

## **Cabinet**

**30 July 2024**

### **Redevelopment of Aut Even**

Portfolio Holder: Councillor Adam Price, Portfolio Holder for Children's Services (including statutory responsibilities)

Report from: Raj Bharkhada – Assistant Director Children's Social Care

Author: James Harman – Head of Children's Services Commissioning

#### **Summary**

This report seeks to outline changes to original capital plans to develop a suite of in-house Children's Homes for Medway Council and proposes an updated direction of travel and costing proposals for the development of Aut Even, funded primarily from the DFE Regional Care Co-Operative Capital grant enabling the removal of borrowing agreed to fund the previous plans from the capital programme.

#### **1. Recommendations**

The Cabinet is asked to:

- 1.1. agree and progress with the redevelopment of the Aut Even project as a specialist 5 bedroom home for young people with Learning Disabilities and Autism and neurodiversity at a total cost of £1,112,872.
- 1.2. recommend to Full Council that the Redevelopment of Aut Even be added to the capital programme, funded from:
  - the DFE Regional Care Co-Operative Grant of £912,872,
  - a virement of £200,000 from the Children's Assessment Unit scheme in the existing capital programme, with the balance of £950,336 (funded from borrowing) removed from the capital programme.
- 1.3. To delegate authority to the Director of People and Deputy Chief Executive to enter into any legal agreements required to allow the Council to accept the DFE Regional Care Co-Operative Grant

#### **2. Suggested reasons for decision(s)**

- 2.1. The renovation of Aut Even will provide specialist residential provisions for Medway, ensuring much needed high quality local capacity and allowing

children to either remain in Medway or move back from other areas. Funding these works from grant will enable the removal of borrowing agreed to fund the previous plans from the capital programme.

### 3. Budget and policy framework

- 3.1. The current capital programme includes £1,530,336 for the development of a Children's Assessment Unit at Eden House. This was earmarked for phase 2 of the project and to cover any renovations needed to get Eden House up and running ([Council 21 January 2021, Minute 665](#)). In the autumn of 2022 following the Eden House contract being ended with 5 Rivers, the desire was to run Eden House as an internal home rather than externally commission it. This was deemed to come within the original governance decision to continue running Eden House and secure the long term use of the site in Upnor. This was included in the budget build for 2024/25, which was approved by Full Council on 29 February 2024.
- 3.2. In June 2024 it was confirmed that Medway were successful in securing Regional Care Co-Operative capital grant money of £912,872 to redevelop Aut Even and to make structural improvements to the Cabin at Eden House. The Council originally bid £1.233million for the Aut Even and Eden House projects but were offered awarded funding for 75% of the grant alongside four other successful local authorities. This grant is subject to one bed being made available for other SE local authorities to place into (subject to fees).

### 4. Background

- 4.1 Developing Eden House and Aut Even is in line with the Medway Sufficiency Strategy and our ambition to develop a suite of internal residential provisions. This is for several reasons:
  - To counter the crisis in the children in care market (residential and foster care)
  - To keep the cost of provision down and to minimise the use of commercial providers.
  - To create economies of scale by running several provisions and sharing functions like Responsible Individuals, admin, staff training and other centralised costs.
  - To bring more young people back to Medway.
- 4.2 Plans for Aut Even being part of phase 2 of this programme, along with the continued use of Eden House as an Emotional Behavioural Difficulties (EBD) children's home run by Medway Council rather than externally commissioned, were developed and included in the budget for 2024/25. The plans for Aut Even were to renovate the semi derelict site into a 5 bedroom state of the art home for our most complex young people with learning disabilities and autism and neurodiversity, which is a provision not currently available across Medway and most of Kent. An architect was appointed to draw up costed plans for the provision but at RIBA stage 2 the project was paused subject to further governance with the new administration and the financial pressures

the Council was under. Children's Commissioning continued to look for external funding avenues to make the scheme more cost efficient resulting in the successful offer from the RCC in June 2024.

#### 4.3 Key Objectives of the redevelopment of Aut Even

4.3.1 Increasing South East beds and bringing children closer to home: Renovate an old structure with children's home certification and lifts and hoists to bring Aut Even back online, expanding from four to five bedrooms. Reduce our reliance on out-of-area placements and boost South East sufficiency in an underdeveloped market.

4.3.2 Enhance Sensory and Therapeutic Facilities: Conduct extensive work on the ground floor and extend the facility to include:

- a. a hydrotherapy room to support therapeutic needs.
- b. sensory room to meet the sensory needs of children with disabilities.

4.3.3 Implement Sustainable Solutions: Install an ecological heating and cooling system to ensure a comfortable environment while promoting sustainability.

4.3.4 Garden Redesign: Redesign the garden to create an accessible, therapeutic outdoor space that enhances the overall wellbeing of the children using the facility.

#### 4.4 Benefits

4.4.1 This redesign will significantly improve the availability of placements, addressing the shortage and better aiding the expanding number of children in need. Improved quality of care, sensory and hydrotherapy facilities will benefit children with complex disabilities. Sustainable operations, an ecological heating and cooling system decreases both construction costs and environmental impact. The restored garden will create a safe, stimulating, and therapeutic environment for children, promoting their well-being.

