

	<p style="text-align: center;"><b>Assets Regeneration and Growth Committee</b></p> <p style="text-align: center;"><b>12 December 2016</b></p>
<p style="text-align: center;"><b>Title</b></p>	<p style="text-align: center;"><b>Relocation of Meadow Close Children’s Home and Transformation</b></p>
<p style="text-align: center;"><b>Report of</b></p>	<p>Director of Resources</p>
<p style="text-align: center;"><b>Wards</b></p>	<p>Underhill, Totteridge</p>
<p style="text-align: center;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: center;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: center;"><b>Key</b></p>	<p>No</p>
<p style="text-align: center;"><b>Enclosures</b></p>	<p>Appendix A – Outline Business Case (OBC): Relocation of Meadow Close</p>
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<p><b>Summary</b></p>
<p>This report sets out the Business Case (BC) for the Council’s proposed relocation of the current Children’s Home at Meadow Close, to 27 Woodside Avenue.</p> <p>The existing premise at Meadow Close is deemed not fit for purpose as it does not meet the current Department for Education (DfE) Children’s Homes Regulations and Standards, specifically Approved Document M, and various best practice standards which comply with accessibility matters such as British Standards 8300:2010, and it is not capable of achieving ‘Outstanding’ in any Ofsted inspection. Relocation would enable provision of a replacement Children’s home that addresses these issues and supports the Council’s</p>

objective to promote the achievement of good outcomes for looked after children.

Relocation of the Children's Home also provides opportunities to create a separate Adolescent Support Hub ("Hub") at the same site, linking to the Family Services 2020 (FS2020) Programme, with its vision for Barnet to be the most family friendly borough in London by 2020.

The Hub would provide a space from which a 'virtual' team would provide targeted interventions for children, young people and their carers to reduce reception into care, support return home from care and encourage a step down from high cost residential placements into suitable local foster care.

This business case has been completed in accordance with HM Treasury's Green Book 'five-case' business case principles and therefore includes the following:

- Strategic Case – setting out the context, arrangements and the case for change, constraints and investment objectives;
- Economic Case – appraising the options for a relocated Children's Home , and the preferred option;
- Commercial Case – indicating the commercial implications of the option;
- Financial Case – indicating how the preferred option could be funded; and
- Management Case – outlining the initial plans for delivery to manage the way forward.

The business case outlines the preferred option of a relocating the Children's Home to Woodside Avenue. This is at a currently estimated at an upper cost of £2.27m, excluding the Hub accommodation provision, to be funded from capital funding assigned for the re-location of the existing Children's Home from Meadow Close. The Hub is subject to planning approval as well and will be funded from the existing budget allocated to the re-provision of the children's home (£2.5m).

Subject to approval the Children's Home and Hub is planned to be completed by Spring 2018 with construction commencing in Summer 2017.

### **Recommendations**

- 1. That the Committee approve the Business Case for the Relocation of Meadow Close Children's Home to 27 Woodside Avenue and delegates the authority of submitting a planning application to the Director of Resources.**
- 2. That the council continues to progress the planning and design work required to provide an Adolescent Support Hub within the site at Woodside Avenue with a view to submitting a planning application and the authority for this is delegated to the Director of Resources.**

- 3. That authority for agreeing the final specification and design of the new Children's Home accommodation and Adolescent Support Hub and procurement and awarding of necessary contracts to deliver the schemes is delegated to the Director of Resources.**
  
- 4. That authority to appropriate 27 Woodside Avenue for planning purposes for the purpose of a children's home should be given to Head of Estates to be carried out once the necessary conditions have been satisfied.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The current children's home in Meadow Close does not meet with required standards concerning accessibility, fire safety and service delivery and would require significant investment to meet the required building standards. It is also not capable of achieving 'Outstanding' in any Ofsted inspection.
- 1.2 This report is seeking approval to the recommendations in order that a fit for purpose replacement children's home can be provided in Woodside Avenue, along with a separate Adolescent Support Hub to provide targeted interventions with children, young people and carers to support a reduction in the demand for care and high cost placements.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 This report recommends that the Assets Regeneration and Growth Committee approve the relocation of the current Children's Home to Woodside Avenue. This would enable delivery of a high quality six-bed residential children's home in Barnet for looked-after young people, replacing the existing home at 68a Meadow Close. The new home will adhere to the current Department of Education Children's Home Regulation and Standards as well as enhance the level of care offered to young people by providing high quality modern living accommodation in a safe and secure environment, which would result in a property capable of achieving an Ofsted rating of 'OUTSTANDING'.
- 2.2 Relocation of the Children's Home to Woodside Avenue also provides opportunities to create an Adolescent Support Hub, linking to the FS2020 Programme. The opportunity afforded by an Adolescent Support Hub would support a model building resilience in families and carers to better manage the challenging behaviours presented by some young people resulting in a reduction in the use of costly external provision.
- 2.3 The strategic review provided within this document concludes Woodside Avenue to be the preferred option. Woodside is a large spacious site with the option to extend and meets all strategic objectives set out by Family Services.

