Annual Cost	
Semi Ind 1	£876.00	£256.00	£620.00	£45,552.00	£570.00	£300.00	£270.00	£29,640.00	£15,912.00
Semi Ind 2	£800.00	£200.00	£600.00	£41,600.00	£570.00	£300.00	£270.00	£29,640.00	£11,960.00
Semi Ind 3	£825.00	£680.77	£144.23	£42,900.00	£570.00	£300.00	£270.00	£29,640.00	£13,260.00
Semi Ind 4	£850.00	£220.00	£630.00	£44,200.00	£570.00	£300.00	£270.00	£29,640.00	£14,560.00
Semi Ind 5	£700.00	£100.00	£600.00	£36,400.00	£570.00	£300.00	£270.00	£29,640.00	£6,760.00
Semi Ind 6	£750.00	£150.00	£600.00	£39,000.00	£570.00	£300.00	£270.00	£29,640.00	£9,360.00
									£71,812.00

7. Improved outcomes

7.1 Children and young people in care across the country have said time and time again that stable relationships are of paramount importance. When children are placed out of their community, familial and professional relationships are often disrupted or severed. When this happens, children placed out of their community are at greater risk of going missing from their placement and are at greater risk of exploitation.

7.2 In addition to the poor outcomes resulting from disruptions to relationships, it is more challenging to have the oversight and quality control required with

provision outside of Havering. Developing local provision and commissioning providers to deliver services through a block contract offers the chance to develop a relationship with the provider and have oversight of outcomes. In this proposed model we will work with the provider to jointly achieve identified outcomes and troubleshoot jointly when challenges arise.

- 7.3 In addition, local looked after provision gives an opportunity to better co-ordinate the care pathway for young people. This model enables an opportunity to support transitions from foster or residential care into semi-independent and eventually to independent living accommodation while supporting them with local services.
- 7.4 Keeping services local helps the local authority plan services more coherently and respond swiftly to any issues.
- 7.5 The improved outcomes are in line with recommendations made from the Office for Standards in Education, Children's Services and Skills (OFSTED) 2016 inspection report and the Authority's corresponding improvement plan.
- 7.6 **Option one:**
 - 7.6.1 That we continue to spot purchase residential placements where the price secured is determined by the market and all placements are outside the borough.
 - 7.6.2 This approach would see us continue to commission semi-independent placements either from the framework or spot purchase placements at increasing cost.
- 7.7 **Option two:**
 - 7.7.1 Contract a provider to refurbish the identified two properties in Havering. Alongside the refurbishment work, we will commission a provider to manage and deliver a semi-independent service in each of the two buildings.
 - 7.7.2 This option will give us greater control over the cost and quality in the placements while keeping more children local.
- 7.8 **Recommended option**
 - 7.8.1 Option two is the recommended option that we secure two Council buildings; renovate them and then tender for providers to deliver services at the respective sites.
 - 7.8.2 The approach will reduce the accommodation cost element of a provider's unit cost and deliver savings. We also project improved outcomes for children through improved contract monitoring practices and a robust service specification.

IMPLICATIONS AND RISKS

8. Financial implications and risks:

- 8.1 An application for capital funding was made to refurbish two properties in Havering to provide services for looked after children.
- 8.2 The current costings to refurbish the two properties is based on the initial schedule of works and the estimate provided by Asset Management but may be revised following a competitive tender and our consultation with service users. The building works are expected to be completed by the end of 2018-19.
- 8.3 The cohort to be placed in the semi-independent provision has been identified by Children Services from the CYP we already have placed out of borough; and plans will be instigated to initiate early discussions with service user, families and providers to facilitate the transfers back to Havering and to stream line the support to be provided by Havering through its 'face to face' project.
- 8.4 Savings will be realised during 2019-20 provided the refurbishment of the semi-independent provision is completed and ready to be leased to a provider in early 2019. The early planning will facilitate the smooth transfer to the in-borough provision from the new financial year as part of a planned process.
- 8.5 The risks are that we do not fill the provision and that there are voids or unoccupied beds. To mitigate this risk across the semi-independent provision we will sell beds to partner authorities across the sub region and generate income. This risk is deemed to be low because we have over 34 children or young people placed out of borough who would be able to access this service. Through good planning and early identification of the cohort by Children's Services the risk of voids should be further alleviated. This work has already begun.
- 8.6 In 2019-20 the semi-independent service is expected to deliver full year savings of £72k; and the same level of savings in the subsequent four years. The risk is that we are not able to move on young people within a twelve-month period to release bed space for the next cohort to be referred. The contract and the key performance indicators will be closely managed to ensure that the key outcomes that equip CYP with the key skills for life to manage their own affairs and property successfully and have the ability to live rich and fulfilled lives.

