

Cabinet – Supplementary agenda No.2

A meeting of the Cabinet will be held on:

Date: 6 February 2018

Time: 5.00pm

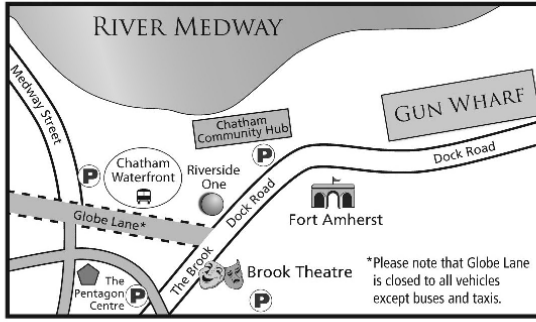
Venue: Meeting Room 2 - Level 3, Gun Wharf, Dock Road, Chatham ME4 4TR

Items

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|------------|--|------------------------|
| 6. | Housing Revenue Account Capital and Revenue Budgets 2018/2019 Addendum Report | (Pages 3 - 4) |
| 7. | Council Plan Refresh 2018/19 Addendum Report | (Pages 5 - 6) |
| 8. | Revenue and Capital Budgets 2018/19 Addendum Report | (Pages 7 - 14) |
| 12. | Shared Human Resources (HR) Service Between Medway Council and Gravesham Borough Council Addendum Report | (Pages 15 - 16) |
| 14. | Options for the Reprovisioning of the Property Previously Accommodating the Aut Even Service | (Pages 17 - 30) |

For further information please contact Wayne Hemingway/Jade Milnes, Democratic Services Officers on Telephone: 01634 332509/332008 or Email: democratic.services@medway.gov.uk

Date: 2 February 2018



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CABINET
6 FEBRUARY 2018
HOUSING REVENUE ACCOUNT
CAPITAL AND REVENUE BUDGETS 2018/19
ADDENDUM REPORT

Portfolio Holder: Councillor Howard Doe, Deputy Leader and Housing and Community Services

Report from: Richard Hicks, Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive

Authors: Marc Blowers, Head of Housing Management
Phil Watts, Chief Finance Officer
Stephen Platt, Democratic Services Officer

Summary

This addendum report sets out the comments of the Business Support Overview and Scrutiny Committee which considered the Housing Revenue Account Capital and Revenue Budgets 2018/2019 report on 30 January 2018.

1. Background

- 1.1 A Member expressed the view that it should be for Local Councils to decide whether there would be rent increases or reductions; this should not be dictated by Central Government.

2. Recommendation

- 2.1 The Committee recommended to Cabinet approval of the recommendations set out in section 17.2 of the main report.

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CABINET
6 FEBRUARY 2018
COUNCIL PLAN REFRESH 2018/19
ADDENDUM REPORT

Portfolio holder: Councillor Adrian Gulvin, Resources
Report from: Phil Watts, Chief Finance Officer
Author: Susan Olney, Corporate Strategy, Performance and Improvement Officer
Stephen Platt, Democratic Services Officer

Summary

This addendum report sets out the comments of the Business Support Overview and Scrutiny Committee which considered the Council Plan Refresh 2018/19 report on 30 January 2018.

1. Background

1.1 Committee Members raised a number of questions which were responded to by Officers as follows:

- **The Local Plan** – It was confirmed that the Local Plan was included in the Council Plan but was not referred to in the report as this focused on amendments to the plan.
- **Jobs, Skills and Employability Programme** – A Member's request that the phrase 'lifelong learning' be incorporated into the text would be considered.
- **Maximising Regeneration and Economic Growth Priority** – At present it was not possible to state the position of Medway's economy as a whole compared with the rest of England as officers are analysing recently released data from the Office of National Statistics.
- **Medway: A Place to be Proud of Priority** – The measures taken to meet the target for NI 195a, improved street and environmental cleanliness – Litter - Medway is split into 22 wards which are inspected yearly with a total of 1,200 sites being inspected. (100 sites x 12 months = 1,200 sites per year). For Q3, 300 sites were inspected and 289 were an acceptable standard. An area of 50

meters is visually inspected for the amount of litter present and graded. A - B grades are acceptable for litter, C – D grades are unacceptable. These A to D grades are provided by DeFRA. It was requested that the location of sites visited be forwarded to members of the Business Support and Regeneration, Culture and Environment Overview and Scrutiny Committees.

