



London Borough of Enfield

Report Title	Enfield Children's Homes Project Investment
Report to:	Cabinet
Date of Meeting:	19 th April 2023
Cabinet Member:	Cllr Abdul Abdullahi
Directors:	Tony Theodoulou
Report Author:	Liz Cody – Elizabeth.cody@enfield.gov.uk
Ward(s) affected:	Bush Hill Park & Carterhatch
Key Decision Number	KD5568
Implementation date, if not called in:	
Classification:	Part I Public & Part II Private Appendix
Reason for exemption	Financially sensitive information in Part II Appendix 1

Purpose of Report

1. The purpose of this report is to approve capital funding of up to £1.5m to include the appropriation of two properties currently in the Education portfolio and carry out all improvements, extensions, and refurbishments (including professional fees) to create two new children's homes for six residential placements.

Recommendations

- I. To note and authorise applications to the Department for Education (DfE) for Secretary of State consent to approve the release of two residential properties on the Carterhatch and Raglan school sites from the Education portfolio for the purpose of creating two residential, 3-bed children's homes.
- II. To delegate authority to the Executive Director People to submit a planning application for change of use for both properties and subject to receiving necessary consent from the Secretary of State and budget approval, to attend to appropriation formalities for their change of use.
- III. To approve the capital funding of up to £1.5m subject to approval of the new outline budget by Full Council in the next capital budget update, to include the appropriation of the properties and carry out all necessary improvements, extensions and refurbishments required to ensure that both homes are safe, secure, and fit for purpose.
- V. To delegate authority to the Executive Director People to approve individual project spend within the proposed £1.5m and to procure consultants and other resources, in accordance with Council Governance and Contract Procedure Rules as necessary to deliver the project.
- v. To approve projected expenditure for the care services contracts.
- vi. To delegate authority to the Executive Director, People, to approve procurement and subsequent award of care services contracts.

Background and Options

2. An operational decision, KD5478, was signed by the Executive Director, People, in January 2023 outlining the need to provide Enfield-commissioned residential homes. The identification of two potential properties was agreed in principal and an options appraisal was completed to determine preliminary cost estimates for the required work.
3. Enfield is committed to ensuring, wherever possible, that children looked after receiving the right type of placement.
4. When a child comes into care and depending on their needs, an option for some children is to be placed into residential care. Due to a lack of local placements, it has been necessary to place Enfield children away from the borough and sometimes many miles away from their parents, school, and social networks. Research evidence shows this consistently leads to poor outcomes for children.
5. The Enfield's Placement Sufficiency Strategy 2021-2026 identifies the need to provide local residential placements.

6. In the financial year 2021/22 the spend on residential placements was, £7.2 million. 88% of children placed in residential care were placed outside of Enfield.
7. In January 2023, there were 37 children and young people in care of Enfield who were placed in Residential care, including those who were jointly funded with health. Of these, only 4 children (10.8%) were placed in Enfield.
8. Along with direct cost pressures from the additional children in care, for those children in residential settings there are further pressures for the Council, through time and costs incurred by social workers and other practitioners, such as Independent Reviewing Officers who are required to perform statutory functions. This in part has led the Council to consider its reliance on private residential providers and explore different delivery models which are more effective for children, deliver better outcomes and more efficient use of staff and financial resources.
9. This approach is based upon the premise that determining our commissioning and service requirements and developing provision with the private residential market on a competitive tender basis will help Enfield shape the market and give greater choice to Enfield's Looked After Children.
10. The identified benefits from our approach include:
 - More local provision can better reflect the needs of the children and young people.
 - Development is needs driven and defined by the local authority.
 - Local provision provides more opportunities to develop positive relationships between the Local Authority and the provider.
 - Quality is contractually defined and can be locally assured.
 - Services are local and can be tailored, allowing for specialist, targeted and emergency provision that is fit for purpose by design and concept.
 - Placement stability and rehabilitation is positively influenced and locally managed.
11. The demand for residential provision is likely to increase in future years due to increasing numbers of children and young people in the care system which will, in turn, generate increased numbers in residential care. The conversion of these two properties will be the beginning of a longer-term strategy to provide more residential care in Enfield, also exploring different models based on therapeutic concepts.
12. A separate report to Cabinet will outline the procurement process to appoint up to two care providers.

Main Considerations for the Council

13. The two properties identified are former site manager's houses at Carterhatch and Raglan Schools, currently within the Education portfolio. Both schools are aware and are supportive of this proposal. Release of these properties is subject to Secretary of State approval subject to certain conditions.

