

Cabinet – Supplementary agenda No.2

A meeting of the Cabinet will be held on:

Date: 12 January 2021

Time: 3.00pm

Venue: Virtual Meeting

Items

7. **Options Paper for Medway Children's Assessment Unit** (Pages 3 - 8)
Please find enclosed an addendum report.

For further information please contact Jade Hannah, Democratic Services Officer on Telephone: 01634 332008 or Email: democratic.services@medway.gov.uk

Date: 11 January 2021

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CABINET

12 JANUARY 2021

OPTIONS PAPER FOR MEDWAY CHILDREN'S ASSESSMENT UNIT – ADDENDUM REPORT

Portfolio Holder: Councillor Mrs Josie Iles, Portfolio Holder for Children's Services
(Lead Member)

Report from: James Williams, Director of Public Health

Author: Andrew Willetts, Head of Partnership Commissioning,
Resources and Youth Justice

Summary

This report was considered by the Children and Young People Overview and Scrutiny Committee on 7 January 2020. This addendum report sets out the comments of this Committee.

1. Children and Young People Overview and Scrutiny Committee – 7 January 2021
 - 1.1 The Head of Service for Partnership Commissioning, Resources and Youth Justice introduced the report which set out options to develop an assessment unit to support with the reunification of children back with families or into more suitable and longer-term arrangements.
 - 1.2 Members then raised a number of questions and comments, which included:
 - **Children where residential is most appropriate** – with the change in use of the Old Vicarage, concern was raised about how Medway would accommodate children for whom residential care is considered the most appropriate option. In response, officers confirmed that the Old Vicarage was an outstanding facility but had been consistently under used and could no longer meet the needs of children and young people requiring support in Medway. Additionally, it is only a very small number of children who require residential care, a majority of children are best placed in a family setting (if not their own). What had been clearly identified, was the

need for a unit to fully assess children to ensure they are then provided with the best placement to suit their needs, which in turn would reduce risks of placement breakdowns and to support reunification with families where it is safe to do so.

- **Savings** – in response to a question about actual savings, officers confirmed that savings for the last financial year was £329,000, with further savings being realised in the current financial year. It was added that the four children whom had resided at the Old Vicarage, had all moved on to successful placements at a reduced cost and had been provided with permanency. One of the four had experienced some difficulties, but these had been addressed and all four were now flourishing.
- **Service for Medway children only** – officers confirmed the contract would be drawn up to ensure it was a Medway provision for Medway children.
- **Finances** – concern was raised about how reliable the figures were in relation to the £750k that was envisaged to be secured from the sale of the Old Vicarage and where shortfall would come from if this was not the final sum received from the sale of the building. Officers confirmed that colleagues across Planning, Property and Finance Services had been heavily involved in drawing up the funding model and were confident of the figures provided.
- **Registered Manager** – reference was made to the Manager of the Service being able to refuse placement of a child. Officers confirmed this was the case, as set out in law, and was important process in terms of matching residents. However, the Service's Statement of Purpose would be written to support the needs of children and young people that are presenting in Medway now and therefore the risks of being refused would be reduced because the service would be better suited to meet needs than the Old Vicarage had been.
- **Commissioning the service** – Members requested more information as to why the Council should commission the service and not provide it in-house. Officers explained that there were excellent providers already experienced in delivering this model of service, which was something that was not currently in existence within the local authority. In addition, providing the service in-house would risk detracting focus from Medway's improvement journey. An in-house model would also cost more and carries more risk.
- **Age range for service** – in response to a question as why the service was not initially looking at younger children, particularly to ensure early intervention. Officers confirmed that this was based on the data and the

sufficiency report. The numbers of adolescents coming through the system needed to be immediately addressed. Early intervention was important however, expanding the service to young age ranges may be something to look at in the future.

- **Provider market and contract** – officers confirmed that light market research had taken place and a number of good or outstanding providers had expressed interest. In addition, officers confirmed that a period of 3 + 2 years was likely to be the contract period.
- **Alternative option** – Members asked why a further option of keeping the Old Vicarage and only purchasing one additional property had not been considered. Officers explained that the reason to use the Old Vicarage initially was to get the service running as soon as possible as it was needed to meet a demand that already exists in Medway. However, the Old Vicarage site was considered too large for the practical running of an assessment unit and therefore the desire was to subsequently purchase two smaller units. Members however, challenged this, they considered it better to retain the Old Vicarage and purchase just one additional unit, at least initially with then the potential to purchase a second smaller unit if that was proven to work much better for the service, once the service had been tested and was running in practice. The point was also made that this would give flexibility to potentially adapt services and respond to sufficiency as it evolved. Officers acknowledged that the suggested variant to option 4b (detailed within the report) would help mitigate the risks related to sourcing two properties.

- 1.3 The Committee recommended Option 4b in providing a Children Assessment Unit across two sites but recommended the Cabinet to agree to purchase one additional unit and consider the possibility of retaining the Old Vicarage as the second site, at least initially, to have the benefit of experience of the service running before deciding whether the purchase of a second property and the sale of the Old Vicarage is the best option.