- 2.4 The site is in close proximity to Woodside Park tube station. The station is quite small and the area around is relatively quiet, which will reduce the potential for negative influences compared to a larger transport hub.
- 2.5 The spacious site at Woodside Avenue meets the accommodation requirements of the strategic objectives. The objective is 'to replicate as far as possible a family home environment, with a house style rather than an institutional feel, and in keeping with other properties in the immediate surroundings.' The Woodside Avenue design would enable a 'house feel' as well as providing garden space and there would be no need to significantly change the look of the building.
- 2.6 In terms of the local environment, Woodside Avenue provides improved surroundings, which is in a quiet, spacious and relaxed residential environment. Moreover, the spacious site would help to reduce any noise from the building and less likelihood of any negative impact on neighbours. The redeveloped children's home will improve the young people and staff support spaces including creating better circulation and family space for families to have contact with their children. This will in turn help to benefit some of Barnet's most vulnerable children and young people

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The following options were identified:
  - a. Retain the existing Meadow Close Children's Home
  - b. Relocate Children's Home
- 3.2 Due to the current physical limitations of the existing Children's Home at Meadow Close, the current home does not comply with current Department of Education Children's Homes Regulations and Standards. Furthermore, it will be uneconomical to reconfigure the current site.
- 3.3 In relocating the children's home a number of private sector accommodation and council owned sites have been investigated. The private sector market provided predominantly smaller properties which did not meet the requirement stated in the brief and would therefore require extending subject to planning permission, even if space for teams that support the young people was not included. The cost of acquisition and conversion of private accommodation is an expensive option.
- 3.4 Subsequently, a number of council owned sites including Woodside Avenue were identified through the Development Pipeline Programme Board. These sites were identified as being potentially suitable for extending and adapting to the requirements of the brief as well as being more cost effective than private sector accommodation. Detailed breakdown of these council owned sites, including sites judged less suitable than Woodside Avenue after strategic review, are described and analysed within attached OBC.

- 3.5 For the preferred site at Woodside Avenue a number of options have been considered besides the recommended option. Options to demolish the existing property and rebuild on the site were the most expensive options and would result in loss of architectural character of the building, affect the street scene and potentially lead to planning objections. The remaining refurbishment options were for smaller building areas which would provide reduced circulation space and building efficiencies compared with the preferred option. These options are also described and analysed in the attached OBC.
- 3.6 Analysing these options against the critical success factors of financial sustainability, a fit for purpose solution and alignment with the Council's strategic aims, alongside qualitative and quantitative appraisals, the BC demonstrates that the option proposing a refurbished property at Woodside Avenue and including a separate Hub is the solution that best meets all of LBB's strategic objectives. Although inclusion of a separate Hub takes the project over the current budget, and increases planning risk, the benefits of including a Hub are in the better outcomes for children who would be enabled to return home or stay in local placements rather than in more expensive placements out of the borough.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 The preferred solution is refurbishment of the current property at Woodside Avenue rather than demolition and rebuilding, with the inclusion of a new separately accessed 'Hub' space for targeted intervention work with Families and Young People to help reduce demand for high cost placements.
- 4.2 Subject to the endorsement of the recommendations outlined in this report, officers will finalise the designs of the main Children's Home building and refurbishment works at Woodside Avenue, procure a contractor and commence work on site with a view to works being completed in Spring 2018. The budget allocations for this work have been approved by the Council's Policy and Resources Committee.
- 4.3 Officers will also progress plans and designs for the inclusion of a Hub on the same site at Woodside Avenue. Requirements for the Hub need to be developed further by Family Services and inclusion of the Hub will be subject to meeting planning requirements and sufficient additional funding being in place. A Full Business Case setting out the business justification and benefits of the Hub will be presented to Assets Regeneration and Growth Committee in Spring 2017.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Council's Corporate Plan sets out its vision for delivering its objectives.