The values of these properties have been appraised separately, taking into consideration the current market and economic trends. Estate agent valuations have been received but final Red Book valuations are awaited. The valuations will not exceed:

Lot 1 -Carterhatch School, former site manager's house	£450k
Lot 2 - Raglan School, former site manager's house	£500k

14. An initial options appraisal has been completed and preferred layouts/designs have been agreed in principal and cost estimates provided. Together with the valuation estimates, it has been identified that an overall sum of no more than £1.5m is required to appropriate the properties and complete the refurbishment works.
15. The refurbishment works will be completed in accordance with The Children's Homes (England) Regulations 2015 and relevant health and safety legislation.
16. The procurement process for the care provider will run concurrently with the design and construction work and this is to allow the care service provider to be involved in the finishing of the Children's Home according to the service specification.
17. Once refurbished, the properties will have three bedrooms to accommodate three children in each property. One of the homes will be designed to accommodate children with complex/behavioural needs.
18. The provision will also have access to safe and secure outdoor garden space for recreation.
19. The deadline for opening both Children's Homes is currently January 2024, depending on approvals and programming.

Preferred Option and Reasons for Preferred Option

20. Four main options had been considered:

Option 1 – Do nothing

Option 2 – Develop a fully in-house provision

Option 3 – Block book with an existing children's home

Option 4 – Commission an external care service, with Enfield providing the property

It was agreed that Option 4 would be pursued for reasons identified in KD 5478.

21. The recommendation of this report is for Cabinet to approve the capital funding of £1.5m to procure the two site managers' houses, carrying out all necessary alternations and refurbishments to create two new residential children's homes, providing six placements.
22. This report notes that a further Key Decision report will be brought forward for consideration by Members in relation to procurement of the care provider.

Relevance to Council Plans and Strategies

23. The Enfield Children's Home proposal is part of the Enfield's Placement Sufficiency Strategy 2021-2026 and the Commissioning Framework 2020-2025.
24. This approach exemplifies our undertaking to ensure that looked after children will have access to provision locally which are specialised and allow us to deliver on the right outcomes for the children and young people.
25. Working with a private care provider allows us to bring in the right type of expertise and knowledge to provide for the most vulnerable children.

Financial Implications

26. See Appendix 1

Legal Implications

27. s.20 Children Act 1989 stipulates that every local authority shall provide accommodation for any child in need in their area that requires accommodation as a result of three criteria. It is therefore appropriate for the LA to commission accommodation.
28. Once a property is selected for use as a Children's home the Local Authority will need to obtain the appropriate planning permission for the property as the properties have not been used as children's homes previously. In this case it appears to be a change from Class 3 "use as a dwelling house" to class C2 "provision of residential accommodation".
29. The Local Authority must also consider the Care Standards Act 2000 which set up the Commission for Social Care Inspection which established a new system of national minimum standards for all residential homes. Part 2 of the act stipulates that any Children's home must be registered (with Ofsted), or be guilty of an offence (CSA 2000, Part 2 (1)) punishable by a fine or imprisonment. Once the Local Authority identifies a suitable property, the care provider identified to run the home will be required to appoint a named manager who will be person applying for Ofsted registration. A separate application will need to be made for each property.
30. S.111 Local Government Act (1972) gives a local authority power to do

anything (whether or not involving the expenditure, borrowing, or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions, including its housing functions.

31. Furthermore, the general power of competence under s.1(1) Localism Act (2011) states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The proposal to procure care providers as mentioned within this report are therefore in accordance with the Council's powers.
32. The Council must comply with (and continue to comply with) its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act 1999.
33. All procurement processes and any contracts awarded must comply with the Council's Constitution, it is CPRs and the PCR 2015.
34. In accordance with CPR 10.1 the Council is expected to upload the authority obtained to proceed with procurement onto the E-tendering Portal for contracts exceeding £500,000. Given that care services are classified as falling under the Light Touch Regime (LTR) and the proposed value of this contract shall exceed the LTD threshold, the procurement process must also be carried out in accordance with the Public Contract Regulations (2015) ("PCRs 2015").
35. In accordance with CPR 20 (Ethical and Sustainable Procurement & Council Policy), consideration at pre-procurement stage must be given to whether the Public Services (Social Value) Act 2012 applies to the services that will be provided under this arrangement.
36. In any tender there is a risk of legal challenge. This can be mitigated through legal advice being sought on the process (pre-commencement and throughout) and ensuring that all bidders are treated fairly and scored and evaluated in the same manner in accordance with the tender/procurement documentation.
37. The Council holds land and property for a variety of statutory purposes in order to perform its functions. The Council is authorised by virtue of section 122 of the Local Government Act 1972 to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where it is no longer required for the purpose for which it is held immediately before the appropriation. In this respect, it is noted that the report confirms the two residential properties are surplus Education properties.
38. Under paragraph 6 of Part 1 of Schedule 1 to the Academies Act 2010, local authorities must seek the Secretary of State's prior consent to appropriate land they hold where it has been used wholly or mainly for the purposes of a school or 16-19 academy in the last eight years, whether