4.5 In June 2023 it was agreed to appoint architects to outline what needed to be done to refurbish Aut Even and give some indicative costs. Following a competitive procurement process Peirce Hill were the successful architects and, in conjunction with commissioning and the Property and Capital Projects Team, scoped the needs. Designs were submitted in early 2024 and indicative costs were quoted as £900,000 (subject to value engineering). This would be to create a modern well equipped eco-friendly home for up to 5 children. External placements in homes such as this cost around £7000 per child the modelling projected would see this provision, if full cost, around £4000 a week per child.

### 5. Options

5.1 There are two options for cabinet to consider:

5.1.1 Option 1 – To accept the circa £912k DFE grant to refurbish Aut Even and to commit to setting up a specialist Learning Disabilities and Autism

(neurodiversity) Home at Aut Even run by Medway Council. To vire £200,000 of Capital investment currently earmarked for Eden House part 2, to top the DFE Grant up and to include development of the structural elements of the cabin at Eden House, which would mean this provision could also be used. The refurbishment would need to be started by the end of March 2025 as part of the terms of the grant. This option is only viable if Cabinet agree to join the South East Regional Care Co-operative, which is the subject of another report elsewhere on this agenda.

5.1.2 Option 2 – To decline the DFE offer of capital investment for Aut Even but agree to vire the £200,000 for Eden House. The Council can then dispose of the physical asset and release capital funding earmarked for Aut Even. The implications of this would be if Medway wanted to develop a further home in the future they would need to locate a property, purchase it get planning and designation permission and renovate it. This is likely to be exponentially more expensive than the renovation of Aut Even.

## 6. Advice and analysis

6.1. Option 1 is the recommended option. It brings significant investment into Medway and renovates what is currently a dilapidated property as well as meaning the Council would not need to take out £950,336 of borrowing previously agreed.

6.2. Option 1 would also enable Aut Even to work alongside Eden House and Parklands as part of a trifecta of specialist residential provisions for Medway, ensuring much needed high quality local capacity and allowing children to either remain in Medway or move back from other areas. It also means that the provisions will be run more cost effectively than a commercial provider and Medway can share centralised functions across three provisions ensuring resilience and flexibility of resources and workforce.

## 7. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Council Capital Spend	That the tender for building works comes in over the grant total	Keep a small amount of capital in budget for Eden House/Aut Even to mitigate this issue. And/or further value engineer building plans	C3

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely	I Catastrophic
B Likely	II Major
C Unlikely	III Moderate
D Rare	IV Minor

## 8. Consultation

- 8.1. No consultation has taken place for Aut Even given there currently isn't any approval to progress. If approval is given then a similar programme of consultation with stakeholders including Children's Social Care and SEND colleagues, the ICB parents and carers and young people themselves, to have input into the building design and the purpose of the home.

## 9. Climate change implications

- 9.1. [The Council declared a climate change emergency in April 2019](#) - item 1038D refers and has set a target for Medway to become carbon neutral by 2050.
- 9.2. Many complex young people are placed outside of Medway, many at considerable distances away to find appropriate residential provision and or education. This means a significant journey on a regular basis for several professionals as well as parents and carers. Bringing young people back to Medway will significantly reduce the carbon footprint created by travel.
- 9.3. The initial designs for Aut Even include a range of additions Supporting Medway's Carbon neutral ambitions, Aut Even will look to reduce it's carbon footprint by installing Air Sourced Heat Pumps, as well as proving 2 EV charging ports for staff and EV vehicles for the service.

## 10. Financial implications

- 10.1. The currently capital programme includes £1,530,336 for the development of a Children's Assessment Unit at Eden House.
- 10.2. The inclusion of a new scheme in the capital programme to Redevelop Eden House, funded from the DFE capital grant of £912,872 and a virement of £200,000 from the existing Children's Assessment Unit scheme, would enable the removal of £950,336 of previously agreed borrowing from the Council's capital programme, reducing revenue borrowing costs.
- 10.3. The scheme would also see investment in capital assets at minimal cost to the Council which would have significant future value both in use by the Council or indeed if in the future they were to be leased out or sold.

## 11. Legal implications

- 11.1 The Council has a statutory duty to provide care to children in need within it's area. Whilst this doesn't require the provision of Council owned and operated provisions, we do have the ability to do so and as outlined elsewhere in the report this often leads to other benefits such as economies of scale and being able to share a range of functions between settings.
- 11.2 In order to accept the grant, we will need to enter into Grant funding agreement and abide by the conditions that are set out in appendix 1 to avoid the risk of any potential claw back or repayment of grant once added to the Capital program and the project initiated.

## Lead officer contact

James Harman – Head of Children’s Commissioning and Placements  
[james.harman@medway.gov.uk](mailto:james.harman@medway.gov.uk)

## Appendices

None

## Background papers

[Sufficiency report](#)

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=68321>