5.1.2 The re-provision and re-location of Meadow Close children's home supports organisational objectives and strategy in a number of ways:

- Providing high quality placement provision supports the Council's objective to promote the achievement of good outcomes for looked after children and achieve an Ofsted rating of 'OUTSTANDING'
- Providing placements in or close to Barnet supports the strategy to offer more looked after children local placements. This is in line with the Department for Education (DfE) performance indicator to reduce the number of placements at a distance of 20 miles or more
- In-house placement provision enables LB Barnet to develop closer links with Barnet foster carers to develop pathways for children and young people who are currently in a residential placement to step down to foster care where appropriate
- The provision of places in more affluent areas of the borough in order to increase the children's self-worth and self-esteem.
- The relocation of the home should also provide an opportunity to include a space for the teams that supports young people that reside both within and beyond the home, which will in turn aid to benefit some of Barnet's most vulnerable children and young people.
- The inclusion of space for teams to support the young people will enable staff and families a space for support activities, further enhancing out provision for looked after children.
- The project will enable links to new models of working, demand management that in turn reduce spend in the long term
- The project sits within the Family Friendly Barnet 2020 Programme. Delivery of the project will help support the Barnet Children & Young People's Plan 2016-2020 vision for Barnet to be the most 'Family Friendly' borough in London by 2020.
- The project supports the Barnet Children & Young People's Plan 2016-2020 objective that Children, Young People and their families are safe, healthy, resilient, knowledgeable, responsible, informed and listened to.

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

5.2.1 The Capital Programme currently contains a budget of £2,500,000, as approved at Policy and Resources Committee in December 2015.

5.2.2 The next phase of the project will finalise the design, timescales for implementation and project costs, which are currently estimated at £2,271,542. The estimated cost includes all build and refurbishment works,

professional fees, and other necessary surveys associated with the relocation of the Children's Home to Woodside Avenue. The estimated cost does not include a separate standalone Hub and additional funding will be needed for this element. The breakdown of the £2.28m is as per the table below:

Item	Notes	Cost (£)
Construction Costs	This is upper limit / highest cost, and allows for +40% optimum bias on the construction cost	1,338,542
Staff - Project costs		51,000
Staff -Project manager fees		84,000
Staff - Technical services (design / technical advisors incl QS and CDMC)		321,000
Additional non –core fees		82,500
Surveys		38,500
Planning		10,500
Building Control		4,000
BREEAM	Building Research Establishment Environmental Assessment Method - measure used to describe building environmental performance	10,000
Highways		30,000
Legal		30,000
Diversion work by stats	Risk item to be investigated further, no allowance to date	0*
FF&E allowance		150,000
ICT allowance		50,000
Contingency	10% of project cost	200,000
<b>Total</b>	This is upper limit / highest cost, and allows for +40% optimum bias on the construction cost**	<b>2,271,542</b>

- 5.2.3 The Hub is an essential part of LBBs Family Friendly Barnet aims but costs for a standalone Hub have not been developed to date as the design is still in development. However the costs are not anticipated to exceed the existing budget within Family Services capital programme.
- 5.2.4 Inclusion of a standalone Hub is expected to reduce spend on placements. This will be achieved through targeted interventions to reduce reception into care and encourage a step down from high cost residential placements into suitable foster care. There is good potential for the investment to produce savings in revenue budget from provision of the Hub.
- 5.2.5 Project risks have been assessed and quantified in terms of probability of occurring and potential impact. The council will retain an element of funding as a provision should these risks materialise.

### **5.3 Social Value**

- 5.3.1 The development proposals will make significant contribution to the care of looked after children within Barnet, and social value will be considered as part of the procurement process.
- 5.3.2 The Public Services (Social Value) Act 2012 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

### **5.4 Legal and Constitutional References**

- 5.4.1 The Council Constitution under Responsibility for Functions sets out the terms of reference for the Assets, Regeneration and Growth Committee which includes:
- Develop strategies which maximise the financial opportunities of growth; and
  - Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council Rules in the Council's constitution.
  - To approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources.
  - To authorise procurement activity within the remit of the Committee and any acceptance of variations or extensions if within budget in accordance with the responsibilities and thresholds set out in the Contract Procurement Rules.
- 5.4.2 HB Public Law has been consulted on this matter and their comments incorporated into the body of this report. The procurement of a contractor to undertake building and refurbishment works at Woodside Avenue will be



carried out in accordance with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

5.4.3 As set out in Responsibility for Functions, agreeing the capital programme is the reserve of the Policy and Resources Committee, and as per 5.2.2, decision on capital budget will be taken there.

