

## Department for Education capital investment bid: Children in Care residential property

To: Assets and Procurement Committee

Meeting Date: 22 January 2025

From: Executive Director of Finance and Resources

Electoral division(s): Whittlesey South

Key decision: Yes

Forward Plan ref: 2025/026

Executive Summary: The Committee is asked to agree to the use of a Council owned asset at Richley Farm Whittlesey as part of the Department for Education (DfE) open application round for capital match funding to deliver additional provision for children with complex needs and challenging behaviour.

Recommendation: Subject to the approval of the DfE bid, and agreement of the business case by the Children and Young People Committee, and funding allocation through the Strategy, Resources and Performance Committee, the Committee is being recommended to:

- a) Agree to demolish a failing farm bungalow and to re-build a new house on the site for use as a Children in Care residence.
- b) Agree to the lease of the new house to an external service provider for a period of up to 10 years.
- c) Delegate authority for awarding and executing construction contracts starting in 2025 and extension periods to the Executive Director of Finance and Resources in consultation with the Chairs and Vice Chairs of the following Committees: Children and Young People, Assets and Procurement.

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# 1. Creating a greener, fairer and more caring Cambridgeshire

1.1 The recommendation from this report supports the following Strategic Framework ambitions:

- **Ambition 1:** Net Zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes.
- **Ambition 4:** People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs.
- **Ambition 7:** Children and young people have opportunities to thrive.

## 2. Background

2.1 Cambridgeshire County Council will be applying to the Department for Education (DfE) open application round for capital match funding, to deliver additional provision for children with complex needs and challenging behaviour, recognised to be a response to complex and ongoing trauma. These children may have been, or are at risk of being, deprived of their liberty.

2.2 The DfE will aim to support projects which are designed to meet the specific needs of the target cohort and that create additional provision by:

- Extending or adapting existing provision to provide additional capacity i.e. an annex or pod.
- Refurbishing a current Local Authority owned asset that is not currently being used as a children's home.
- Purchasing or building a new property / asset.

2.3 The Council does not currently have any existing Council owned Children in Care residential homes to extend or adapt to create additional provision. All Cambridgeshire Children in Care within this cohort are currently placed out of county, at considerable financial cost to the Council.

2.4 The Council has already established plans to refurbish two assets for a Cambridgeshire Children in Care Residential Service for children with high needs, to deliver the Children in Care savings. The Assets and Procurement Committee approved the use of two Soham properties on 17 September 2024. [Sept 24 A&P report](#)

2.5 The Council will not be purchasing a building, as we will not be able to commit to a property purchase before the deadline of the DfE bid at the end of February 2025.

2.6 A proposal for the DfE application bid has been agreed by the Cambridgeshire Corporate Leadership Team to build a new bespoke children's residential home on the site of a current Council asset. If the bid is successful, the business case will then go to Capital Board, Children's and Young People's Committee and Strategy, Resources and Performance Committee for approval.

2.7 If successful, the DfE match funding will help create accommodation which will:

- ensure that there is sufficient provision in the right places for children with complex needs;

- ensure local health and social care teams work together to provide care which meets all of a child's needs; and
- reduce the number of children and young people with complex needs and behaviours being accommodated in unregistered provision.

### 3. Property proposal

- 3.1 A bespoke children's residential home is proposed on the Council's County Farms Estate at Richley Farm, south of Whittlesey. An existing bungalow, which is no longer required for farm use because of farm amalgamation and would otherwise have been sold, has been recommended for demolition by a structural engineer due to structural issues. The site has been assessed as a suitable location by relevant Social Care colleagues.
- 3.2 The design, build, and management of the home will be overseen by the County Council's Education Capital team and will be undertaken using the Minor Works Framework. The Education Capital team will procure a property consultant who will be able to prepare designs and consents to RIBA Stage 2 in time to make a bid in February 2025. Consideration is currently being given to a single dwelling, split into two, to accommodate two solo children placements with carers.

### 4. Service proposal

- 4.1 The service will be delivered by an externally commissioned provider either through a call-off contract tendered through a mini competition via the pseudo-Dynamic Purchasing System (p-DPS), if the p-DPS is extended beyond March 2026, or with the absence of the p-DPS, a competitive flexible procedure (compliant with the Procurement Act 2023) will be followed.
- 4.2 Market engagement has taken place with children's care home providers on the p-DPS to determine the appetite of providers to deliver a solo provision within Cambridgeshire, to meet the need cohort of children as specified within the DfE bid. The market engagement demonstrates a significant interest in the opportunity, and proposed costings for the delivery of the service are in line with service cost avoidance proposals.

### 5. Capital match fund proposal for the property re-build

- 5.1 The County Council will use the site value at Richley Farm as its share of the DfE match funding, together with additional capital borrowing reallocated from other budgeted schemes.
- 5.2 The estimated re-build cost does not include additional charges such as the costs for reports, advice, and re-charges from consultants and professionals who specialise in the works required for both the bid assembly and the ongoing works if the bid is successful. This will be included within the capital request to the DfE.