still open or now closed. The Secretary of State may either approve the application with or without conditions, or refuse consent.

39. The report recommends the appropriation of council owned land for children services. Appropriation decisions must be taken in accordance with the Council's governance processes, schemes of delegation and key decisions and must be in accordance with legislature or regulation in force at the time and the Council's Property Procedure Rules.
40. Pursuant to the Council's Property Procedure Rules, the proposed appropriation requires the approval of the relevant Directors and a valuation. Appropriation does not involve a sale and purchase but requires accounting adjustments, with a transfer of funds matching the valuation of the properties needed, to the budget from which the properties were previously being held. If the proposed funds would equate to an undervalue, justifications would need to be set out in such a report.
41. All legal documents entered into must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance. Furthermore, at the awarding stage of the contract, legal services will need to prepare necessary agreement to regularise occupation and use by the provider of services.

Equalities Implications

42. EQIA attached

HR and Workforce Implications

43. There would be no workforce implications as providers and suppliers will be appointed externally and employ their own staff. Providers bidding for the contract will be asked to demonstrate that they are an accredited London Living Wage Employer.

Environmental and Climate Change Implications

44. The opportunity for young people to live close to key relationships will support actions to positively support climate change intentions
45. The design of the improvements will consider options for reducing the carbon footprint in a residential/domestic setting, including use of sustainable materials, energy saving initiatives and using local contractors where possible.

Public Health Implications

46. This project is important and will help to provide residential spaces in the borough for many children particularly those who are vulnerable with complex behavioural needs in the current growing demand for residential placement. Residential homes which are specialist children's homes will allow for delivery of care and focussed on specific needs which are specialist; ultimately providing better tailored care for these children and

hopefully resulting in improved outcomes. The presence of these residential homes in the borough will allow for the children from the borough to remain local and still have access to their families, friends, and local livelihood.

47. There will hopefully be delivery of employment and commercial opportunities for those in the borough helping to alleviate absolute poverty within the borough - particularly relevant in the context of the current national cost of living crisis.
48. When deciding the location of these Children's Homes, there has been consideration of easy access to local community services such as GPs, dentists, pharmacies as well as CAMHS which is particularly essential for this group within the vicinity.
49. Furthermore, the developments include access to outdoor spaces within and around the homes to promote physical activity amongst the residents and employees in the Home.
50. During the developmental stage, the building process will need to be monitored to ensure that there are no significant negative health impacts such as asbestos risks and noise/dust pollution during demolition /construction works. In addition, the design should consider good ventilation and acoustic insulation.

Property Implications

51. The Children's Home Team and Strategic Property Services have been liaising for some time in relation to the property requirement part of this DAR, and this process had identified two separate properties will be required.
52. One of the central tenets of the Council's Strategic Asset Management Plan (SAMP) is to reduce the Council's leased-in portfolio and operate out of freehold-owned assets wherever it is feasible and viable to do so. In considering existing surplus freehold assets in preference to leasing in or purchasing new properties, two ex-site manager properties had been identified from within the Education portfolio. These are part of a set of surplus Education properties that already have Cabinet approval for either disposal or re-purposing for alternative operational use.
53. For these two properties to be taken out of education use, approval will be first needed from the Secretary of State for Education, which is currently being progressed by the Education team. However, it should be noted that the process for removing from education use will require their capital value to be recognised in the same way as a conventional disposal, i.e., a sum equivalent to their value made over for the specific benefit of the schools.
54. Planning consent will be required as necessary for refurbishment and conversion works to the properties, as well as for change of use.

