



House purchase for Solo Provision

Tuesday 25th October 2022

Title	House purchase for Family Services Solo Provision
Report of	Chair of Housing and Growth Committee
Wards	All
Status	Public
Urgent	Yes
Key	Yes
Enclosures	Appendix A - CMA Children's Social Care Market Study Appendix B - National Children's Bureau Under-utilisation of London Provision Final Report
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Summary

This report seeks approval from the Housing and Growth Committee to complete the purchase of a property to use as a solo provision for the Borough's looked-after children and young people (CYP) in crisis placements. This is part of the solution to address the nationwide placement crisis for CYP. The approval includes purchase of the property and the attached costs/fees to purchase and renovate the property to ensure it is fit for purpose and safe for our CYP.

Officers Recommendations

1. That committee approve the total cost to purchase and renovate a residential property to be used as Solo Provision for looked after children in the borough.
2. Subject to successful completion of all due diligence activity, approving completion of the purchase of the property should be delegated to the Deputy Chief Executive or the Executive Director of Resources.
3. If the Council does not for any reason proceed with the purchase of the property, authority is delegated to the Deputy Chief Executive or the Executive Director of

Resources to authorise the purchase (inclusive of all costs/fees) of an alternative property in the borough which is suitable for the intended purpose.

1. Why this report is needed

- 1.1 This report seeks urgent approval from the Housing and Growth Committee to complete the purchase and renovation of a property to use as a Solo Provision for the borough's looked after CYP in crisis placement. This is part of the solution to address the nationwide placement crisis for CYP.
- 1.2 The CMA children's social care market study 2022 has highlighted the extent of the placement crisis, whereby local authorities are often unable to access appropriate placements to meet the needs of children in their care. Prices paid by local authorities were high and this, combined with growing numbers of looked-after children, was placing significant strain on local authority budgets, limiting their scope to fund other important activities in children's services and beyond. The amount of provision has been increasing in England, primarily driven by private providers, however, this has not been effective in reducing difficulties local authorities face in finding appropriate placements, in the right locations, for children as they need them. That means, in tangible terms, children being placed far from their established communities, siblings being separated or placements failing to meet the needs of children, to a greater extent than should be the case.
- 1.3 The procurement of a new solo provision within Barnet not only addresses the issues raised within the CMA's report around placement shortages, but also aligns with current policy changes that are underway nationally across England, Wales and Scotland which aim to fundamentally reform the operation of the placements market, amongst several other elements of children's social care; a new solo provision within the borough prevents Barnet from falling behind with these reforms.
- 1.4 The outcomes sought through the establishment of this provision are as summarised below:
 - To meet our statutory duty to safeguard and promote children welfare
 - To prevent and reduce the occurrence of out of borough placements
 - To ensure the continuous availability of services that work to support all levels of need
 - To make savings in the long and medium term, through reducing the needs for and subsequent cost of high-cost crisis placements

2. Reasons for recommendations

- 2.1 Currently, Barnet has no such in-house provision, nor do any London Boroughs, meaning that those CYP deemed in need of such provision are moved out of borough, often at the expense of their existing established support networks, and at huge cost to the local authority. 67% of all CYP in residential placements by London boroughs were placed outside of London. The underutilisation report states that this relocation far from young people's home borough (specifically in London), compromises positive long-term outcomes, as well as having detrimental impacts due to the comparative lack of diversity outside of London.

- 2.2 As a borough, we are unable to support these children and young people's complex needs with our resources, therefore by developing an in-house provision, we are increasing our capability and capacity for support enormously.
- 2.3 The property has been selected as it meets the detailed requirements set out by Family Services and is within the approved budget.
- 2.4 Property Due Diligence – Sohal Associates Chartered Surveyors were instructed to carry out an RICS Valuation and Level 2 Survey Report. The property was valued at the purchase price and no significant issues in the building were reported on which would affect the purchase of the property.
- 2.5 Legal Due Diligence – HBPL were instructed to produce a Report on Title as well as acting on behalf of the Council on the transaction. At this stage, this Report has not been finalised, but a first draft has been produced.
- 2.6 All due diligence will be completed as a pre-requisite to the final approval for the transaction being granted by the Deputy Chief Executive.

3. Alternative options considered and not recommended

- 3.1 Our alternative option is to continue as is and use external providers to house and support our CYP in crisis. However, this means our CYP will continue to be placed further away from their home, family and friends, local network, and support. As evidence has shown, this has detrimental effects on the long-term emotional, mental, and social wellbeing of our CYP.
- 3.2 The costs attached to placing a child or young person out of borough in external provisions is significantly high, compared the cost attached to supporting them in-house. This renders the proposed solo provision one that is of financial benefit to London Borough of Barnet (LBB) through the savings it will make in its reduction of crisis placements.