2. Chief Finance Officer's comments

- 2.1 With reference to the Jobs, Skills and Employability Programme (see section 4 on page 107 of the main agenda), the Council's focus on skills covers all ages - from primary school (Yr 6) to Higher Level Degrees; as such the addition of lifelong learning is consistent with the Council's overarching skills principle and its supporting priorities.
- 2.2 The effect of the recommendation from the Business Support Overview and Scrutiny Committee would be to amend this programme as follows (in bold italics):

| | |
|----------|--|
| 4 | <p>Programme: jobs, skills and employability</p> <p>Replace: 'Promote employment and skills for young people through the development of a 16-19 strategy (including apprenticeships), resulting in increased youth employment, training and education participation' with:</p> <p><u>The Medway Skills Board, established in 2017, is to champion skills development to all ages. A Skills Plan for Medway will be completed in 2018 and focus on the Council's 5 skills priorities. This plan will incorporate the objectives of the 16 – 19 Youth Strategy, alongside interests such as apprenticeships, degree apprenticeship and internships to support lifelong learning.</u></p> <p>Programme outcome: replace 'Equip people with the skills needed to secure opportunities in Medway's future economy' with: <u>'Improve employability via uniting skills supply and demand.'</u></p> |
|----------|--|

3. Recommendation

- 3.1 The Cabinet is asked to consider the comments of the Business Support Overview and Scrutiny Committee including the specific recommendation to amend the jobs, skills and employability programme as set out in paragraph 2.2 of the addendum report.

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CABINET
6 FEBRUARY 2018
REVENUE AND CAPITAL BUDGETS 2018/19
ADDENDUM REPORT

Portfolio Holder: Councillor Alan Jarrett, Leader
Report from: Phil Watts, Chief Finance Officer
Stephen Platt, Democratic Services Officer

Summary

This addendum report sets out the comments of the Business Support Overview and Scrutiny Committee which discussed this matter on 30 January 2018. This also incorporates the discussions of the budget proposals by the other Overview and Scrutiny Committees.

Please note that this addendum report constitutes Appendix 1 as referenced within the main Cabinet report.

1. Background

- 1.1 In accordance with the Constitution, Cabinet is required to develop 'initial budget proposals' approximately three months before finalising the budget and setting council tax levels at the end of February 2018. Overview and Scrutiny Committees have responsibility for scrutinising draft budget proposals and referring any comments back to Cabinet, to inform its consideration of the budget it intends to propose to Full Council.

2. Chief Finance Officer's comments

- 2.1 The comments of the Overview and Scrutiny Committees are highlighted for Cabinet's consideration in appendix 1 of this addendum report.

3. Recommendation

- 3.1 That Cabinet considers the recommendations from overview and scrutiny committees as summarised in this addendum report, when finalising the budget it intends to propose to Full Council.

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Appendices

Appendix 1 – comments from Overview and Scrutiny Committees

The relevant summaries from the minutes of these Committees which sets out Members' comments are set out below:

1. ***Business Support Overview and Scrutiny Committee, 30 November 2017***

Draft Capital and Revenue Budget 2018/19

Discussion:

A Member expressed disappointment that there was no consultation with the public on budget proposals. In addition, he stressed the importance of realistic income targets and suggested that other Overview and Scrutiny Committees, in particular the Regeneration, Culture and Environment Overview and Scrutiny Committee, be mindful of this in their considerations of draft budgets.

A Member highlighted the need for the Committee to have greater clarity on the level of service provided by the Medway Commercial Group, as part of the budget setting process.

Decision:

The Committee:

- a) agreed to note that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2018/19 and beyond; and
- b) agreed to note the proposals outlined in the draft capital and revenue budgets and forward the proposals to the individual Overview and Scrutiny Committees with the request that they be mindful of the need for realistic income targets

2. ***Children and Young People Overview and Scrutiny Committee, 5 December 2017***

Draft Capital and Revenue Budget 2018/19

Discussion:

Members raised a number of questions and comments, which included:

- **Quarter two budget monitoring** – In response to a question from a Member, in relation to the second round of budget monitoring, which had predicted an overspend of £1.507million, the Head of Finance Strategy directed Members to the budget monitoring reports presented to Cabinet on 21 November 2017. This set out the sources of budget pressures and management action.
- **Adjustment to draft budget requirement** – At the request of a Member, the Head of Finance Strategy confirmed that the total adjustment, set out in Appendix 1 to the report, reflected the reduction in the net budget requirement for Children and Adults following management action agreed by the Service in consultation with Council Members. In response to a request from a Member to

provide further detail on this adjustment, the Assistant Director, Commissioning, Business and Intelligence advised the Service had made efficiencies through transformation of services and procurement. The Head of Finance Strategy undertook to provide further detail on savings made by the Service reflected in the adjustment figure.

- **SEN and Psychology** – In response to a question from a Member about the adjustment for SEN and Psychology, the Assistant Director, Commissioning, Business and Intelligence outlined a reduction in the price of placements led to this change.
- **Service delivery** – At the request of a Member, the Head of Finance Strategy undertook to provide further detail on the changes between the MTFS position and budget position in future reports wherever possible.

Decision:

The Committee noted that Cabinet had instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2018/19 and beyond.

