

Joint report of the Corporate Director for Children and Young People and the Director of Corporate and Adult Services.

## **Maintenance of Children's Homes**

### **RECOMMENDATION**

- 1.1 That Children and Young People and Corporate and Adult Services implement the following:
- Evaluate and agree the Priority 1 works required at Bute Walk and Moorfield Children's Homes and implement these as soon as practicable using the £310,000 available from the 2008/09 and 2009/10 capital maintenance budgets.
  - Evaluate the condition survey information on all 5 children's homes to identify the key priority 2 and 3 repairs to be undertaken using the balance of £500,000 capital maintenance allocation for 2009/10. The aim to provide a maintenance strategy which will maintain the properties in a safe, comfortable and homely environment for the next 5 years balanced against the financial limitations of the maintenance budgets.
  - Carry out an option appraisal considering service delivery, condition, suitability and sufficiency on all 5 homes based on a 30 year life
  - Monitor the implemented reactive maintenance repairs service level agreement in operation to evaluate its effectiveness. A progress report is to be provided at the end of March 2009.

### **SUPPORTING INFORMATION**

#### **Condition Survey**

- 2.1 Following the report dated the 11 December 2007 Property Services and Children & Young People's Service have jointly agreed the order in which the condition surveys would be undertaken on the five children's homes.
- 2.2 The surveys on Bute Walk and Moorfield have been completed first based on the amount of maintenance issues reported and the items identified in their Ofsted Reports.
- 2.3 The surveys for the remaining three properties will be completed by the end of November 2008.

### 3. STRATEGY TO MAINTAIN THE BUILDINGS FOR FIVE YEARS

- 3.1 Appendix 1 identifies the general findings of the condition survey the following summary identifies the cost of keeping the buildings in a reasonable condition for the next five years and the next 10 years:

#### Bute Walk Children's Home

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| <b>Five Year Plan</b>   |                 |
| Recommended Annual Maintenance Costs £30,000 per year                         | £150,000        |
| Priority 1 Urgent Repairs   | £38,000         |
| Priority 2 & 3 repairs to keep building in a reasonable condition for 5 years | £127,000        |
| <b>Budget Cost Total</b>  | <b>£315,000</b> |
| <b>Ten Year Plan</b>  |                 |
| Recommended Annual Maintenance Costs £30,000 per year                         | £300,000        |
| Priority 1 Urgent Repairs   | £38,000         |
| Priority 2 to 4 repairs   | £165,000        |
| Structural Repairs  | £50,000         |
| Estimated cost to improve standard of materials (Betterment)                  | £72,000         |
| Estimated cost to improve office and circulation areas                        | £100,000        |
| <b>Budget Cost Total</b>  | <b>£725,000</b> |

#### Moorfield Children's Home

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| <b>Five Year Plan</b>  |                   |
| Recommended Annual Maintenance Costs £50,000 per year                          | £250,000          |
| Priority 1 Urgent Repairs  | £272,000          |
| *Priority 2 & 3 repairs to keep building in a reasonable condition for 5 years | £319,000          |
| <b>Budget Cost Total</b>   | <b>£841,000</b>   |
| <b>Ten Year Plan</b>   |                   |
| Recommended Annual Maintenance Costs £50,000 per year                          | £500,000          |
| Priority 1 Urgent Repairs  | £272,000          |
| *Priority 2 to 4 repairs   | £351,000          |
| Estimated cost to improve standard of materials (Betterment)                   | £250,000          |
| <b>Budget Cost Total</b>   | <b>£1,373,000</b> |
| <b>Five Year Plan</b>  |                   |
| Recommended Annual Maintenance Costs £50,000 per year                          | £250,000          |

\*Both the 5 year and 10 Year plan allow £13,000 to demolish the disused house which is in poor condition internally and boarded up.

## BUTE WALK CONDITION SURVEY REPORT

- 4.1 The report for this property indicates that a substantial amount of investment is required to bring this property up to an acceptable standard which will satisfy the requirements of the Care Standards.
- 4.2 Due to the age and type of construction at Bute Walk a betterment survey was also undertaken to forecast the cost of improving the quality and life expectancy of the materials used rather than using like for like materials
- 4.3 The survey identified the following:
- Priority 1 works needed to prevent the immediate closure of the premises and/or address an immediate high risk to the health & safety of the occupants and/or remedy a serious breach of legislation a budget cost of £38,000.
  - Priority 2 works that will prevent serious deterioration of the or services and/or address a medium risk to the health and safety to the health and safety of occupants and/or remedy a less serious breach of legislation a budget cost of £101,000.
  - To keep this building in a reasonable condition to meet the requirements of the Care Standards over the next 30 years a further £548,000 at today's prices will be required on planned maintenance projects and £30,000 yearly (plus annual inflation) on recommended annual maintenance costs. These figures exclude the priority 1 and 2 costs identified above.
  - The betterment costs to improve the standard and life expectancy of the materials used in the building and improved thermal efficiency would cost in the region of £72,000.00 at today's prices.
  - The suitability of this building for its current use is identified as satisfactory however alterations to the office spaces and circulation spaces are much needed. The costs of these alterations have not been explored but could easily exceed a further £100,000.00.
  - Approximately two-thirds of the building is of Wimpey No-fines concrete reinforced construction with the remaining one-third traditional brickwork construction. Structural repairs will be required in the region of £50,000 within the next 5 to 6 years.