### 6. Planning permission

- 6.1 The Whittlesey property does not have an agricultural occupancy restriction as far as can be established, but a planning consent will be required to demolish and rebuild a new purpose-built dwelling.

- 6.2 Pre-planning application advice will be sought to understand any potential issues before the DfE bid is submitted.

## 7. Property lease implications

- 7.1 The houses will be let on a commercial business tenancy to the externally commissioned provider, at a market rent for a maximum 10-year term.
- 7.2 The tenancy will be on Full Repairing and Insuring terms, which means that the provider will be responsible for insurance and maintenance as well as running costs for both properties. Any damages to the property would also be the responsibility of the provider. The refurbishment work will be covered by the builder for an initial defects period.

## 8. Timescales

- 8.1 The deadline for the DfE bid is 28 February 2025. Applicants will be notified of the outcome of their bid from 24 April 2025, and grant letters will be issued to successful bidders in May 2025.
- 8.2 If the County Council is successfully granted match funding for the bid, work will commence thereafter with the planning application and construction works. It is estimated that the re-build will be complete and suitable for service delivery by early 2027.

## 9. Alternative Options Considered

- 9.1.1 Do nothing; This is not sustainable given the current capacity position, the needs of our children and young people in care, the increasing use of unregistered settings for placing children in care, and the financial and budgetary impact of the current arrangements.
- 9.1.2 Please see section 2 of this report for the other options considered in relation to the requirements of the DfE bid.

## 10. Conclusion and reasons for recommendations

- 10.1 Cambridgeshire County Council will be applying to the Department for Education (DfE) open application round for capital match funding, to deliver additional provision for children with complex needs and challenging behaviour, recognised to be a response to complex and ongoing trauma. These children may have been, or are at risk of being, deprived of their liberty. As part of the bid proposal, the Council wishes to demolish and re-build a new house on the Council's County Farms Estate at Richley Farm south of Whittlesey for the delivery of the service. The provision would reduce the number of children with complex needs and behaviours being accommodated in unregistered provision and would be built to meet the specific needs of the children placed.

## 11. Significant Implications

- 11.1 Finance Implications

Capital investment for the DfE bid will consist of CCC capital and DfE match funding. CCC capital will consist of the value of the Whittlesey site as well as CCC capital borrowing reallocated from other projects.

- 11.1.2 Service delivery: the cost for the delivery of the service will be managed by the call-off or contract that will be in place with any successful provider. A price cap will be agreed for the tender exercise for the submission of provider bids to ensure value for money.
- 11.1.3 Rental income would be taken from the provider for the property, and the provision will create a cost avoidance for children's external placements budget.
- 11.1.4 If the DfE bid is unsuccessful, and the proposal does not go ahead, there will be abortive costs of £10-£20k which would need to be picked up by a revenue budget. This will cover the consultants' fees for getting property plans to the required RIBA Stage 2, as required by DfE as part of the application.
- 11.1.5 If the Council is successful with the bid, the proposal will be developed into a capital Business Case for review by Capital Programme Board, before being recommended to Children and Young People's Committee and Strategy, Resources and Performance Committee to be added to the capital plan as an in-year addition.

## 11.2 Legal Implications

Pathfinder Legal have reviewed and signed off this paper. Title checks will be carried out if the project proceeds. Similarly, advice may be required from the Pathfinder planning team. The works to refurbish the properties will be procured in compliance with procurement law by competitive tender from the Council's Minor Works Framework.

## 11.3 Risk Implications

The financial risks will be mitigated by competitively procuring a successful provider for the renovation work.

There are risks associated with the planning of the change in use of the site. Consultants will be engaged with the pre-application work to ensure any issues that are raised can be known prior to the full application is submitted and mitigated as appropriate.

## 11.4 Equality and Diversity Implications

There are no negative implications for equality and diversity. The service will provide positive outcomes for children and young people with care experience. A completed and approved Equality, Impact Assessment (EqIA) can be requested with the reference CCC670041721.

## 11.5 Climate Change and Environment Implications

- Implication 1: Energy efficient, low carbon buildings.
  - Status: Positive
  - Explanation: Any changes to the Council property used for the service will take into consideration the Council's net zero ambitions.

- Implication 2: Low carbon transport.
  - Status: Positive
  - Explanation: Transport use from Social Care will reduce due to complex needs children being placed in Cambridgeshire.
- Implication 3: Green spaces, peatland, afforestation, habitats, and land management.
  - Status: Neutral
  - Explanation: This will be explored as part of the full planning application.
- Implication 4: Waste Management and Tackling Plastic Pollution.
  - Status: Neutral
  - Explanation: There is limited opportunity to make a significant difference.
- Implication 5: Water use, availability, and management:
  - Status: Neutral
  - Explanation: There is limited opportunity to make a significant difference.
- Implication 6: Air Pollution.
  - Status: Neutral
  - Explanation: There is limited opportunity to make a significant difference.
- Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.
  - Status: Neutral
  - Explanation: There is limited opportunity to make a significant difference.
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## 12. Source Documents

12.1 The following have been referred to in the report and are available online:

- [Assets and Procurement Committee Report, Children in Care Residential Service – Property Usage, September 2024](#)