3. *Regeneration, Culture and Environment Overview and Scrutiny Committee, 7 December 2017*

Draft Capital and Revenue Budget 2018/19

Discussion:

A Member referred to Parking Services and Sport, Leisure and Tourism and questioned whether realistic target income levels had been set. He suggested that if the target levels were unrealistic, then the Directorate would be facing similar problems in 2018. In response, the Assistant Directors for Front Line Services and Physical and Cultural Regeneration advised upon the measures currently being taken to reduce the income shortfalls in these areas.

A Member requested that detailed information on the investment plan for ICT be supplied to him outside of the meeting.

It was confirmed that the outcome of the Council's bid to the Government to participate in a pilot 100% Business Rate Retention Scheme during 2018/19 was still awaited.

In discussing the budget report, Members expressed concern that the report did not provide sufficient detail to enable the Committee to scrutinise the budget and requested that this be conveyed to the Business Support Overview and Scrutiny Committee.

Decision:

The Committee:

- a) noted that Cabinet has instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2018/19 and beyond.
- b) agreed that the Business Support Overview and Scrutiny Committee be advised of this Committee's concern that the budget report and appendix contain insufficient information to enable this Committee to undertake a robust review of the capital and revenue budgets.
- c) noted that detailed information on the ICT investment plan will be supplied to the Member direct outside of the meeting.

4. *Health and Adult Social Care Overview and Scrutiny Committee, 14 December 2017***Draft Capital and Revenue Budget 2018/19****Discussion:**

A Committee Member expressed concern that the report did not provide sufficient detail to enable the budget to be scrutinised in any meaningful way. The Member said that there should be an opportunity to scrutinise the proposals in more detail during quarter 3 of the year. The Member considered that there was insufficient time or opportunity to review the final budget proposals ahead of them being presented to Council and that it was therefore not possible for consideration to be given to the possibility of presenting an alternative budget. The Member also asked what planning was being undertaken for when the additional funding currently available for Adult Social Care was no longer available and said that a key priority of the Medway Development Company should be to develop and build extra care housing facilities.

The Head of Finance Strategy advised that that Adult Social Care funding was considered to be secure for the time being. The concern raised in relation to the Medway Development Company would be fed back accordingly. The Director of Children and Adults Services added that two new extra care housing schemes were due to be completed in the next year. It was anticipated that these would provide sufficient capacity in the short term but that there would be a need to consider longer term provision.

Decision:

The Committee:

- i) Noted that Cabinet had instructed officers to continue to work with Portfolio Holders in formulating robust proposals to balance the budget for 2018/19 and beyond.

- ii) Commented on the proposals outlined in the draft capital and revenue budgets in so far as they related to the services within the remit of the Committee for this to be fed this back to the Business Support overview and scrutiny committee in January 2018.

5. ***Business Support Overview and Scrutiny Committee, 30 January 2018***

Draft Capital and Revenue Budget 2018/2019 and report back from other Overview and Scrutiny Committees

Summary of discussion:

Members raised a number of questions which were responded to by Officers as follows:

- **Business Rates** – Given uncertainty surrounding the financial benefit to Medway of participation in the pilot 100% Business Rate Retention scheme with Kent County Council and the twelve districts in Kent, it had not been taken into account in the development of the budget.
- **Lender Option Borrower Option (LOBO)** – There were unlikely to be any budget implications for Medway as a result of the ongoing test case. Once the findings of the case were known, it was likely that the Council would receive its audit certificate.
- **Schools Support Services** – The budget proposals reflect the funding gap created by the reduction in grant arising from academy conversions. It was noted that the Council retained a level of funding when a school moved to academy status. Action to mitigate the reduction in grant included the transfer of some schools support services to Medway Commercial Group and the decommissioning of other non-statutory elements.
- **HRA Borrowing Cap** – In the event of the borrowing cap being lifted, the Council would have to continue to adopt a prudent approach to borrowing.
- **Detailed Budget Proposals** – A Member expressed concern that the budget proposals presented to the Committee did not include a sufficient level of detail to enable the Committee to assess the impact on the long term delivery of priorities embedded in various key Council strategies. The Committee was advised that work with management teams and Portfolio Holders to refine the budget proposals was continuing and detailed proposals would not emerge until the end of that process. Longer term the aim was to more closely align the budget with Council Plan priorities and monitoring
- **Budget implications of the Transforming Care Agenda** – Discussions with Medway Clinical Commissioning Group were continuing as there were many pressures on Government funding, such as the Better Care Fund. Transforming Care would be addressed in the Medium Term Financial Strategy.

Members also considered a report on the comments of all Overview and Scrutiny Committees on the provisional draft budget for 2018/19 proposed by Cabinet on 21

November 2017. These would be considered at the Council budget meeting on 22 February 2018 together with the Cabinet's budget proposals.