4. Post decision implementation

- 4.1 Following approval by the Housing and Growth Committee, HBPL will be instructed to carry out the necessary actions to complete the purchase, provided planning consent for the proposed use of the property exists or can be obtained.
- 4.2 The works identified by Family Services to prepare the home for use will be instructed along with the retrofit works recommended, should the Public Sector Decarbonisation scheme bid detailed below within section 5.10 of this report be accepted.
- 4.3 The property will be insured from completion (simultaneous exchange and completion) and then registered and maintained as part of the LBB General Fund estate.

5. Implications of decision

5.1 Corporate Priorities and Performance

- 5.1.1 This solo provision aligns with the current social care reforms taking place nationally, it also aligns closely with the outcomes sought within the Barnet Plan. It most closely aligns with the 'care for people' value and particularly the Family Friendly and Healthy & Independent theme, which looks to ensure that CYP are safe and protected from harm. This solo provision will provide CYP with complex needs a safe space in which they can be thoroughly assessed, with next steps determined that safeguard them against further placement breakdown. This provision will ensure that our CYP are receiving the right level of support to meet their needs. The proposed support offered within this provision as well as the assessments that will take place here also encourage the development of resilience within the CYP making use of the provision, by giving them the tools, the right support, and opportunities to move forward into secure next steps and live a healthy and independent life.
- 5.1.2 The kind of culture being the first to champion such a provision for the most vulnerable CYP that we care for could nurture. It aligns with the wider national social care reforms, and it actively shows CYP that their specific needs are considered and addressed rather than having generic solutions to very particular sets of needs. It also demonstrates our willingness to invest in their futures and to take the time to better understand their wants and needs.
- 5.1.3 As the concerns around placement sufficiency, and the shortage of available placements for CYP is being experienced nation-wide, a provision such as the one being proposed has the potential of being sold to other local authorities, should there be any points at which the property is not actively in use by one of Barnet's vulnerable CYP. The national context and shortage renders this a situation that is likely to occur and therefore makes this solo provision commercially viable should it need to be.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The staffing resources needed for this provision to be run successfully, and for the CYP utilising it to receive their clinical assessments exist already as part of our children's social care provision. The staff involved in the running of this provision will be those already involved in the running and management of our therapeutic children's home, Greenbank House. Therefore, the expertise and infrastructure for this provision's management will not incur a significant cost increase to the current level of expenditure associated with children's social care placements and will be contained within the existing budget envelope.
- 5.2.2 To ensure that this provision is aligned with the aspirations outlined within the London Borough of Barnet's sustainability strategy framework's net zero target and as a council that 'cares for the planet' we will be planning, subject to affordability, retrofitting works on the property. Family Services currently have two buildings being used to support our CYP which have already been approved in Phase 3 of the Public Sector Decarbonisation Scheme (PSDS), and this solo provision may be included in later phases, should Family Services be successful in developing this new residential provision. To further support that we are Our total project budget allows for any renovations and retrofitting's required to ensure the building is safe and fit for purpose

for our CYP, as well as meeting any requirements to achieve our net zero target.

5.2.3 This solo provision will accommodate our CYP with complex needs, experiencing placement breakdowns who are currently in high-cost crisis external placements. Our finances show the projected running costs of an in-house provision would cost significantly less and this renders the proposed solo provision one that is of financial benefit to London Borough of Barnet through the reduction in spend on crisis placements.

5.2.4 The project budget was approved at Capital Strategy Board Tuesday 21st June 2022 and was awarded following Policy and Resource Committee on Tuesday 19th July 2022. The council's offer on the property has been accepted and remains well within the total awarded budget for project. The remaining budget will fund the costs/fees attached to the purchase of the property and the renovation works required on the property to ensure it is safe, compliant (meets Ofsted requirements for a children's home) and fit for purpose for our CYP.

5.3 Legal and Constitutional References

5.3.1 Local authorities have specific duties in respect of children under various legislation including the Children Act 1989 and Children Act 2004. They have a general duty to safeguard and promote the welfare of children in need in their area and, if this is consistent with the child's safety and welfare, to promote the upbringing of such children by their families by providing services appropriate to the child's needs.