- 8.7 Across both sites the level of savings will be £144,000 in 2019/20 and will contribute to the Children's MTFS annual savings target of £250,000. The original speculative estimate of savings for this proposal was £250k. After more detailed analysis a more conservative figure of £144k has been identified. However further analysis and exploration of care costs as part of the procurement process will be undertaken and may lead to further adjustments of this figure.

	2018-19	2019-20 Savings	2020-21 Cost Avoidance	2021-22 Cost avoidance	2022-23 Cost avoidance	2023-24 Cost avoidance
Estimated capital cost	£350k					
1 st Semi-independent unit savings		£72k	£72k	£72k	£72k	£72k
2 nd Semi-independent unit savings		£72k	£72k	£72k	£72k	£72k
Total savings		£144	£144	£144	£144	£144

- 8.8 If the second property were tendered to identify a provider to deliver and manage a six bedroom residential provision, the level of risk is high because Havering has relatively low numbers of children or young people in residential provision. The service we are looking to develop is six bedroom but the total number of we have placed out of borough in residential is eight (8). Due to the level of need of those placed in residential the six to be identified by Care Management have to be carefully matched and risk assessed before a referral is made.
- 8.9 Any voids will be managed by careful planning and when tendered the management of voids or risks will be shared with providers. If we cannot make appropriate placements to the residential steps will taken to either sell the beds to a partner authority or scoping will be undertaken to identify whether it would be feasible to develop both services into semi-independent provision.
- 8.10 The level of savings to be delivered under a residential model in 2019-20 will be £224k. This level of savings has been calculated in-conjunction with a residential provider. In subsequent years (20/21 – 23/24) savings or cost avoidance may not be achieved if we do have the cohort to place. Further savings or cost avoidance can only be delivered through the sale of bed spaces or in response to increases in the looked after population and referrals to residential. Currently this does not appear to be the trend.

	2018-19	2019-20 Savings	2020-21 Cost Avoidance or savings	2021-22 Cost avoidance or savings	2022-23 Cost avoidance or savings	2023-24 Cost avoidance or savings
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Residential unit savings		£224k	£0	£0	£0	£0
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- 8.11 If we are not able to refer the number required to sustain the second property as a residential steps will be taken to develop the second property as a second (2nd) semi-independent provision in borough. This will vastly reduce the level of savings that could be delivered.

9. Legal implications and risks:

Procurement and Contracts

- 9.1 The Council's Joint Commissioning Unit (JCU) is seeking Cabinet approval to commence procurement processes for (i) the supply of refurbishment works (the "Works"); (ii) the supply and management of semi-independent care and support services; and (iii) the supply and management of residential or semi-independent care and support services (together the "Services").

- 9.2 The Council is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under section 1 of the Care Act 2014 to promote the well-being of individuals.

- 9.3 "Well-being" in relation to an individual is defined within the 2014 Act as including suitability of living accommodation.

- 9.4 This is a key decision subject to the requisite (call-in) procedure under paragraph 17 of Part 4 [Rules of Procedure], Overview & Scrutiny Committee Procedure Rules) of the Council's Constitution (the "Constitution").

In accordance with paragraph 8 Part 4 [Rules of Procedure], Contract Procurement Rules (CPR) of the Constitution, the JCU intend to secure the (Checkpoint) Gateway Stage 01 review panel approval to proceed with the procurement process, on the 17th July.