Decision:

The Committee agreed that all the comments of the Overview and Scrutiny committees, as set out in Section 3 of the report, together with this Committee's comments under agenda item 8, be forwarded to Cabinet on 6 February 2018.

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CABINET
6 FEBRUARY 2018
SHARED HUMAN RESOURCES (HR) SERVICE BETWEEN
MEDWAY COUNCIL AND GRAVESHAM BOROUGH
COUNCIL
ADDENDUM REPORT

Portfolio Holder: Councillor Adrian Gulvin, Resources

Report from: Richard Hicks, Director, Regeneration, Culture, Environment and Transformation and Deputy Chief Executive

Author: Carrie McKenzie, Assistant Director - Transformation
Tim Silver, Acting Head of HR Services
Stephen Platt, Democratic Services Officer

Summary

This addendum report sets out the comments of the Business Support Overview and Scrutiny Committee which considered Shared Human Resources (HR) Service Between Medway Council and Gravesham Borough Council report on 30 January 2018.

1. Background

- 1.1 A Member sought clarification on the terms and conditions of employment of staff transferring under TUPE from Gravesham to Medway. It was confirmed that these terms and conditions would remain aligned to the NJC "Green Book" with pay increases agreed nationally.
- 1.2 The Committee noted the proposals.

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CABINET

6 FEBRUARY 2018

OPTIONS FOR THE REPROVISIONING OF THE PROPERTY PREVIOUSLY ACCOMMODATING THE AUT EVEN SERVICE

Portfolio Holder: Councillor Andrew Mackness, Children's Services (Lead Member)

Report from: Ian Sutherland, Director of Children and Adults Services

Author(s): Jackie Wood, Head of Provider Services
Rachael Horner, Partnership Commissioning Programme Lead for Looked After Children
Carl Burton, Interim Children's Programme Lead

Summary

The Cabinet requested a report setting out the business case for the future use of Aut Even in more detail, to include potential use for supported accommodation and other options (decision no. 142/2017 refers).

This report outlines three options considered for the use of the property: using it as Supported Accommodation for young people in care, using it as provision for parent and child placements, and disposing of the property.

The Cabinet is requested to agree the recommendation to change the use of Aut Even to a supported accommodation unit to increase the pool of available homes for Young People/Care Leavers in Medway.

1. Budget and Policy Framework

- 1.1 Local Authorities have a statutory duty to "take steps to secure as far as reasonably practicable, sufficient accommodation within the local authority's area which meets the needs of children the local authority is looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is within the local authority's area."

- 1.2 This includes places for young people requiring Supported Accommodation, placements for parents and their children pending decisions relating to parental assessment, and also “Short Break” placements for disabled children and their carers.
- 1.3 Following initial consideration by the Children and Young People Overview and Scrutiny Committee on 5 December 2017, the Cabinet made a number of decisions on 19 December 2017 in relation to Overnight Short Breaks Provision for Children with Special Educational Needs and Disabilities. As part of the decisions made at this meeting, the Cabinet agreed to a further report being presented to the Cabinet setting out the business case for the future use of Aut Even in more detail, which will include potential use for supported accommodation and other options (decision no. 142/2017 refers).
- 1.4 This report has been included on the Forward Plan in accordance with Section 8 (key decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and Rule 14 (publicity in connection with key decisions) of the Council’s Access to Information Rules, as set out in the Constitution. However, this report has been circulated separately to the main agenda. Therefore, the Cabinet is asked to accept this report as urgent to enable officers to proceed with implementation of the preferred option at the earliest opportunity.

2. Background

- 2.1 Following the decision to transition the short breaks service to Parklands, this leaves the Aut Even property open for repurposing. This paper considers three options: using it as Supported Accommodation for young people in care, using it as provision for parent and child placements, and disposing of the property.
- 2.1 Aut Even is currently a 5 bedded facility for disabled children. The transitioning short breaks service is being provided within a building that has been adapted over the years in an attempt to meet the needs of children and young people with complex needs and disabilities. There are a number of structural challenges which prevent the service being provided to children with specific needs, it is also preventing the service from expanding. In addition, further DDA compliance issues have been identified; along with the need for a new fire escape.
- 2.2 The vacant property therefore comprises:
 - a spacious 2 floor property based in a pleasant residential area of Twydall in Medway;
 - limited off road parking (2 vehicles at front of property);
 - situated in a residential area with neighbours next door on both sides and across the road;
 - history of concern with neighbours relating to historic usage of property;
 - property is clean and has a lot of various areas for safe storage – however décor basic, industrial and not particularly homely;

- good size modern kitchen (newly refurbished) equipped with necessary appliances including good size range cooker and breakfast island – ideal for group cooking ;
- large enclosed well maintained garden – fairly secluded garden on a flat area;
- a number of sheds and storage areas within the garden, including a wood built large outhouse (shed like) with heating and electricity – suitable for games room;
- 5 large double bedrooms + 1 single room large enough for desk and single bed;
- a number of rooms off a spacious communal living room area – which are currently office space and a sensory room;
- spacious conservatory area; and
- no CCTV.

