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## Report to CABINET

# New Residential Children's Homes

### Portfolio Holder:

Councillor Shahid Mushtaq, Cabinet Member for Children and Young People

**Officer Contact:** Gerard Jones, Managing Director of Children and Young People (DCS)

### Report Author:

Sheila Garara, Assistant Director Children's Services Integration

**18<sup>th</sup> March 2024**

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### Reason for the Decision

The report sets out the rationale and challenges faced in the current context with regards to the increasing number of cared for children in residential placements, the lack of sufficient placements, provides detail about the activity already underway to manage this and outlines the proposals to further improve accommodation choices for children who are cared for by the local authority. We know that children and young people have better outcomes when they live in their local communities.

### Executive Summary

Members are requested to consider proposals to enter negotiations to purchase, subject to the council's due diligence check, new homes to accommodate children who are cared for by the local authority and approve the refurbishment of an existing asset to repurpose into a children's home.

The report seeks approval for all future decisions regarding this to be delegated to the Managing Director of Children and Young People, in consultation with the portfolio holder, the Deputy Chief Executive (Place), the Director of Finance, the Director of Legal and the Leader of the Council.

### Recommendations

These are contained in the report in the restricted part of the agenda.

## **New Residential Children's Homes**

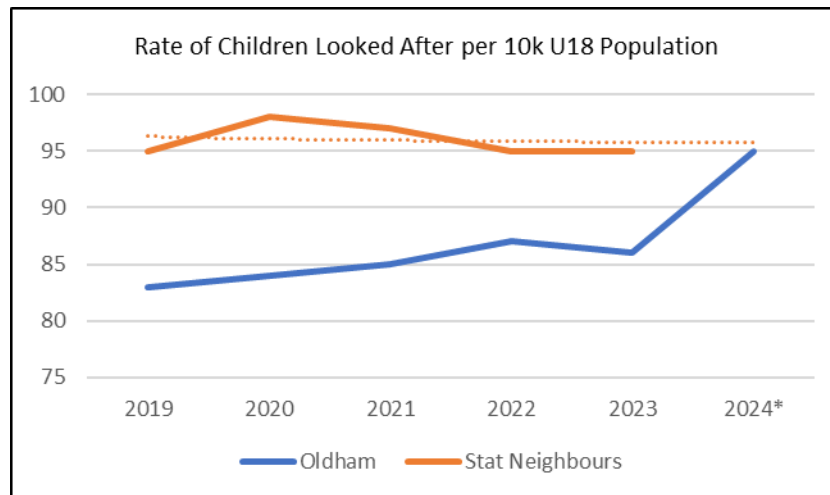
### **1 Background**

- 1.1 The report sets out the rationale and the national, regional, and local placement sufficiency challenges faced in the current context with regards to the increasing number of cared for children in residential placements, and the lack of sufficient suitable placements is resulting in high levels of expenditure and significant financial pressures for the local authority when placing children and young people in externally commissioned residential provision.
- 1.2 As corporate parents, it is the local authority's responsibility to provide all the children and young people in our care with a safe, secure, stable, and caring home, and for them to be able to stay close to their family and friends, their school, and their community, if that's their wish and it is safe to do so. It is increasingly becoming a challenge in Oldham to meet growing demand and complexity of needs. Displacement of children and young people from their local area because there isn't enough provision available locally for them, is not what we want for our children looked after.
- 1.3 The overriding project ambitions are that:
- a) Children and young people we care for live in high quality, safe and stable homes where they can grow and develop.
  - b) Assets are well-managed and financially sustainable over the longer term.
- 1.4 Oldham's placement sufficiency strategy is to increase the accommodation choices available for children and young people that meets their needs, and which will enable the council to have greater autonomy and control in meeting increasing placement demand, with reduced reliance on the high-cost private provider market.
- 1.5 By delivering a comprehensive and sufficient mix of high quality, local accommodation choices both internally and through commissioned arrangements, there are a range of benefits to ensure the children in our care live in a safe, secure, stable, and caring home. These include:
- Children and young people remaining close to their existing support networks such as family, friends, school, and communities.
  - Familiar settings that improve placement stability.
  - Access to local education, employment, and training opportunities.
  - Wider accommodation choices enabling better matching of accommodation, that offer the right environment to give children and young people the best chance of reaching their full potential, academically, socially, and emotionally.
  - Increased local job opportunities for our residents as part of the operational delivery model.

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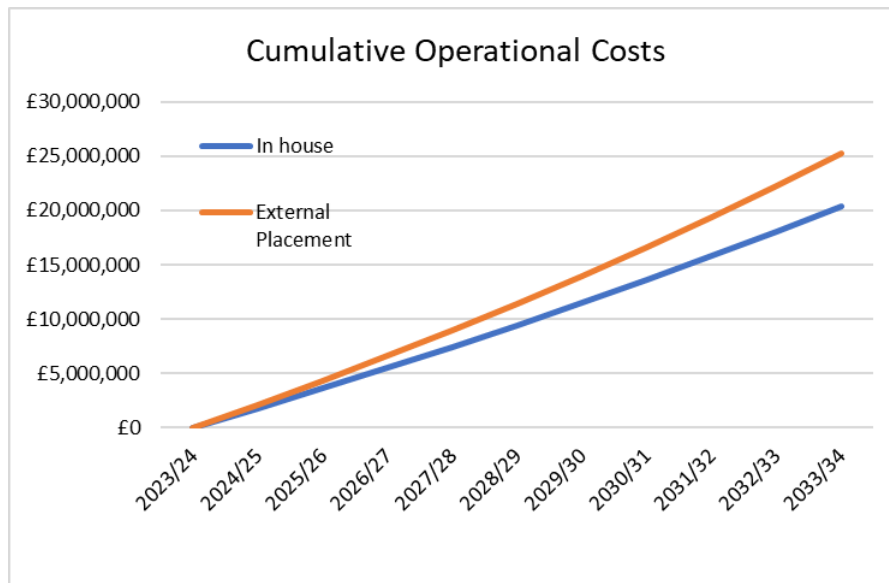
## 2 Current Position

