

Report To: CHCP Sub- Committee

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Report No:

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Subject: RESIDENTIAL CHILDREN'S UNITS

1.0 PURPOSE :

The purpose of this report is to update the CHCP Sub-Committee on the timeframe and finance proposals in respect of the re-provision of Inverclyde's Children's Residential Services.

2.0 SUMMARY :

- 2.1 In 2008 a proposal to replace all three of Inverclyde's Residential Children's Units was agreed on a phased basis. Stage one of this plan was completed in March 2013 when Kylemore opened replacing Redholm. At this point a revised staffing structure was fully implemented and the total number of placements provided reduced from twenty four to eighteen. This took account of the changing needs of our looked after population and a clear commitment to providing young people who required residential care the opportunity of nurturing environments in their local community.
- 2.2 In light of the financial constraints facing the Council it was agreed in December 2012 that consideration be given to refurbishing Neil Street and Crosshill as an interim solution to extending the life of the buildings. A feasibility exercise was undertaken and concluded that this was not cost effective and at best would extend the life of the buildings for another five years.
- 2.3 The Corporate Management Team subsequently requested a further report that would again focus proposals on new build replacement units. This report was presented to CMT in May 2013. From this it was agreed that a further report be submitted to CMT in August giving specific consideration to commissioning the service as an option and outlining detailed proposals for a way forward.
- 2.4 Cost and quality benchmarking has been undertaken as part of considering commissioning residential child care and a report was submitted to the CMT.
- 2.5 It has been concluded that the current provision is providing a sector leading service at a competitive cost.
- 2.6 Following further work carried out by the service in conjunction with Finance and Property Assets and Facilities, it is proposed to proceed with the re-provisioning

programme in two phases. Phase 1 is a specific plan to proceed to replace Neil St with a new build of the same design as the recently completed Kylemore. Phase 2 would involve the replacement of Crosshill.

- 2.7 Property Assets and Facilities have conducted an initial feasibility option of available sites within Inverclyde for the re-provision of both units. It was agreed that any sites considered should be Council owned estate, be located within a residential community, be accessible to schools and have good transport links. Four sites were identified for the relocation of Neil Street. The most suitable site is deemed to be the former Kings Glen Primary School site in the Strone area. The existing site at Crosshill is considered as a suitable location in due course for the development of the final new build unit. This would involve the demolition of the existing building and the new unit being developed on the existing site.

3.0 RECOMMENDATION :

- 3.1 The CHCP Sub- Committee agrees to the replacement of Neil Street and Crosshill Children's Units with two 6 bed houses built to the same template as Kylemore. This programme of work to be undertaken on a phased basis as follows :

Phase 1 – funded per proposals included in this report

- Build replacement for Neil St on former Kings Glen School site.

Phase 2 –

- Decant from Crosshill to the vacated property at Neil St.
- Demolish Crosshill and rebuild on existing site.
- Return to new property at Crosshill and dispose of Neil St site.

Timescales

Planning Phase for 2 Units	April 2014 to May 2015
Neil St Build and Occupancy	May 2015 to March 2016
Decant Crosshill to Neil St	April 2016 to April 2016
Crosshill Build and Occupancy	April 2016 to March 2017
Neil St site disposal	

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4.0 BACKGROUND :

- 4.1 In 2008 approval was granted to proceed with a re-provision programme that aspired to replace Inverclyde Council's three residential children's units.
- 4.2 Stage 1 of the programme was completed in March 2013 when Kylemore was completed and all three of Inverclyde's Children's Units implemented a revised staffing structure providing accommodation for eighteen young people, a reduction from twenty four.
- 4.3 In December 2012 the re provision programme was given further consideration by the Corporate Management Team and agreement reached that a further report be prepared outlining proposals to progress the original programme including the option of refurbishing Neil St and Crosshill.
- 4.4 The Corporate Management Team considered the detail of refurbishment and it was agreed that this would only extend the life of each building for 5years and was not a cost effective solution to the Council's corporate parenting responsibility. The Corporate Management Team reiterated support for the programme of re-provisioning the children's units estate and requested that detailed proposals for achieving this be brought forward to CMT in August and requested that any proposals include consideration of a commissioning model.

A multi-disciplinary team consisting of officers from the CHCP (Children and Families and Commissioning), Finance and Property Assets and Facilities have met to progress this work.

Three strands of work were progressed:

- Commissioning Options
- Feasibility study
- Financial planning

- 4.5 A commissioning option was considered to be cost effective. The current residential market is very complex. Outcome focused commissioning of residential children's services is in its infancy in terms of the development of a nationally agreed framework and is proving very challenging. Additionally commissioning of residential child care would constitute a change of direction from Inverclyde Council's strong commitment to its Corporate Parenting responsibilities.
- 4.6 It has been previously agreed by CMT that the remaining children's residential estate is no longer fit for purpose and required to be replaced. The preferred option is for this to be progressed on a non commissioned basis and the units to continue to be owned and managed directly by the Council.

Property Assets and Facilities were commissioned to identify possible sites and associated costs for the location of two future new build residential units that would be capable of accommodating the existing design of the recently completed unit at Kylemore Terrace. It was considered that replicating the architectural planning footprint from Kylemore would minimise costs.

Four possible sites were identified for consideration:

1. Former St. Gabriel's Primary School Site, Greenock
2. Former Kings Glen Primary School Site, Kilmacolm Road, Greenock
3. Site at the existing Crosshill Children's unit, Port Glasgow

4. 18 Drumfrochar Road, Greenock

The site at the former Kings Glen Primary School is considered to be the most appropriate. It has been established that the Crosshill site would be suitable for a new unit to be built on the site subject to the demolition of the existing building.