3. Advice and analysis - options appraisal

Option 1 - Use of property as Supported Accommodation

- 3.1 Medway Council has a need and duty to secure a sufficient range of good quality Supported Accommodation and floating support that is tailored to meet the individual needs of young people. As such Medway is in the process of identifying local and cost effective accommodation solutions to increase its pool of options that it can offer to its care leavers. The re-provisioning of existing properties such as Aut Even fits within this context.
- 3.2 Supported Accommodation is a crucial part of achieving a successful transition to independent living for young people leaving care. Especially for those young people with high or additional needs. Supported Accommodation provides support and stability for the young people, many of whom have little or no support apart from Local Authority Services and need a safe and supportive environment to handle this crucial transition.
- 3.3 Placing young people with challenging behaviour and limited supervision in a residential area that is already sensitised to disruption from the previous service is placing them in a situation that carries a high risk of negative community relationships. It is undesirable to start their adult life off with a potentially negative life experience. Existing Supported Accommodation placements in other residential areas have experienced difficulties within their surrounding communities and some complaints have been received. Ensuring that this service is correctly situated is a critical factor.
- 3.4 The specification of the provision of Supported Accommodation must consider the potential varying support needs of the young people leaving care. To adequately meet these needs a mixed economy of housing options will be required. Subject to market engagement and the procurement process, these have been identified and broken down into 5 main categories which are as follows:

- A. Emergency Crisis Care**
- B. Stabilisation**
- C. Development and training**
- D. Semi-independent living**
- E. Therapeutic**

3.5 Of the five above indicated categories, four will involve accommodating and supporting young people with moderate to high levels of need frequently accompanied by challenging and difficult behaviour. The quiet and residential nature of the Aut Even setting is incompatible with these. The only category where it could be considered to be conducive to the Aut Even setting could be Category C:

3.5.1 *Category C: Development and Training* - this is accommodation which supports the training and development of the individual in preparation for moving to independent living. Each respective placement should have a time span of 6-12months with support offered to the individual at a minimum of 10 hours per week. Some on-site supervision will be in place to oversee building issues only.

3.5.2 The estimated volume of Category C units currently is 5 units – this would be a single block of 5 living units with the facility of an additional unit for staff and training facilities, ideally with a communal area for residents. This would need to be situated within a residential area close to transport links and local amenities.

3.6 To convert the current usage of Aut Even to a repurposed use would require a capital investment of £106,245 as detailed in the table below. Officers are currently identifying capital resources to meet this cost.

| Capital costs | Estimate |
|--|-----------------|
| Fit fire escape and updated alarm system | £ 50,000 |
| Dropped kerb and parking space provision | £ 35,000 |
| Technology uplift | £ 3,500 |
| Re-fit laundry area | £ 1,000 |
| Re-furbish and repurpose area used as staff sleeping accommodation | £ 500 |
| Professional fees (builders etc) | £ 16,245 |
| Total estimated capital investment | £106,245 |

3.7 The overall costs of running Aut Even as an accommodation facility *only* would be approximately £26,225. This would cover all building related costs such as electricity and other utilities, council tax as well as include an amount of circa £8000 for repairs and refurbishment per annum. It excludes all internal recharges.

3.8 To repurpose Aut Even as Supported Accommodation for young people requiring the Category C type of accommodation would mean 4 or 5 young people living there who have low level of needs. They would be in or attempting be in education, training or employment and therefore not at home for large sections of the day. They would be in

placements for 6-12 months before moving on to independent accommodation.

- 3.9 They would require some level of support most especially in the evenings. The support could be commissioned in from another provider or alternatively provided in house. Weekly support could either be offered individually for 10-15 hours per week or provided through a drop-in format – support to the house residents in general. Using a guide price of £20 per hour, annual support costs of 10 -15 hours per week would be between £10,400-£15,600 for support to the house. Support to five individuals would come to £52,000 annually. These costs, as well as demand modelling, need further scoping if this option is agreed. However, there is the potential to have provision which will be significantly more cost effective that we currently purchase.
- 3.10 As the unit would be offering semi-independent accommodation with support hours coming into the unit there would be no staffing costs to running the unit.

| | | Option 1A – house support | Option 1B – individual support |
|---------------------|---------------------|--|---|
| | One-off Cost | Annual | Annual |
| Refurbishment costs | £106,245 | n/a | n/a |
| Building costs | - | £26,225 | £26,225 |
| Staffing costs | n/a | n/a | n/a |
| Support | - | £10,400-£15,600 | £52000 |
| TOTAL | £106,245 | £36,625-£41,825 | 78,225 |
| Cost per unit | | £141-£161 per week (5 residents) | £301 per week (5 residents) |