5.3.2 Section 22C(8) of the Children Act 1989 outlines the responsibility of local authorities around the provision of placements for looked-after CYP, stating that the local authority must ensure that the placement is such that:

- a) it allows CYP to live near their home
- b) it does not disrupt children and young people's education or training
- c) if the child/young person has a sibling for whom the local authority is also providing accommodation, it enables the siblings to live together
- d) if the child is disabled, the accommodation provided is suitable to the child's particular needs
- e) placements must be such that the child is provided with accommodation within the Local Authorities area

5.3.3 The development of a solo provision as recommended within this report allows for the London Borough of Barnet to fulfil its legal obligations to its looked after children, where the current practice of moving vulnerable CYP out-of-borough for solo placements renders the local authority unable to guarantee its ability to meet the obligations of parts a and b (above).

5.3.4 Further to these inclusions of the Children's Act, the Government amended the Care Planning, Placement and Case Review (England) Regulations 2010, to make it a condition of placing in "other arrangements settings" (i.e., independent, and semi-independent settings) under section 22C(6)(d) of the Children Act 1989 that the child is aged 16 or over. The effect of this will be that local authorities must (subject to some limited exceptions) place looked after children who are under the age of 16 in either foster care or a children's home that is registered with Ofsted or as otherwise provided

in Regulation 27A. The ban came into effect in September 2021, following a grace period to give local authorities time to respond to the changes and make alternative arrangements

- 5.3.5 Under section 120 of the Local Government Act 1972 Local Authorities may acquire land by agreement for the purposes of (a) any of their functions under the 1972 Act or any other enactment, or (b) the benefits, improvement, or development of their area.
- 5.3.6 Under Article 7 of the council's constitution, Housing & Growth Committee's remit includes Housing (including: housing strategy; homelessness; social housing and housing grants; private sector housing and leasing and enforcement; HRA Revue Account and Capital Programme); and Asset management.
- 5.3.7 Under Table A of Article 10 – Decision Making – of the council's constitution, purchases of property for a price in excess of £500,000 are to be approved by the Housing and Growth Committee.
- 5.3.8 In line with Article 10 - Decision Making - this paper reports to the Housing & Growth Committee. Prior approval has been given at the following:
- Project Approval at Property Review Board on Monday 25th April 2022
 - Funds approved and awarded at Capital Strategy Board on Tuesday 21st June 2022
 - Funds allocated at Policy & Resource Committee on Tuesday 19th July 2022

5.4 Insight

- 5.4.1 Evidence for the need for a solo provision for young people in crisis placements is detailed in the [CMA children's social care market study 2022](#), which suggests that the current strains on the social care system due to lack of residential resource which addresses the specific needs of young people deemed in need of solo provision is having a detrimental impact on these CYP.
- 5.4.2 This is echoed by the National Children's Bureau's Under-utilisation of London Provision Report, which details the ways in which the lack of suitable provision for the young people in question is actively negatively impacting their experiences and outcomes, specifically citing levels of diversity outside of London as a key contributor of this. It also goes in detail around the positive long-term outcomes associated with young people remaining in their home borough.

5.5 Social Value

- 5.5.1 The value of the kind of culture being the first to champion such a provision for the most vulnerable young people that we care for could nurture within the organisation and the borough more widely cannot be understated.
- 5.5.2 It could also strengthen bonds with neighbouring Local Authorities, with Barnet being an example of good practice in the context of the wider upcoming national social care reforms, and it actively shows CYP that their specific needs are considered and addressed rather than having generic solutions to very particular sets of needs. It also demonstrates our willingness to invest in their futures and to take the time to better understand their wants and needs.

5.5.3 This provision will provide wrap around support with specialist clinical intervention ensuring our children and young people's emotional, mental, and social wellbeing is being supported, resulting in improved outcomes in their adulthood and future.

5.6 Risk Management

1. The exchange and purchase of the property not going through due to the seller pulling out of the process will result in Family Services directing more resource to seek another property fit for purpose. The risk and impact are low as a formal contract has already been issued on this purchase by the seller's solicitors. As this is also a cash purchase, the process to buy is fairly streamline and being overseen and managed by the Council's Estate's team. This would result in a small abortive cost for legal and valuation/building condition report fees.
2. If the decision to commence the purchase of the property is not approved at committee, this will result in Family Services continuing to use external high-cost providers to place our CYP until another property is found and meets the requirements (abortive costs as above). The risks attached to this are:
 - On-going high costs to place CYP which may cause medium/long-term financial implications to Family Services budgets.
 - CYP will continue to be placed further away from their home and local networks which can lead to significant negative consequences on their emotional, mental, and social wellbeing.

