

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 $\text{£}19799.35 / 28 / 6 = \text{£}117.85$ (x7 = **£825 per week**)

Paid to Centre Point for the period: $1260 \times 117.85 = \text{£}148,491$

1074 days of occupancy

$148491 / 1074 = \text{£}138.26$ 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 $\text{£}968.82$. 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 Widcombe.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)

Centrepoint 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.

Widecombe: £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:

- Widecombe

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.