5.4.4 The title to 27 Woodside Avenue should be checked in order to see whether there is anything which impacts on the proposed use of it or proposed works, if this has not yet been done. If 27 Woodside Avenue is currently held in the Council's housing revenue account (HRA) the Council should consider whether the proposed future use is consistent with this. If it is not, 27 Woodside Avenue should be appropriated from housing to the new purpose. This cannot be done until (a) 27 Woodside Avenue is no longer required for the purpose for which it is currently used and (b) consent to the appropriation has been obtained from the Secretary of State for Communities and Local Government ("SoS"). If 27 Woodside Avenue is not currently held for housing purposes, it should still be appropriated to use as a children's home, and item (a) still applies but the consent of SoS is not required to the appropriation. If it is considered appropriate to override any third party rights and covenants affecting 27 Woodside Avenue, it could be appropriated to planning purposes as an alternative to children's home if planning consent is to be obtained for the works; again this cannot be done until it is no longer required for the current use and the consent of SoS is needed if it is currently held in the HRA. The Council Constitution Management of Asset Property and Land Rules should be have regard for the Council Scheme of Delegation with regard to identifying any manager with the right to initiate change to the Asset Portfolio as delegated by their Director.

## 5.5 Risk Management

5.5.1 Retaining the existing Children's Home in its current location requires a significant amount of investment in the building fabric. The building arrangement is such that the quality of care is being compromised.

5.5.2 In order to mitigate the risk to Young People a replacement Children's Home is regarded as a priority.

5.5.3 The Strategic Risks for LBB to manage and mitigate as it considers the proposed relocated Children's Home are:

- Inability to gain sufficient funding to deliver the preferred option.
- Inability to gain vacant possession at the time required in the programme, which could delay start on site
- Inability to satisfy the planners that the Hub building is appropriate in a residential area
- Objections from the local community about the new Children's Home during planning approval process, which may defer planning consent.

- Potential cost and time overruns resulting in new accommodation not being available on time and budgetary pressures

5.5.4 Detailed risk analysis, with mitigations is found in Section 7, Management Case of the Meadow Close Relocation Business Case.

5.5.5 Project risks have been assessed and quantified in terms of probability of occurring and potential impact. The council will retain an element of funding as a provision should these risks materialise.

## 5.6 Equalities and Diversity

5.6.1 The development proposal will make significant contribution to the care of disadvantaged young people in Barnet.

5.6.2 At this stage the proposal does not raise any issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation. No immediate equality impacts are anticipated as a result of this proposal.

5.6.3 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.

5.6.4 Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.

5.6.5 We anticipate that the planned new Children's Home will have a positive impact on equalities because it will provide improved access and circulation for the residents, including an accessible bathroom. The equalities impact will be assessed, and updated as the proposals develop.

5.6.6 The proposed works will comply with all relevant legislation including disability requirements.

5.6.7 The proposed works will enhance the Borough's reputation as a good place to live and work.

## 5.7 Consultation and Engagement

5.7.1 A detailed communications and engagement plan is in development; however some discussions with key stakeholders have already taken place to support the proposals moving forward.

- **Children living at Meadow Close:** views of the children already living at Meadow Close have been and will continue to be sought during the design process
- **Senior managers within Local Authority (Leader, Lead Member and Chief Executive):** as corporate parents for our children in care, senior leaders have been briefed on the various options that have been considered.
- **Members of Corporate Parenting Advisory Panel:** regular updates and briefings on the progress of this project have been given to members of the panel.
- **Ward Members:** discussions have taken place with ward councillors from Woodside to notify them of the potential move to the locality.
- **Barnet Homes:** Regular discussions have been taking place with Barnet Homes since early this year and these are ongoing. Some of the existing tenants have already vacated the property at Woodside Avenue. Barnet Homes are actively seeking suitable alternative accommodation for those remaining.
- **Local Residents:** local residents will be consulted at the appropriate stage of this project.

## 5.8 Insight

5.8.1 Ofsted Regulations

5.8.2 Department of Education Children's Homes and Standards and Approved Document M.

5.8.3 British Standards 8300:2010 and Best practice standards which comply with accessibility matters.

## 6. BACKGROUND PAPERS

6.1 Outline Business Case (OBC): Relocation of Meadow Close

6.2 Ofsted report:

<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/CARE/SC034134>

6.3 Ofsted report:

<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/CARE/SC033805>

6.4. Children's Homes Regulation and Standards

<https://www.gov.uk/government/publications/childrens-homes-regulations-including-quality-standards-guide>

6.5 Policy and Resources Committee 16 December 2015, Business Planning – Medium Term Finance Strategy 2016-2020, Appx C Capital Additions 2016-2020 approved budget of £2.5