- 3.11 Based on the above annual costs, an individual unit can be estimated by taking the total annual cost divided by the number of residents per week. This gives an estimated cost per unit as shown in the table.
- 3.12 The current range of externally commissioned costs per placement per week is between £300 and £3000. If the higher outlier costs are taken out of the equation (two placements at £1,300, one at £1,900 and one at £3,000 per week), the average cost per placement is £587 per week. These costs include floating support provision.
- 3.13 The estimated cost per unit for the in house provision therefore compares favourably with the cost per unit of the externally commissioned service.
- 3.14 Potential annual costs could be as below although this does need further modelling.

| Residents | | Unit cost pw | Total annual cost | Potential annual saving compared to externally commissioned price |
|-----------|---|--------------|-------------------|---|
| 5 | External average | £587 | £152,620 | |
| 5 | In house option with individual support | £301 | £78,260 | £74,360 |
| 5 | In house with house support | £161 | £41,860 | £110,760 |

3.15 A variance on the above could be that the units for residential use are reduced to maximum of 3 units with the remaining space utilised to provide an open drop-in and contact facility for Care Leavers from across Medway. Although this would provide a dedicated provision for Care Leavers, there are several objections to this option.

- It is highly unlikely to be acceptable to *any* young person to reside on top of a publically accessible drop-in centre.
- It would not be advisable to provide open drop-in provision in a residential area, the nature of the open drop-in could be a significant disturbance to local residents. It is also unlikely the facility will be used to a point to warrant such a provision, due to location, travel considerations for those attending and the fact that the facility would be viewed as a place of residence, which may discourage many care leavers from attending. It is noted though that the cost of this type of provision would be the same as detailed above, as support costs in this case would equate to the cost of staffing the drop-in aspect as well as offering support to the residence.

3.16 Benefits

Using Aut Even as in-house Supported Accommodation would:

- increase the pool of accommodation available for Medway's young people and/or care leavers;
- provide a location for a drop-in service for care leavers; and
- potentially contribute savings to placement budgets.

3.17 Risks

The risks of using Aut Even as in-house Supported Accommodation are:

- the risk of creating conflict with residents may be high;

- the risk of creating a negative experience for care leavers may be high; and
 - the risk of under-utilisation of the drop-in centre would be high.
- 3.18 Option 1 is the preferred option. A Diversity Impact Assessment has been carried out and is set out in Appendix One.

4 Option 2 - Use of property for parent & child placements

- 4.1 A second consideration is the utilisation of Aut Even as a Parent and Child Placement Unit. It should be noted however that to utilise the facility in this way fundamentally changes the approach to how this facility is managed and would be subject to the Care Standards Act 2000, Residential Family Centres Regulations 2002 and the National Minimum Standards.
- 4.2 To use Aut Even to house care leavers with children in a communal setting and provide them with 10 hours of support per week brings significant accompanying problems. The assessed needs of the individuals and their child/ren placed there would have to be very low and even then in a communal setting and in close proximity with other families in need, the matching of families together becomes incredibly difficult due to the range of safeguarding concerns that would need to be addressed.
- 4.3 Currently commissioned housing-related support for those mothers and babies who need low levels of support in their own accommodation (Elisabeth Court) costs the Authority on average £109 per week. This option has the parent as a tenant in her own right and in a contract for 2 years, whereas residing at Aut Even would require the parent to share space with potentially 5 other families.
- 4.4 The next higher cost for Parent and Child placements is the use of Assessment Independent Fostering Agencies (IFA) placements. The average cost of an IFA Parent and Child placement is £1,300 per week. Aut Even could not supply this service as it would not be placing within a family context.
- 4.5 The highest cost for Parent and Child Assessment (P&C) placements however, is for residential placements which average £3,625 per week. The demand for residential P&C placements however is very low with only 3 placements occurring within the last year at a total cost to the Local Authority, of approximately £120,000.
- 4.6 If Aut Even was solely used for Parent and Child Assessment Placements this makes it a regulated facility subject to Ofsted inspection and therefore would require a much higher level of staffing and supervision to meet all of the legislative requirements and would therefore increase the costs significantly.
- 4.7 The estimated revenue cost for Aut Even as a residential Parent and Child Assessment facility is approximately £286,172, per annum which includes basic staffing, clinical staff, building costs and repairs and replacement budget.

4.8 This would therefore be the cost as a minimum to the Local Authority irrespective of the demand for this type of placement. In addition the capital investment cost of £106,245, would be the minimum cost as increased capital alterations and refurbishment would be required to ensure the facility is suitable for this type of placement. With regards to cost effectiveness, this option is not cost effective to the Local Authority as the demand is not sufficient to require a dedicated facility of this type.