- 9.5 The EU procurement financial threshold for works is £4,551,413. The estimated total value of the Works is £350,000, which is under the EU procurement threshold. Therefore the procurement will be conducted via the appropriate process and a minimum of five suppliers will be invited to tender, in accordance with paragraph 13 of Part 4 [Rules of Procedure], CPR, of the Constitution.
- 9.6 The Services fall within the description of "Health, social and related services" under Schedule 3 of the Public Contracts Regulations 2015; and are services to which the light-touch regime (LTR) may apply. However the relevant financial EU procurement threshold for LTR services is £615,278.

- 9.7 The estimated total value of the Services is £1.78m. This is over the EU procurement threshold, and would typically require a Contract Notice to be published in the Official Journal of the European Union (OJEU), as well as an advertisement on Contracts Finder.
- 9.8 Officers intend to conduct the procurement exercise via an open tender on the Council's e-tendering suite, in accordance with Part 4 [Rules of Procedure], Contract Procedure Rules (CPR), paragraph 2. Any tenders received will be evaluated against pre-determined best price-quality ratio of a 70% cost and 30% quality weighting.
- 9.9 There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 as a result of this procurement.

Property

- 9.10 The proposal consists of plans to enter into commercial leases with the Services providers of five years.

Planning

- 9.11 The two properties are currently vacant and were previously used as supported accommodation for clients with learning disabilities. We have sought guidance from Planning and have been advised that planning permission will not be required as we can apply for a certificate of lawfulness if we can evidence that the former usage and future development are related – which they are. The future usage will remain under C2 class (care home).

10. **Human Resources implications and risks:**

- 10.1 The recommendation made in this report does not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

11. **Equalities implications and risks:**

- 11.1 An EIA will be drafted and submitted to support the tender exercise and consultation will be undertaken with looked after children on the design and service element of the proposal.
- 11.2 The proposal as an opportunity to promote equality and enhance the outcomes for looked after children who are currently placed out of the borough. The approach will operate within the spirit of the Equality Act 2010 and Havering Council's Fair to All Equality Policy.

- 11.3 No looked after child will experience discrimination or detrimental treatment due to any 'protected' characteristics, as set out in the legislation and our own policy.
- 11.4 The proposal is an opportunity to provide therapeutic support and increased levels of face to face contact – which we expect to deliver improved outcomes.
- 11.5 If the accommodation is intended to be inclusive/suitable for disabled children it should be made accessible.

BACKGROUND PAPERS

- 12 None

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Supported Housing and Residential care (SHARC) programme

Financial Benefits Review of Park End Road and Widecombe Close Semi Independent provisions

Background

The supported housing strategy looks to identify property owned by the local authority and to use it to accommodate vulnerable groups for supported housing. The premise is that the local authority will save money and improve outcomes for residents.

The first projects to complete and operate in this way are properties in Widecombe Close and Park End; two council owned buildings refurbished to accommodate young people.

Park End Road accommodates 6 x 16 to 17 year olds

Widecombe Close accommodates 6 x 18-24 year olds

They are available on five-year leases for an occupancy fee of £2,300 per month, exclusive of VAT, for each property.

It is therefore CYP budgets that should benefit from these provisions and young people accommodated should experience improved outcomes.

Centre Point provides support services in both properties.

There are clear pathways to refer young people into this provision. The Centre Point provision is the first port of call for any requests for semi-independent provision.

Current placement breakdown

There are 22 young people aged 16-18 placed in semi-independent provision, of these 11 are in borough and 11 are placed out of borough, within 20 miles.

Of those in borough 5 are placed at the Centre Point Provision at Park End (based on latest performance report 6/11/22).

There are 24 young people aged 18 plus placed in semi-independent provision, of these 14 are in borough and 10 are out of borough, within 20 miles,

Of those placed in borough 6 out of the 10 are placed at the Centre Point Provision at Widecombe (based on latest Centre Point void report and leaving care finance spreadsheet).

Financial Benefits review - methodology

The analysis of cost took place over the period between 4.4.22 and 31.10.22.

1. The number of bed days and any void days was calculated.
2. The contractual payments made to Centre Point were identified.
3. The daily/ weekly occupancy cost of each placement was then extracted from the above.
4. The average cost of a semi independent placement over the same period into the spot market, that could have been possibly accommodated in one of the two provisions but was not for various reasons, was then calculated.

Supported Housing and Residential care (SHARC) programme

5. The two set of costs were then compared and factored up to an annual cost for each provision.

This will then give an indication of the financial impact of the two schemes.