Indicative costs have been prepared for the possible development of each of the sites. Costs are based on the Kylemore development and include fees, building warrant, planning permission and I.T. requirements. For the sites in scope the indicative costs are outlined in the table below.

Location	Cost
Former Kings Glen School Site, Greenock **	£1.85m
Crosshill Children's Unit	£1.6m

** Within the Council's Capital Programme there is an anticipated £300,000 receipt for the disposal of the Kings Glen site. This cost has been allowed for.

- 4.7 In the short term it would be necessary to carry out the refurbishment work at Neil St at a cost of £10,000 to allow it to be used as a decant property whilst Crosshill is replaced. There will also be the cost of decanting from Crosshill to the existing Neil Street building and the potential cost of excess travel and these costs are estimated at £10,000. The decant costs are estimated at £3,000 and the excess travel is estimated to cost a maximum of £7,000, as not all staff will be eligible. There will be no cost for moving into the new home as the new furniture will be provided within the new home.
- 4.8 The cost for Crosshill is more expensive and includes inflation costs on the anticipated tender and the costs of demolition of the existing building. Consideration was given to one tender for both builds however this would result in longer lead in time due to increase of design work and there was concern associated with the break in construction to allow the decant to Neil St as this left the project costs vulnerable should there be any delay in the decant .

5.0 PROPOSAL :

- 5.1 It is proposed to proceed with the plan for the original proposal of 2 further new build children's units consistent with that of Kylemore and that this be completed on a phased basis commencing with Neil St, thus allowing that building to be used as temporary decant for Crosshill whilst it is demolished and rebuilt. All of the new builds would be constructed according to the Kylemore architecture plan with some modification to Crosshill where a plant room would be added as there is no basement to facilitate this.

6.0 IMPLICATIONS :

Legal :

- 6.1 The legal framework for looked after children's residential services is the Children (Scotland) Act 1995 and the Looked After Children Regulations and Guidance 2009.

Finance :

- 6.2 The project will be funded via the Council's Capital Programme through Prudential Borrowing less a one off contribution of £1,100,000 from the Adoption/Fostering/Residential Childcare Earmarked Reserve. The recurring costs will be funded from the Residential Childcare Budget with some savings on the Furniture and Fittings budget. Both one off funding and the recurring funding are sustainable as the preventative strategy has been effective in reducing the number of purchased placements. The Earmarked Reserve balance after the contribution is projected to be £180,000 as at 31 March 2014. This will be used to smooth the fluctuating demands of

the service.

The detailed costs and funding sources are shown in appendix 1.

The details and funding of the non-recurring and recurring costs are as follows;

Non Recurring Costs

Cost Centre	Budget Heading	Budget Year	Estimated Cost	Virement From
00042	Refurbishment	2015/16	£10,000	Earmarked Reserve
00042/00043	Decant Costs/Excess Travel	2015/17	£10,000	Earmarked Reserve

Recurring Costs

Cost Centre	Budget Heading	Budget Year	Estimated Cost	Virement From
Cost Code for Neil St Replacement	Loan Charges	2015/16	£45,310	£3,500 from Furniture & Fittings and £41,810 from Residential Childcare Budget
Cost Code for Crosshill Replacement	Loan Charges	2016/17	£96,890	£1,500 from Furniture & Fittings and £95,390 from Residential Childcare Budget

Human Resources

6.3 None

Equalities

6.4 None

Repopulation

6.5 None

7.0 LIST OF BACKGROUND PAPERS :

Finance Report
Property Assets Report
CMT Report Sept 2013

Capital Cost Summary	Neil Street £	Crosshill £
1 Land Purchase - Contribution to Capital	300,000	0
2 Build Cost of Unit	1,558,408	1,621,908
3 One Off Revenue Contribution	(1,100,000)	0
4 Receipt from ultimate sale of Neil Street	tbc	0
Required Borrowing	<u>758,408</u>	<u>1,621,908</u>
5 Annual Cost of Loans Charges	45,308	96,894
Funding Sources for Loans Charges		
6 Furniture & Fittings	3,500	1,500
7 Residential Schools Purchased Places	<u>41,808</u>	<u>95,394</u>
	45,308	96,894

Need to consider:

- 1 Assumed loss to capital programme for part of site - subject to final valuation
- 2 Based on latest estimate including indexation for inflation from Property Services
- 3 Contribution from Residential Schools Earmarked Reserve - current estimated balance at 31/3/14 £1.3m
- 4 Will be ultimate receipt for disposal of this site from January 2017 - requires valuation
- 5 Based on estimated life of 30 years at a PWLB rate of 4.27%
- 6 Based on comparison with Kylemore budgets
- 7 Total reduction in Residential Purchased budget of £137k sustainable based on current level of spend
- 8 £10k refurbishment needed for Neil Street to use as decant for Crosshill, along with decant costs of £3,000, and excess travel costs of £7,000, all of which will be funded from Earmarked Reserves
- 9 The timing of the project is estimated at:

Planning Phase for 2 units	April 2014	to	May 2015
Neil Street Build and Move In	May 2015	to	March 2016
Decant Crosshill to Neil Street	April 2016	to	April 2016
Crosshill Build and Move In	Apr-16	to	March 2017
Neil Street Site Disposal	March 2017		