4.9 Having a permanent Parent and Child Assessment Unit, would also be against the preferred option of having those with high need placed in a family environment. This option would also effectively remove the use of the facility as supported accommodation for care leavers and other young people. To utilise the facility in this way would therefore not only increase annual costs to the Local Authority but the Authority would also still require the supported accommodation provision commissioned at a higher cost than what could potentially be provided by Aut Even, as stated earlier.

4.10 **Benefits**

Using Aut Even as in-house Parent & Child placement unit would:

- increase the pool of accommodation available for Medway’s young people and/or care leavers especially those with families

4.11 **Risks**

The risks of using Aut Even as an in-house parent and child facility are:

- there is a risk that placements might be made to this facility rather than within a family setting which is the preferred policy option
- there is a risk that demand may not be sufficient to sustain full capacity therefore making the facility inefficient.

4.12 **Costs**

| | One-off Cost | Annual |
|-----------------------|-----------------|-----------------|
| Costs fit for purpose | £106,245 | £0 |
| Revenue costs | £0 | £286,172 |
| TOTAL | £106,245 | £286,172 |

5. **Option 3 – dispose of property**

5.1 The final option would be to dispose of Aut Even as a provision held by the Local Authority. The current estimated value of the building on the open market is in the order of £350,000.

5.2 There would also be the associated savings year on year of disposing of the facility’s revenue costs which are, as stated, estimated to be £26,225 excluding internal service charges.

5.3 Benefits

This option would allow the Council to divest itself of a service potentially running at a loss.

5.4 Risks

There may be a risk that the property does not realise the market value indicated.

5.5 Cost

There would be a positive short term financial gain to this option.

6. Risk management

| Risk | Description | Action to avoid or mitigate risk | Risk rating |
|--|--|--|--------------------|
| There is a risk that setting the service up as Supported Accommodation may generate complaints from residents | Residents may take exception to the more challenging behaviour of some care leavers | Target the service at care leavers where the level of need is low and ability to live in quiet neighbourhood | C2 |
| There is a risk that setting up as a drop-in centre may not be well-attended by care leavers AND generate complaints | The site is not central and care leavers are across the whole area with limited transportation | This is highly likely to be an issue rather than a risk and therefore no mitigation is envisaged | B2 |
| There is a risk that the property doesn't fetch the asking price on the open market | The risk is that the price obtained for the property will be lower than that indicated in paragraph 5.1. | Ensure that internal Valuation and Asset team are included in determining market value before advertising | D3 |

7. Consultation

7.1 No consultation has been done as yet. Young people will be consulted regarding location for a drop-in centre; also for their views on converting the property to in-house Supported Accommodation; and as a matter of course during the procurement of the new Supported Accommodation Framework.

8. Financial implications

8.1 The financial implications are contained in the main report above.

8.2 The costs and savings associated with each of the three proposed options have been summarised in the table below.

| | One-off Capital Costs | Annual Revenue Costs | Annual Revenue Saving | Disposal Costs Return |
|----------|------------------------------|-----------------------------|------------------------------|------------------------------|
| Option 1 | £106,245 | £36,625 to £78,225 | (£74,360 to £110,760) | £0 |
| Option 2 | £106,245 | £286,172 | (£166,172) | £0 |
| Option 3 | £0 | £26,225 | £0 | (£350,000) |

9. Legal implications

9.1 The legal implications are set out within the report.

10. Recommendation

10.1 The Cabinet is asked to agree Option 1 to the change the use of Aut Even to a supported accommodation unit to increase the pool of available homes for Young People/Care Leavers in Medway, as set out in section 3 of the report, subject to suitable capital financing identified.

10.2 The Cabinet is asked to delegate authority to the Director of Children and Adults Services in consultation with the Chief Finance Officer and the Portfolio Holder for Children's Services (Lead Member) to determine the exact specification of the Supported Accommodation service within the agreed budget for the service and following consultation with service users.

11. Suggested reasons for decision

11.1 The other options explored, bar disposal of Aut Even, are not cost effective, would add ongoing revenue liabilities to the Local Authority, be potentially against best practice and not provide the best environment for the needs of the individual and/or young person.

11.2 Utilising the Aut Even building as Supported Accommodation will in part assist the Council to fulfil its legislative duties for Care Leavers by providing good quality accommodation which is fit for purpose and will help maintain local young people in a local resource where they can easily access leaving care services and sustain their links to the local community.