Findings - Park End:

1. The number of bed days and any void days was calculated.

Days available for placement in a year (365 x 6) 2160

Between 4th April 22 to 31st October 2022 each home offered 1260 days of placement (6 beds), this is the equivalent of 210 days per bed. The period evaluated was therefore 56% of a year.

1260 days available for placement - 186 void days over the period (14.76%) = 1074 days of occupancy

2. The contractual payments made to Centre Point were identified.

4 weekly cost paid to Centrepont for care at Park End:

Service 4 weekly	£17,681.97
Rent 4 weekly	£ 2117.38
	£19799.35

3. The daily/ weekly occupancy cost of each placement was then extracted from the above.

Daily cost per placement at full occupancy £19799.35/ 28/ 6 = £117.85 (x7 = **£825 per week**)

Paid to Centre Point for the period: 1260 x 117.85 = £148,491

1074 days of occupancy

148491/ 1074 = £138.26 per day per person was actual cost x 7 = weekly cost:

£967.82

4. The average cost of a semi independent placement over the same period into the spot market, that could have been possibly accommodated in one of the two provisions but was not for various reasons, was then calculated.

The average cost for LAC (16-18) placements in semi-independent provision is £968.82. per week. (This does not include payments for UASC).

The data this was extracted from is here: [\\Romford\shareddata\data02\Joint Commissioning Unit\PROGRAMME OFFICE\Confidential JCU\Work in progress JG\Comparative Placements PE and Widecombe.xlsx](#)

The two set of costs were then compared and factored up to an annual cost for each provision.

Supported Housing and Residential care (SHARC) programme

This will then give an indication of the financial impact of the two schemes.

Park End: £967.82 per person per week.

6 occupants x 52 = £302k

Spot market: £968.82

6 placements x 52 = £302k

Savings £0k per annum.

Rent paid back to LA by centrepont that would not be paid from spot market: £27k per annum.

Total savings: £27k

Notes:

- When we place into the spot market rent is paid as part of the cost. However when we own the property the rent is paid to the provider who pays that rent back to property services. £27600 per annum is paid for rent at Park end and is incorporated in the savings figure above.
- Despite the provision being set up for 16-18 years, there has been a drop in the number of 16 year olds being referred to the service. This is largely due to increased scrutiny from Ofsted on the appropriateness of placing a 16 year old in such provisions. Ofsted are intending to bring in regulation for 16-18 provision, and already we have seen a number of provisions being visited and being deemed as operating illegal children's home due to the level of care and support being provided.
- The change in referrals has meant that the provision has had 186 days where the beds have been vacant/unused.
- The difference in cost between this being fully occupied compared to the cost after voids is £26k per annum, so it may be worth considering either working to reduce voids or, because it will be difficult to place enough people into the 16-17 provision, it may be worth considering using the property for a different cohort.

Findings - Widecombe:

1. The number of bed days and any void days was calculated.

Days available for placement in a year (365 x 6) 2160

Between 4th April 22 to 31st October 2022 each home offered 1260 days of placement (6 beds), this is the equivalent of 210 days per bed. The period evaluated was therefore 56% of a year.

1260 days available for placement - 61 void days over the period (4.8%) = 1099 days of occupancy

1. The contractual payments made to Centre Point were identified.

4 weekly cost paid to Centrepont for care at Park End:

Supported Housing and Residential care (SHARC) programme

Service 4 weekly £14,187.35

Rent 4 weekly £ 0.00 (Covered by Housing benefit)

Centrepont also pay Property Services rent for Park End Road the sum of £2300 x 12=, the total payment for a year = £27,600.

2. The daily/ weekly occupancy cost of each placement was then extracted from the above.

Daily cost per placement at full occupancy $£14,187.35 / 28 / 6 = £84.45$ (x7 = **£591 per week**)

Paid to Centre Point for the period: $1260 \times 84.45 = £106,407$

1099 days of occupancy

$106407 / 1099 = £96.82$ per day per person was actual cost x 7 = weekly cost: **£677.75**

3. The average cost of a semi independent placement over the same period into the spot market, that could have been possibly accommodated in one of the two provisions but was not for various reasons, was then calculated.