## MOORFIELD CONDITION SURVEY REPORT

- 5.1 Moorfield, unlike Bute Walk, is purpose built as a children's home and therefore has less problems relating to its suitability. A suitability and sufficiency survey is due to be undertaken by the manager of the property and this information will be used during the option appraisal process.
- 5.2 The survey identified the following:
- Priority 1 works needed to prevent the immediate closure of the premises and/or address an immediate high risk to the health & safety of the occupants and/or remedy a serious breach of legislation a budget cost of £272,000 is required.
  - Priority 2 works that will prevent serious deterioration of the or services and/or address a medium risk to the health and safety to the health and safety of occupants and/or remedy a less serious breach of legislation a budget cost of £181,000 is required.
  - To keep this building in a reasonable condition to meet the requirements of the Care Standards over the next 30 years a further £1,620,000 at today's prices will be required on planned maintenance projects and £50,000 yearly (plus annual inflation) on recommended annual maintenance costs. These figures exclude the priority 1 and 2 costs identified above.
  - Betterment costs have not been explored but could easily exceed a further £250,000.00.
  - Children and Young People's Service should undertake an option appraisal of this building with the assistance of Property Services to establish a strategy for its future,

## FINANCIAL RESTRAINTS

- 6.1 The average unit cost of providing external residential placements for children and young people is £2800 / week / child. Our in- house comparative figure is £1900 / week / child.
- 6.2 Maintenance Budget: repair and maintenance of children's homes has to be set in the wider context of that of the Council estate as a whole. There is currently a backlog of maintenance in excess of £116 million. Both the revenue and capital budgets for building repairs are seriously inadequate to maintain the Council's assets in a reasonable condition. The Maintenance Strategy has to be and is one of keeping buildings safe and operational. The accumulative underfunding of maintenance over a number of years is resulting in the failure of the key building and services elements and a poor standard of internal and external finishes.

- 6.3 These failures are resulting in increased structural and health & safety issues which are repaired using *elastoplast* maintenance to get them in a safe state. In the worst cases this involves securely fencing off or closure of parts of a building and regular monitoring under Property Services Buildings at Risk regime. E.g. a 2 storey houses at the Moorfield site is in poor condition and currently boarded up.
- 6.4 The 2008//09 revenue budget saw a 15% reduction on the previous year's budget; this resulted in some of the services such as portable appliance testing being recharged to individual departments.
- 6.5 The Capital budget for maintenance projects for 2008/09 was £825,000 of this £100,000 was identified to undertake essential repairs at Bute Walk and Moorfield; a further £210,000 has now been allocated to address the priority 1 problems at both properties. There are currently priority capital building projects totalling £6,000,000 which have been deferred waiting funding; this figure will continue to increase as more items are added to the buildings at risk register.
- 6.6 The capital maintenance budget for 2009/2010 is forecast to be £2,585,000; a sum of £500,000 will be allocated to essential repairs on children's homes. £210,000 of this budget is already committed to undertaking priority 1 work at Bute Walk and Moorfield.
- 6.7 The council's current maintenance backlog for its building assets is £116,000,000, this figure is set to rise when the condition surveys are reviewed and more accurate information is available on the electrical and mechanical services.
- 6.8 Given these financial constraints it is essential that the option appraisal process is undertaken to identify whether it is viable) to continue to invest long term in the current properties used as Children's Homes. This process needs to give careful consideration to the fact that these properties are difficult to maintain to the standards of good repair and homely environment which is necessary to deliver the service effectively.

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| <b>SERVICE LEVEL AGREEMENT</b> |
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- 7.1 The introduction of the service level agreement in June 2008 should have a significant improvement on the arrangements for reactive repairs in the homes.
- 7.2 Job satisfaction cards have been issued to managers of all five children homes to allow them to rate the quality of the service provided; the results will be monitored on a monthly basis and action taken on negative feedback.
- 7.3 A review of the service level agreement will take place in March 2009 to evaluate its effectiveness in relation to the constraints of the maintenance strategy and limited maintenance funding.

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| <b>IMPLICATIONS</b> |
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**Financial**

- 1.1 There is a significant short fall in funding for the maintenance of children's homes, this will ultimately result in failure to meet the minimum care standards and building closures will follow unless additional funding for maintenance can be secured or alternative accommodation is provided.
- 1.2 During 2006/07 financial year £131,000.00 was spent on reactive maintenance and servicing of plant and equipment on the 5 Children's Homes. This level of revenue funding has been identified as insufficient based on the condition survey of the worst 2 homes identifying £310,000 of Priority 1 repairs which are needed as soon as possible.
- 1.3 Bute Walk Children's Home is in need of considerable repairs and alterations to make it suitable for the continued long term use. It is therefore recommended that the building is maintained in a safe and reasonable condition for the next five years while a strategy is developed for its future.
- 1.4 The closure of Bute Walk would mean that 6 private places would need to be found which would cost over £900,000 per year at current average unit cost levels for external residential placements. Therefore it is considered cost effective to allocate maintenance funds to keep the existing homes open.

**Legal**

- 2.1 Children's Homes are regulated by Ofsted which has the power to close down homes which fail to meet minimum standards.

**Personnel**

- 3.1 None.

**Equalities Impact**

- 4.1 None.

**Corporate objectives and priorities for change**

- 5.1 The physical condition of homes contributes to all of the "Every Child Matters" outcome areas for children.

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| <b>For more information contact:</b> Name 01332 711240 Keith.woodthorpe@derby.gov.uk<br><b>Background papers:</b> Chris.edwards@derby.gov.uk<br><b>List of appendices:</b> Appendix 1 – Implications |
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