

Children in Care Residential Service – Property Usage

To: Assets and Procurement Committee

Meeting Date: 17 September 2024

From: Executive Director of Resources

Electoral division(s): Soham North and Isleham and Soham South and Haddenham

Key decision: Yes

Forward Plan ref: 2024/075

Executive Summary: The Committee is asked to approve the use of two Cambridgeshire County Council owned properties for a Cambridgeshire County Council, Children in Care Residential Service.

Recommendation: The Committee is recommended to:

- a) Agree to the use of two council properties, from the Council's Rural Estate, by the Children in Care residential service for a period of up to 10 years.
- b) Delegate responsibility for awarding and executing construction contracts in 2024 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 Committees, and Strategy, Resources and Performance.

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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 This report is linked to the Children in Care Residential Strategy committee paper, which was approved by the Children and Young People's Committee on 25 June 2024 (Item 5). [CYP 25 June 2024 Item 5](#)

2.2 The Children and Young People's Committee unanimously approved the business case and recommendation to externally commission the delivery of a Cambridgeshire Children in Care Residential Service, to agree the use of a call-off contract through the p-DPS to contract the external service delivery provider, and to delegate a recommendation to the Assets and Procurement Committee to use two council properties to accommodate the service, providing accommodation for children and staff caring for them.

2.3 The contract length has a maximum term of ten years, which exceeds the seven-year property lease length of a council asset before being approved by committee.

2.4 The two properties chosen for the Children in Care Residential Service are part of Cambridgeshire County Council's Rural Estate, and are close together in location, in Soham.

2.5 Both are currently unoccupied following farm amalgamation and now not required for the farm. They are six bedrooms and three bedrooms in size.

3. Financial impact to the council

3.1 The properties have historically been let as farmhouses and are both owned by the Council. Financially, for both properties to be used for the Children in Care Residential Service, rental income would still be taken from the provider for both properties, but the cost avoidance for children's external placements created from the service would far exceed any rental income via residential use for the properties.

3.2 Details of the anticipated cost avoidance can be found in para 3.6 of the June Children in Care Residential Strategy CYP committee paper, with an annual net cost avoidance estimated at £638,976. Further work on the proposal since June has identified that this figure could be significantly higher; these revised figures will therefore be included in the 2025-26 business plan once available.

3.3 The 2024-25 business plan was approved by Council on 13 February 2024 and included a

£1.7m capital budget for this scheme. A further revision to the business case, reflecting this new proposal, was reviewed by Capital Programme Board in March 2024, which revised the scheme cost down to £1m, however this has not yet been updated in the Council's capital programme.

4. Refurbishment requirements

- 4.1 Both properties require further works to ensure they are suitable for the high support needs of the children placed, and the staff supporting them. The scope of the works will be to refurbish and update, also upgrading energy performance in line with the Council's net zero ambitions, and to provide a safe and secure environment for children cared for in both properties.
- 4.2 The cost of the expected works for both properties are estimated to be in the region of up to £950k. The specification of work is higher than a conventional dwelling to ensure safety.
- 4.3 The refurbishment works will be procured by competitive tender in compliance with the County Council's Procurement regulations using the Pro Contract Minor Works Framework. The initial tender will be for a 4-week process and evaluation in accordance with County Council Procurement guidelines will follow.

5. Property responsibilities

- 5.1 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. The rent paid by the provider will be equivalent to a farmhouse rent.
- 5.2 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.

6. Planning Permission

- 6.1 Planning change of use will be required for both properties from Use Class C3 (agricultural dwelling) to C2 (care home) and a REG 3 application has been made. A REG 3 application means that it will be considered by the County Council's own Planning service.
- 6.2 One of the properties has an agricultural occupancy condition. The planning application seeks to temporarily lift the restriction for the period of up to 10 years.

7. Timescales

- 7.1 If Committee approves the alternative use of the two properties, the procurement for the refurbishment works, and the procurement for the externally commissioned service provider, will be put out to tender shortly afterwards.
- 7.2 The current timelines for the refurbishment work to the properties would be anticipated to be completed, subject to planning, by early Spring 2025, and the externally commissioned

service provider will begin running the service at the earliest opportunity after the award of the contract.

8. Alternative Options Considered

- 8.1 **Purchase properties that are not part of the Cambridgeshire County Council assets portfolio:** This project initially looked to purchase properties for the service through the private residential market. The size of the properties and outdoor space required within Cambridgeshire for the service to be suitable for the initial group of children, meant that initial reviews of purchase cost were double the cost of the anticipated refurbishment costs for the farm estate properties identified as suitable for the service.
- 8.2 **Use other Cambridgeshire County Council properties that are not on the farm estate:** The Council has other properties including several not on the Rural estate, which are currently let or recently vacant. These properties do not meet the requirements of space and location that the Children in Care Residential service would require for the initial group of children.
- 8.3 **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. Conclusion and reasons for recommendations

- 9.1 The Cambridgeshire County Council Children in Care Residential Service requires initially two properties to run this service as a pilot. The use of the properties identified, already owned by the Council, offer the council a long-term rental income and feed into the wider council strategic ambitions. They offer the commissioned service provider a means to be in a long-term contractual arrangement without any initial property purchase, and they offer the children in care a home that is suitable for their needs and support requirements in Cambridgeshire within the county.

10. Significant Implications

10.1 Finance Implications

Financial implications have been set out in the CYP Committee report as to why to use two properties in Cambridgeshire. This report sets out the capital refurbishment costs and the impact on income in sections 3, 4 and 5.

10.2 Legal Implications

Pathfinder Legal have been consulted and advised on property planning implications and will prepare the leases. Recommendations from Pathfinder Legal are being taken forwards by Property. The Property team have experience of providing commercial leases in similar settings. The works to refurbish the properties will be procured in compliance with procurement law by competitive tender from the Council's Minor Works Framework.

10.3 Risk Implications

The financial risk will be mitigated by competitively procuring both the service provider and the renovation work.

There is a planning risk that the change of use/lifting of the AOR for a period may not be granted.

10.4 Equality and Diversity Implications

There are no negative implications for equality and diversity. The Children in Care Residential 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 CCC608779755.

10.5 Climate Change and Environment Implications (Key decisions only)

- Implication 1: Energy efficient, low carbon buildings.
 - Status: Positive
 - Explanation: Any changes to the two council properties 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 children and young people being placed in Cambridgeshire.

- Implication 3: Green spaces, peatland, afforestation, habitats, and land management.
 - Status: Neutral
 - Explanation: There is not impact relating to this tender.

- 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.

7. Source Documents

7.1 None.