55. Where a service provider needs to take an occupation of the new premises, this will require formalising into an agreement appropriate to the circumstances e.g., a lease or licence, which would need to reflect where responsibilities lie with each party as the service contract agreed with the service provider.
56. All new or revised asset data arising out of capital works to the properties must be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, including revised site plans, floor plans, asset information, etc. All relevant compliance-related activities will need to be put into place for these assets and appropriate contracts for servicing activities may be required. All works should be compliant with relevant legislation including CDM and Building Regulations. An inventory list of any materials procured and produced will need to be kept.
57. The properties, if transferred from Education into use as Children's residential homes, will remain as general fund (GF) assets.

Safeguarding Implications

58. Both children's homes will be required to register with Ofsted and be required to have all the safeguarding policies in place.
59. Both children's homes will be subject to annual quality assurance visits along with announced and unannounced visits, from the Access to Resources and Integrated Service.
60. In addition to the quality assurance visits by the Access to Resources Integrated Service, feedback will be requested from social workers and Independent Reviewing Officers
61. The children's homes would be required to have a Designated Safeguarding Lead (DSL) and a deputy DSL. Responsibilities will include ensuring that policies and procedures are updated on a regular basis and that these are accessible to staff and users, that staff have relevant, up to date training and, that the settings follow safer recruitment processes and that safeguarding concerns or allegations of abuse are reported in a timely fashion.
62. The design of any improvements and/or extensions must consider the privacy and safety of the staff and residents, including alterations to the outside spaces.

Other Implications

Procurement Implications

63. Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's), the Public Contracts Regulations (PCRs) and the Council's Sustainable and Ethical Procurement Policy.

64. The value of the proposed procurement is expected to be above the relevant Threshold of the PCRs. This will mean the procurement must be conducted in accordance with the requirements of the PCRs.
65. Procuring officer must keep records of approvals to proceed at each stage of this procurement in order to evidence compliance with the rules.
66. Appropriation or leasing of properties for the purpose of setting up the proposed two 3-bedded children's homes must be conducted by Enfield Council's Property Services in line with the relevant guidelines including separate authority reports to be signed-off by the appropriate decision-making body of the Council.
67. The decision to award the care contracts resulting from the proposed procurement process must be approved by the body that has the delegated authority to do so, in accordance with the Council's scheme of delegation.
68. All evidence of authority to procure and award the proposed contracts, as well as all contractual documents, including executed contracts, must be uploaded on to the Council's e-tendering system, the London Tenders Portal (LTP).
69. In accordance with the Councils CPR's, the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the LTP, and that the monitoring requirements are adhered to, including evidence of regular contract reviews.
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71. Given the subject matter and value of the forthcoming contracts, robust contract management will be required.
72. **Risks that may arise if the proposed decision and related work is not taken**

Risk	Impact	Mitigation strategy
Delays to launch dates as a result of local authority sign-off processes, SoS approval, procurement etc	Later start reduces benefits for children and impact on outcomes	Project planning in detail with contingencies and regular review by the Project Board
Risks that Providers do not reply to the tender opportunity	Delay in start and the process does not take off	Robust provider engagement process
Planning approval not given	Delays to opening children's services	Early consultation with planners to mitigate any

Risk	Impact	Mitigation strategy
	leading to reduced impact on reducing at distance placements and improving outcomes for children	risks
Objections from local residents to the change of use, including parking concerns	Delays to opening children's services leading to reduced impact on reducing at distance placements and improving outcomes for children	Ensure there is effective communication with residents during the planning process
Children and public put at risk due to poor information sharing	Risk of harm to children and the public	All agencies support appropriate and timely information sharing
Risk of project costs exceeding the agreed £1.5m	Delays to opening the children's homes as a result of having to source additional funding. Project could fail due to insufficient funding	Effective project management and budget monitoring
Risk that the procurement does not deliver provision at lower cost to public expenditure and improve outcomes	Increased cost without improved outcomes	Thorough modelling and well-planned procurement reduce risk. Break clauses enable provision to be terminated early if required
Ofsted not approving the registration of the new homes resulting in an Ofsted refusal to register the new homes	Inability to open the homes up for placements	Early discussions with Ofsted to take place around registration of the new homes
Inability to provide education placements for our most complex children	Impacting on the young people's life chances increasing the likelihood of the young people becoming NEET (not in employment, education, employment, or training)	SEN colleagues will be involved during the early stages, to address how we can provide this for our most complex children

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Appendices

Appendix 1 – Financial Implications.

Background Papers

The following documents have been relied on in the preparation of this report:

KD5478 Enfield Children's Homes