2.1 Oldham children looked after numbers had remained relatively stable over many years, however, we have experienced a recent planned increase in numbers. Our rate of children looked after (95), is now in line with statistical neighbours (95) for the first time, and significantly higher than the England average (71). Consequently, the cost of placements for new entrants into care has increased compared to those ceasing care.



2.2 Oldham commission placements for children in care through the Placements Northwest Framework, which currently has 150 providers registered. Providers on this framework operate in Oldham, the Northwest and Nationally. In Oldham, there are 22 children's residential homes for children and young people aged 6-18 years. Three are owned by Oldham Council providing one children's home, one short break provision for children with disabilities and one Adolescent Support Unit, the remaining 19 are privately run. 82% of residential provision in Oldham is judged 'Good' or 'Outstanding' by Ofsted.

2.3 The below chart highlights the comparison of the projected future operational cost trajectory for external (3.95% per annum uplift) and internal provision (3% per annum inflationary uplift), recognising that there will be a continuous increase in the use of external placements to meet growing complex needs, there is an opportunity for the council to deliver a similar service internally and locally at a more acceptable and manageable cost. The rising costs and pressured placement market means the council must take action to build internal capacity to address the pressures.



### 3 Options/Alternatives

#### Option 1 – Freehold purchase

- 3.1 The council would purchase and refurbish three residential properties acquired on the open market. Delivery of the project will be predicated on identifying three suitable properties, in the right locations including 1 x 4 bed home for 3 placements and 2 x 3 bed homes for 4 placements creating a total of 7 residential placements. The timescale for delivery estimates the homes to be open by April 2025.

#### Option 2 – Lease arrangement

- 3.2 The council would agree a lease on three suitable properties for conversion to registered children’s homes, including 1 x 4 bed home for 3 placements and 2 x 3 bed homes for 4 placements creating a total of 7 residential placements by December 2024, in the right locations, through a suitable landlord provider. The landlord would source the properties and deliver the refurbishment to a pre-agreed specification and deliver the properties back to the council under a 25-year lease. Under the lease terms the Council, as tenant, will be responsible for all the property costs, including structural and internal repair and maintenance.

#### Option 3 – Hybrid model of freehold purchase and repurpose an existing asset

- 3.3 A variant exists whereby the council would refurbish an existing asset into a 1 x 4 bed children’s home for 3 placements by January 2025 and purchase and refurbish

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2 x 3 bed homes acquired on the open market for 4 placements by April 2025 creating a total of 7 residential placements.

#### **4 Preferred Option**

4.1 **Option 3** is the preferred option; a hybrid model of freehold purchase of 2 x 3 bed homes for 4 placements and repurposing an existing asset to provide 3 placements by utilising an existing asset. This option represents financial viability, return on investment and value for money as identified in the Options Risk Assessment as the highest ranked option.

4.3 The decision is outside the budget/policy framework and therefore needs Council approval.

#### **5 Consultation**

5.1 Public consultation will be required as part of the planning application process.

#### **6 Financial Implications**

6.1 Comments are contained in the report in the restricted part of the agenda.

#### **7 Legal Implications**

7.1 Comments are contained in the report in the restricted part of the agenda.

#### **8 Co-operative Implications**

8.1 The preferred option would support the Council's Cooperative agenda and will provide a resident focused service.

#### **9 Human Resource Implications**

9.1 Comments are contained in the report in the restricted part of the agenda.

#### **10 Risk Assessments**

10.1 Comments are contained in the report in the restricted part of the agenda.

#### **11 IT Implications**

11.1 None.

#### **12 Property Implications**

12.1 Comments are contained in the report in the restricted part of the agenda.

#### **13 Procurement Implications**

13.1 Comments are contained in the report in the restricted part of the agenda.

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**14 Environmental and Health & Safety Implications**

14.1 Comments are contained in the report in the restricted part of the agenda.

**15 Community cohesion, including crime and disorder implications in accordance with Section 17 of the Crime and Disorder Act 1998**

15.1 None

**16 Oldham Equality Impact Assessment, including implications for Children and Young People**

16.1 Yes, the equality impact assessment indicates a positive impact for children and young people

**17 Key Decision**

17.1 Yes

**18 Key Decision Reference**

18.1 CHS-02-24

**19 Background Papers**

19.1 These are contained in the report in the restricted part of the agenda.

**20 Appendices**

20.1 These are contained in the report in the restricted part of the agenda.