These risks will require more time and resource from both Family Services and Estates to find another property. In this instance, to mitigate any further delays we have a Family Services Project Manager allocated to this project who will carry out more searches on properties. Family Services would also reflect on why the decision to proceed with the property in discussion was not approved and consider this information in our future search.

3. Although the budget for this project has been approved and allocated, there is a financial risk due to the unknown costs attached to the property renovation works that are required. Family Services has recently undertaken renovation projects on a children's home and a care leavers support hub, therefore these projects costs have been used to estimate renovations budget for the property. A tendering process will be undertaken to price these works. There is substantial budget remaining once all acquisition costs and this renovation estimate has been considered, and as only general renovations are required, we are confident that any risk to the budget is low.
4. Changing residential market conditions will affect the value of the property. Recent political decisions have negatively affected the mortgage market, and high inflation is leading to expectations of further interest rate rises. Therefore, in the short term, the residential market is expected to weaken. However, the need for this facility is expected to be long-term so the Council will not be exposed to short-term fluctuations, but longer-term market movements should the property become surplus to requirements and sold.
5. The property will be insured from completion.

5.7 Equalities and Diversity

5.7.1.1 Under the Equality Act 2010, in the exercise of its functions, the Council must have due regard to the need to

- a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Act;
- b) advance equality of opportunity between those with a protected characteristic and those without;
- c) promote good relations between those with a protected characteristic and those without.

5.7.1.2 The protected characteristic referred to are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnerships with regards to eliminating discrimination.

5.7.1.3 The Council is committed to improving the quality of life for all, and wider participation in the economic, educational, cultural, social, and community life in the Borough.

5.7.1.4 As a high proportion of those CYP in children's social care in London are from racialised backgrounds, being moved into less ethnically diverse areas can be detrimental and isolating.

5.7.1.5 The provision promotes equality in that it seeks to ensure that young people with complex needs have their needs met in the same way young people with less complex needs can have their needs met.

5.8 Corporate Parenting

5.8.1 As corporate parents we are responsible for the care and support of our children in care and make sure they are safeguarded and provided with the opportunities they need. Responsibility for corporate parenting sits with the whole council, Councillors, community services, education support, schools, and health services; we all have a vital role to play in supporting children to do well. Under section 1 of the Children and Social Work Act 2017 a local authority must, in carrying out functions in relation to the children and young people who are care leaver, have regard to the need:

- To act in the best interest, and promote the physical and mental health and well-being, of those CYP;
- To encourage those CYP to express their views, wishes and feelings;
- To take into account the views, wishes and feelings of those CYP;
- To help those CYP gain access to, and make the best use of, services provided by the local authority and its relevant partners;
- To promote high aspiration, and seek to secure the best outcomes, for those CYP;
- For those CYP to be safe, and for stability in their home lives, relationships and education or work; and;

- To prepare those CYP for adulthood and independent living

5.8.2 The proposed recommendation within this report directly and specifically seeks to increase the London Borough of Barnet's corporate parenting capacity and quality through ensuring that there is sufficient provision to address the complex needs of young people in crisis placements.

5.9 Consultation and Engagement

5.9.1 As a matter of public law, the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in the following circumstances:

- Where there is a statutory requirement in the relevant legislative framework
- Where the practice has been to consult, or, where the council has stated that it will consult
- Where a failure to consult would lead to conspicuous unfairness

5.9.2 The purchase of a suitable property as a solo provision for looked-after young people in crisis placements does not meet the above circumstances, and as an urgent matter has not been consulted upon.

5.10 Environmental Impact

5.10.1 We will potentially be carrying out retrofit works on the property that allows the provision to remain in alignment with the sustainability aspirations outlined within the Borough's sustainability strategy and its net-zero target. Retrofitting work could include the installation of heat pumps in the property for the purpose of reducing carbon emissions, as well as for their efficient conversion rates of energy to heat relative to that of traditional boiler systems. These works would contribute to improving the EPC rating from the current D rating. There are current inspections ongoing on the property to enable us to establish this.

5.10.2 Family Services currently have two buildings being used to support our CYP which have already been approved in Phase 3 of PSDS, and this Solo Provision has in principle been agreed to be part of phase 4, should Family Services be successful in developing this new residential provision. The approved funds allows for any renovations and retrofitting's required to ensure the building is safe and fit for purpose for our CYP, as well as meeting any requirements to achieve our net zero target – these works will be confirmed following the inspections currently being conducted on the property.

6. Background papers

6.1 The Policy & Resources Committee on the 19 July 2022 approved the funding in item 9, Revised Budget 2022/23 and Business Planning 2023-2027, 2.5.17 - <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=11225&Ver=4>