2. Director of Public Health's Comments

- 2.1 The table below reflects the financial implications of moving forward with the recommendation from Children and Young People Overview and Scrutiny Committee on 7 January 2021 (Option 4b.2). Due to the speed and ability to identify a single provision (as the second assessment unit), this has seen an improvement in the savings forecasted over a period of 5 years.

Option 4b.2 Children's AUs: Use of Old Vic from Sept 2021 plus a new Assessment Unit from Oct 2022

	21/22	22/23	23/24	24/25	25/26	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Savings:						
Five Year Savings based on 10 assessments in the Old Vic from Sept 2021 plus an additional 10 assessments in a new AU from Oct 2022	(1,183)	(2,713)	(2,656)	(2,709)	(2,763)	(12,024)
Expenditure:						
Provider costs	467	1166	1547	1578	1610	6,368
Stamp Duty and legal fees	0	38	0	0	0	38
Capitalised Costs: Old Vic Refurb costs capitalised over five yrs plus an additional AU costs capitalised over 20 yrs from Oct 2022 onwards	33	62	90	88	86	361
Rehabilitation/Reunification costs after assessment based on average saving of Foster care/reunification per week	485	1,057	857	874	892	4,165
Net Saving	(198)	(390)	(161)	(168)	(175)	(1,092)

2.2 After further consideration, the revised option (option 4b.2) provides a number of additional benefits which are set out in the table below.

	For	Against
<p>Option 4b</p> <p>Provide OV to commissioned service for 2 years and acquire and set up two units.</p>	<ul style="list-style-type: none"> • Ability to hold provider to account • Reduction in unregistered placements • Prevention of high cost bespoke placements • Ability to step young people down into less costly placements • Ability to choose provider with best methodology • Significant savings to 13 placements per year 	<ul style="list-style-type: none"> • No immediate sale price of OV • AU costs in the region of ~£800,000 pa • Initial need to combine both edge of care young people with children in care and/or age groups potentially lessening effectiveness of AU to deliver. • Timescale and cost of acquiring the two properties and carrying out works to them, estimated at £1.5m. • Requirement to obtain planning consent for a change of use from a dwelling house (Class C3) to a residential institution (Class C2.) • Need for information campaign to residents and other stakeholders.

<p>Option 4b.2</p> <p>Initially use OV to commissioned service and acquire and set up one additional unit.</p>	<p>Additional to the above points:</p> <ul style="list-style-type: none"> • Increased savings realised over a 5 year period. • Work can continue at pace whilst still meeting the demands identified within the sufficiency statement. • Reduces the risks of identifying 2 suitable other properties. • Reduces the need for consultation with residents and ward members in relation to a second new provision. • Creates flexibility in the future as required to meet the future demands within the sufficiency report. • Members and officers will have an ability to compare performance of small unit against the larger OV provision to make accurate comparisons and inform future modelling. 	<ul style="list-style-type: none"> • No sale of the Old Vic (but this could create future options).

2.3 The importance of this work is to achieve and improve outcomes for children, ensure we meet the needs and the demands identified within the sufficiency report, create the ability to progress the work at pace and realising savings. This option does not change the overall outcome needed and creates the flexibility over a 5 year period (if demand changes).

3. Revised recommendations

3.1 The Cabinet is asked to consider the comments of the Children and Young People Overview and Scrutiny and the comments of the Director of Public Health set out in sections 1 and 2 of this addendum report.

3.2 The Cabinet is asked to agree to proceed with the revised option 4b.2 as set out in this addendum report and in doing so agrees to:

- commence procurement of a four-bed Children Assessment Unit for 14-17 year olds at the Old Vicarage site;
- delegate authority to the Chief Legal Officer, in consultation with the Portfolio Holder for Resources and the Portfolio Holder for Children's Services (Lead Member), to initially acquire one additional unit and obtain all necessary consents for its use for the future provision of the service;
- delegate authority to the Chief Legal Officer, in consultation with the Portfolio Holder for Resources, to lease the Old Vicarage and the new property as part of the letting of the outsourcing contracts;
- recommend to Full Council that it adds £900,000 to the capital programme to fund the purchase and related fees and costs for the purchase and conversion of the additional property and refurbishment of the Old Vic. The refurbishment costs for the Old Vic have been estimated at £150,000

which will be paid back over five years, with the purchase and set up costs for the second AU property estimated to cost £750,000, which will be paid back over twenty years via prudential borrowing (see table 2.1).

3.1 The Cabinet is asked to instruct Director of Public Health to keep under review these new arrangements, evaluating their operation to determine whether they continue to meet sufficiency requirements.

4. Suggested reasons for decisions

4.1 Option 4b.2 delivers the most cost-effective service in the shortest timeline while placing the management of our vulnerable and complex children in the hands of experts well-resourced to do the job, by operating two units after a two-year period.

4.2 Option 4b.2 builds in the opportunity to improve outcomes for a larger number of Medway's young people over time, whilst delivering value for money and the greatest cost savings of the options examined. It offers a long-term opportunity to contribute towards savings in public money and protect the Council from reputational risk.

Lead officer contact

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