



Officer Decision Record

1. Subject and details of the matter (to include reasons for the decision)

Grant the lease for 3 eco-dwellings on Children's home sites

In July 2017 the Council was successful in securing funding from the DfE to pilot a new policy that they are developing called "staying close". This policy is designed to give children leaving residential childcare additional support on leaving care to prevent the current "cliff edge" effect of support dropping off and young people feeling isolated and lonely.

Our approach has been to offer children leaving care support from a worker (usually from their home) as outreach in their new home. Staying close has given permission to staff to work more intensively to support young people through the transition into adulthood. We also offer drop-in sessions with staff support and Sunday lunch which offers a meal for all and access to the Goodwin Fareshare Pantry to help stock up their cupboards.

The pilot has been very successful gaining positive feedback from the DfE, Ofsted and most importantly the young care leavers accessing the support. Below is a text the team have received from just one of them:

"thank you... just proves, whether I am in the care home or not, I will always have you. Family isn't always blood. I appreciate everything"

The DfE lead for the project is encouraging us to develop plans to utilise some of the resource in the spirit of the original bid by looking at other examples of good practice within Staying Close programmes nationally and trialling other approaches. The suggested approach is that we consider the Bristol model which uses eco-dwellings

installed in the grounds of children's homes as a steppingstone to independence for young people who want to leave care but need on-site more intensive support than they would receive in their own external tenancy. These young people leave care between the ages of 16 and 18, long before the national average age of young people leaving home which is 26.

Whilst the work so far on Staying Close has been well received and highly acclaimed, the grant for this service is currently underspent. There was a carry forward of £124,000 in 2019/20 and an allocation of £252,468 for 2020/21 financial year. The pilot has been extended by the DfE and further funding for 2021/22 is being negotiated. This revenue underspend has been placed in an EMR for use on this scheme, however, the grant funding from the DfE is limited to use for revenue spend only. Therefore, to enable this project to proceed in line with the Bristol model, our partner in the staying close project, the Goodwin Development Trust, have agreed to purchase the dwellings using their own capital reserves. The Goodwin Development Trust are a social housing provider based in Hull and they are interested in potentially rolling out this pilot further if successful. The proposal is to manage this as a land transaction and to grant the Goodwin Trust a lease of part of the garden space in the properties with permission to install the eco-dwellings. There will be a simultaneous sublease back to the Council to allow the Council ongoing use of the eco-dwellings. The grant monies will be used to cover the preliminary costs of installation of the eco-dwellings, the purchase of white goods, beds and furniture for the eco-dwellings and rent under the lease. There will be a two-year lease between North East Lincolnshire Council and Goodwin Development Trust, then a simultaneous underlease to North East Lincolnshire Council, co-terminus with the headlease. On Fully Repairing and Insuring Terms by the tenant. At the end of the lease term the Council will assume ownership of the eco-dwellings.

This scheme proposes that 3 eco-dwellings are placed in the grounds of 3 of our existing children's home facilities on Scartho Road, Cambridge Road and Whitgift. Planning permission has already been secured on these sites. The scheme is estimated to cost £275,000 an average of £91,000 each including all site works.

The eco-dwellings are small, single bedroom, custom built self-contained units with a bathroom, kitchen, bedroom and living room. They are designed to have a limited life span, 60-years and are not permanent structures (see photographs below).



By creating 3 additional transition beds in eco-dwellings 3 beds (one in each home) will be freed up for other children needing residential placements. This will provide the service with additional flexibility when identifying suitable placements for children in care and may prevent additional children from being placed out of borough (total cost avoidance in the region of £150,000 per annum).

The eco-dwellings will be monitored and managed from the onsite children's home. Each care leaver (through the staying close programme) is provided with additional support from a key worker through their transition to adulthood and independence, often from the staff in the home where they grew up. Having this support on-site will enable young people to learn independence in a safe and stable environment. The dwellings will form part of the Children's Home Ofsted registration and it is not anticipated that the homes will need additional staffing to manage these dwellings beyond that already provided through the staying close programme.

The funding for the programme is Section 31 funding, which has been issued with a specific restriction that it is revenue money and therefore cannot be spent on capital projects. However, one of our Staying Close partners Goodwin Development Trust (who deliver the FareShare food pantry element of staying close) are keen to assist by investing capital in the project by purchasing the eco-dwellings and leasing them back to us on a kind of hire/purchase arrangement. The DfE have encouraged creativity with the funding and have advised that we consider the Bristol model as one that may work here.