The average cost for LAC (18-24) placements in semi-independent provision is £894. per week, this needs to be netted down by approximately £175 per week (average HB in payment according to leaving care team) making payment £719 per week.

The data this was extracted from is attached in the hyperlink above.

4. The two set of costs were then compared and factored up to an annual cost for each provision.

This will then give an indication of the financial impact of the two schemes.

Widcombe: £677.75 per person per week.

6 occupants x 52 = £211k

Spot market: £719 per person per week

6 placements x 52 = £224k

In addition the borough receives £27600 per annum in rent for the property that we do not receive if placing in the spot market

Savings £40,600 per annum.

Notes:

- Widcombe

Supported Housing and Residential care (SHARC) programme

Overall the tracking of financial benefits has been difficult due to the number of teams involved and the different methodologies used to record information. Whilst we have been reviewing the benefits delivered we have found that there is inconsistent and fragmented data.

Notes:

- When we place into the spot market rent is paid as part of the cost. However when we own the property the rent is paid to the provider who pays that rent back to property services. £27600 per annum is paid for rent at Widecombe and is incorporated in the savings figure above.
- Voids have been running at just under 5% and there have been 61 days where the beds have been vacant/unused. Any improvement to this figure would improve savings.
- This provision's financial administration is managed by the JCU finance team.

This paper looks to evaluate financial benefits but other benefits were identified in the original business case:

The initial benefits detailed in the business cases were as follows:

- Greater control over the semi-independent market
- Improved quality of the services provided
- Reduction in unit cost of semi-independent placements.
- Improved outcomes for young people placed
- Meeting the Office for Standards in Education, Children's Services and Skills (OFSTED) 2016 inspection report recommendation that the London Borough of Havering (LBH) brought more of its children and young people (CYP) back to the borough.
- Reduced travel time incurred by social workers visiting CYP out of borough and increased time spent on case work or face to face contact.
- Facilitating the access to partner services e.g. CAMHS

It will take further work to understand whether, and to what extent, these benefits have been delivered.

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People Overview & Scrutiny Sub- Committee

6 December 2022

REPORT

Subject Heading:

Topic Group Scopes

SLT Lead:

Robert South, Director Children's Services

Report Author and contact details:

Luke Phimister, Democratic Services Officer
Luke.phimister@onesource.co.uk

Policy context:

The report deals with information previously requested by the Sub-Committee.

Financial summary:

There is no significant financial impact of the report itself.

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[X]
[]
[]
[]

SUMMARY

The attached papers provide the EHCP and SEND provisions topic group scope for agreement by the Sub-Committee.

RECOMMENDATION

That the Sub-Committee:

- 1) Agree the scope of the Topic Group
- 2) Approve the topic group to commence at the earliest possible time

REPORT DETAIL

Members of the Sub-Committee have previously requested to set-up and carry out topic groups on various areas under the People Overview & Scrutiny Sub-Committees scope. The scope attached outline what will be investigated, who will be consulted upon and the time frame the topic group will be working to.

PEOPLE OVERVIEW AND SCRUTINY SUB-COMMITTEE

SCOPING DOCUMENT FOR EHCP AND SEND PROVISION TASK AND FINISH GROUP

MEMBERS OF THE TOPIC GROUP:

Councillor Patricia Brown (Chairman)
Julie Lamb (advisory capacity)

Director/Head of Service: Robert South/ Trevor Cook

Objectives of Review

- To understand the process of EHCP assessments
- To investigate the availability of ARP and Special School places within and outside the Borough
- To investigate the staffing resources in ARPs and Special Schools
- To ascertain if inspections are undertaken of ARPs and Special Schools
- To gain an understanding of the process of inspections of ARPs and Special Schools
- To gain information relating to the proposed expansion of existing Special School, the new Special School and the new ARP within the Borough

Target date for completion

To be determined – Initial target date end of Summer Term 2023

Witnesses to be consulted-

- Director of Children Services
- Assistant Director of Education
- Ex-Headteacher of a Special School
- Current Headteacher of a Special School
- Chair of Governors of a Special School
- Teachers/ TAs in a secondary school ARP
- Parents of SEND children
- Executives of other SEND provisions within the Borough

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