Lead officer contact

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Appendices

Appendix 1: Diversity Impact Assessment

Background papers

None

Appendix 1

| | |
|--|--|
| TITLE Name / description of the issue being assessed | Reprovisioning of the property previously accommodating the Aut Even service |
|--|--|

| | |
|--|----------|
| DATE Date the DIA is completed | 24/01/18 |
|--|----------|

| | |
|---|--|
| LEAD OFFICER Name, title and dept of person responsible for carrying out the DIA. | Rachael Horner Partnership Commissioning Programme Lead on Looked After Children |
|---|--|

1 Summary description of the proposed change

- What is the change to policy / service / new project that is being proposed?
- How does it compare with the current situation?

The proposal is to the change the use of the Aut Even property to a semi-independent supported accommodation unit to increase the pool of available homes for Young People/Care Leavers in Medway.

The property is currently being used to provide a short breaks facility and service to families and children with disabilities.

2 Summary of evidence used to support this assessment

- Eg: Feedback from consultation, performance information, service user records etc.
- Eg: Comparison of service user profile with Medway Community Profile

The following report(s) were used

- Report to Overview and Scrutiny
“Overnight Short Breaks provision for children with special educational needs and disabilities - outcome of the consultation and business case”
- Knowledge of placements subject area
- Discussion with care leavers team manager

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

| Protected characteristic groups (Equality Act 2010) | Adverse impact | Advance equality | Foster good relations |
|---|----------------|------------------|-----------------------|
| Age | | ✓ | |
| Disability | | | |
| Gender reassignment | | | |

Diversity impact assessment

| | | | |
|-------------------------------------|--|---|--|
| | | | |
| Marriage/civil partnership | | | |
| Pregnancy/maternity | | | |
| Race | | | |
| Religion/belief | | | |
| Sex | | | |
| Sexual orientation | | | |
| Other (eg low income groups) | | √ | |

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

Looked After Children

There is a currently a lack of appropriate and available accommodation for Looked After Children over 16 years old. If the property at Aut Even is turned into in house semi-independent accommodation it will improve the availability of suitable accommodation for this very vulnerable population.

Medway staff

Children's social workers and Care Leavers team will need to be aware of the service, provide suitable individuals to be matched to others and placed together.

Local residents

The neighbourhood is a very residential one. On the whole the relationship with neighbours has been quite positive. The nature of the children currently placed there mean that there are very few issues that would impact on the daily lives of the local community. This could be very different with care leavers as their needs are quite different. In other local supported accommodation provision Medway has experienced complaints from neighbours arising from the disruptive behaviour of young people who have limited hours of supervision. In some instances the young people have been disruptive and at other times they have been subject to potential discrimination from the surrounding community

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- What alternative ways can the Council provide the service?
- Are there alternative providers?
- Can demand for services be managed differently?

Semi-independent supported accommodation for young people is usually procured externally through a Framework. The current Framework is coming to an end in November 2018 and will be re-procured. As the needs of young people are diverse, a spectrum of service needs to be secured and therefore all needs will be accounted for within the procurement. This allows the LA to be certain that it will be able to ensure sufficiency of provision for its young people. By seeking to provide an element of this through an in-house service, the LA is hoping to alleviate the pressure on its resources and maximise its ability to support young people in its care.

It is possible to mitigate against the risk of the disruption to the community from the young people by ensuring that the service is accessed by young people with lower levels of need who are actively engaged in progressing their education or employment and are therefore driven to succeed at living in the community. It is less easy to ensure that the young people are not themselves discriminated against by the community. Should this occur it could result in a negative life experience for the young people which would be an unfortunate and undesirable way to begin their independent life. Nevertheless, a positive experience of the young people initially placed there would serve to reduce any potential misgivings and wariness on behalf of the neighbouring community.

6 Action plan

- Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence

| Action | Lead | Deadline or review date |
|--|---------------------|-----------------------------|
| To ensure that the specification for the in house supported accommodation service at Aut Even is targeted at a cohort of young people with lower levels of need and that young people are matched in such a way as to reduce the likelihood of community disruption. | Children's services | Commencement of new service |
| | | |
| | | |

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- to proceed with the change, implementing the Action Plan if appropriate
- consider alternatives
- gather further evidence

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

It is recommended to proceed with the change while ensuring that the appropriate mitigations of risk are in place.

8 Authorisation

The authorising officer is consenting that:

- the recommendation can be implemented
- sufficient evidence has been obtained and appropriate mitigation is planned
- the Action Plan will be incorporated into the relevant Service Plan and monitored

Assistant Director

Date

25/01/18

Contact your Performance and Intelligence hub for advice on completing this assessment

| | | |
|-------------------------------|--------------------------------|---|
| RCC: | phone 2443 | email: annamarie.lawrence@medway.gov.uk |
| C&A (Children's Social Care): | contact your usual P&I contact | |
| C&A (all other areas): | phone 4013 | email: jackie.brown@medway.gov.uk |
| BSD: | phone 2472/1490 | email: corppi@medway.gov.uk |
| PH: | phone 2636 | email: david.whiting@medway.gov.uk |