The purchase costs for the 3 eco-dwellings (which would be procured by Goodwin Development Trust) is approximately £275,000 including installation, fittings and groundworks. The Council's legal team have advised that this is possible and can be managed as a land transaction as a head-lease of the land to the Trust and a sub-lease back for the Council to lease the eco-dwellings. Discussions with Goodwin Development Trust regarding their terms have been undertaken and heads of terms are in draft. The underspend (currently placed in an EMR) is to be used to pay for the lease term.

By offering the Eco Dwellings, the service will be able to manage care leavers development in a more structured way by offering them the opportunity of utilising the new accommodation at 16 years old. This will enable greater flexibility for bed space within the Children's Home, potentially enabling cost avoidance (non-cashable) in the region of £150,000 per annum. It must be clear that this is only a cost avoidance and is not a cashable saving, hence it wasn't originally included in the revenue implications. Children's home placements for children both in and out of borough vary significantly in cost and the demand for such homes is not predictable, as the reasons for the need and the type of need a child has is so variable. If all 3 beds freed up by this project were taken by children being brought back from out of borough then based on an average out of borough placement cost of £150k a cost avoidance of £450k might be achievable. However, based on the experience of the new children's home that was opened in 2019, it is clear that this is extremely unlikely as the 4-bed home only successfully returned 1 young person into the borough. Due to high levels of local need it is quite likely that children that are new into the system or have had fostering placements breakdown would end up in these placements. It is therefore more prudent to assume a cost avoidance of £150k total which could represent 1 child being successfully re-integrated into the borough, or a few fostering placements (at a rough cost of £20k-£40k per year) breaking down.

The ongoing cost of maintenance and running costs (utilities etc...) will be covered by an additional EMR of £1000 per dwelling per year for the next 10 years. Any further revenue costs will be picked up within the Children's Homes revenue budgets. These costs will be offset by charge of a small rent to the tenant (care leaver) as learning to budget is a key skill that they will need in later life.

As the staffing in the Children's Homes is already budgeted for, there are no further revenue implications other than utilities and maintenance which will be covered via the additional £30k EMR for the next 10 years.

The project has been approved by Business Development Group and the Assistant Directors Group.

2. Is it a Key Decision as defined in the Constitution?

No

3. Details of Decision

1. To support the use of the DfE grant to complete the Staying Close Eco-dwellings Project.
2. To approve the leasing and subleasing proposals on the terms described therein.
3. To delegate to the Deputy Chief Executive and Executive Director People, Health and Care in consultation with the Portfolio Holder for Finance, Resources and Assets and the Portfolio Holder for Children, Education and Skills, authority to settle all heads of terms and ensure that all necessary actions are carried out in order to complete the lease disposal and all onward actions.
4. To authorise the Assistant Director Law, Governance and Assets to complete and execute all requisite legal documents arising from the matters outlined above.

4. Is it an Urgent Decision? If yes, specify the reasons for urgency Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No

5. Anticipated outcome(s)

The DfE grant is utilised to install 3 eco-dwellings in the grounds of some of the Council's children's homes in order to offer care leavers a steppingstone to independence but with on-site support.

By creating 3 additional transition beds in eco-dwellings 3 beds (one in each home) may be freed up for other children needing residential placements.

6. Details of any alternative options considered and rejected by the officer when making the decision

The alternative decision is to not agree the leases. Should we choose to do nothing we would need to find other activities to support care leavers. As a condition of the grant the DfE require us to demonstrate how this funding is spent on supporting children leaving residential care. A review of other staying close pilots could be undertaken if this approach is not approved to find other methods of using this funding to support residential care home leavers.

7. Background documents considered

N/A

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

No

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

No conflicts of interest were identified.

10. Monitoring Officer Comments (Monitoring Officer or Deputy Monitoring Officer)

The project is in line with the Council's strategic aims and is supported by both the DfE and Goodwin Development Trust. The approach outlined builds on a previous pilot, is based on best practice and utilises grant funding as per the conditions. Legal colleagues have been, and will continue to be, involved to provide appropriate support to the scheme.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The lease and maintenance costs will be managed from grant set aside within an earmarked reserve and from service budgets.

The use of the dwellings will achieve cost avoidance estimated in the region of £150k per annum.

12. Human Resource Comments (Strategic Workforce Lead or nominee)

There are no direct HR implications

13. Risk Assessment (in accordance with the Report Writing Guide)

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14. Decision Maker(s):

Name: Joanne Hewson

Title: Executive Director for People, Health and Care

Signed: REDACTED

Dated:05.03.21

15. Consultation carried out with Portfolio Holder(s):

Name: Cllr Ian Lindley

Title: Portfolio Holder for Children, Young People and Skills

Signed: REDACTED

Dated:24.03.21

16. If the decision is urgent then consultation should be carried out with the relevant Scrutiny Chair/Mayor/Deputy Mayor

Name: N/A

Title: N/A

Signed: N/A

Dated: N/A