



Report sponsor: Rachel North, Strategic
Director of Communities and Place
Report author: Karen Brierley – Principal
Housing Development Manager

Provision of Accommodation for use by Children's Services

Purpose

- 1.1 This report seeks approval for the acquisition and refurbishment of one property and the appropriation and refurbishment of a second property for use by Children's Services (CS), to be funded using un-ringfenced Right to Buy (RtB) receipts.
- 1.2 The properties would be used by Children's Services for an initial period of 3 years after which the success of their use will be evaluated and, if required, their use extended by a further 2 years.
- 1.3 These properties will be maintained by Derby Homes (DH) under a Service Level Agreement.

Recommendations

- 2.1 To approve the acquisition and refurbishment of one property and the appropriation and refurbishment of a second property for use by Children's Services, funded by un-ringfenced Right to Buy receipts, for an initial period of 3 years.
- 2.2 To approve the subsequent refurbishment of the properties by Derby Homes.
- 2.3 To approve the maintenance of the properties by Derby Homes.

Reasons

- 3.1 To provide two properties for use by Children's Services as accommodation for looked after children within the city under the role of Corporate Parent.
- 3.2 To ensure the properties are refurbished to an appropriate standard and that they are adequately managed and maintained.

Supporting information

- 4.1 The Children's Residential Services team have been reviewing how they deliver their service to looked after children within the city, against a strategy of increasing internal placement sufficiency of the right type of accommodation. Nationally there is a shortage of suitable and local placements. This is in line with the Council's Corporate Parenting duty of keeping Derby looked after children in Derby.

- 4.2 Given the complex needs and behaviours of children requiring care, the service understands that better outcomes are achieved for children when they are placed in smaller numbers. To achieve this, it is proposed that the two properties will be used to accommodate up to three young people who require a greater level of staff and professional support (Cluster Home A and B). It will ensure that placements across all Children's Residential Service registered homes are better matched to address the challenges of behaviour support and risk management. The result will be a reduction and prevention of placement breakdown and cost avoidance of expensive transfer to an out of county placement.
- 4.3 Both properties would be regulated and registered with Ofsted with a manager to oversee the care and support.
- 4.4 Cluster Home A has been identified as a void 3 bedroom property currently held within the Housing Revenue Account (HRA) housing stock. Cluster Home B has been identified as a 2 bedroom apartment currently owned by Derby Homes Ltd.
- 4.5 The provision of both properties to CS is a General Fund function so both would need to be held within the Housing General Fund (HGF). The proposal is therefore to appropriate Cluster Home A into the HGF from the Housing Revenue Account (HRA) and to purchase Cluster Home B from DH Ltd and add it to the HGF.
- 4.6 The valuation to support the acquisition has been undertaken and approved by the Council's internal property team.
- 4.7 The properties will be maintained by DH to ensure that all necessary repairs, maintenance and safety checks are undertaken. This cost will be met by CS.
- 4.8 The young people will, where appropriate, eventually move from a Cluster Home to a Transition Property, with tenancy sustainment support from Derby Homes and supported outcomes from the Service, volunteers and other professionals to enable a successful transition into adulthood.
- 4.9 The properties will be used by CS for an initial period of 3 years. The success of the service will be reviewed at that time and the use extended for a further 2 years where positive outcomes are demonstrated.
- 4.10 Where the outcomes are not as expected the use of the properties will be reviewed with consideration given to retention and future use within the HGF, appropriation into the HRA or a sale.

Public/stakeholder engagement

- 5.1 There has been close working between Strategic Housing, DHs and CS to identify suitable properties in the right location.

Other options

- 6.1 Do Nothing. This option has been discounted because it does not allow the Council to undertake its role as Corporate Parent and deliver the service in accordance with Ofsted's recommendations.
- 6.2 For the 2 properties to be owned by DH Ltd. This option has been discounted. Whilst theoretically possible, the Council has the relevant power to undertake this activity directly whilst using DH solely to undertake maintenance as proposed.

Financial and value for money issues

- 7.1 Any costs associated with the acquisition, appropriation and subsequent refurbishment of the properties can be met by un-ringfenced RTB receipts.
- 7.2 CS will meet the cost of the maintenance of the 2 properties by a Service Level Agreement with DH.
- 7.3 The costings for the development are shown in the confidential version of this report.
- 7.4 The properties will be held within the General Fund and will be exempt from Right to Buy.
- 7.5 By using un-ringfenced RTB receipts there will be no capital borrowing to repay.

Legal implications

- 8.1 The purchase process will be subject to the Council's standard due diligence and undertaken by either the Council's in-house Legal Service or if this is not possible due to capacity constraints by external lawyers, appointed under EM Lawshare arrangements.
- 8.2 The appropriation of Cluster Home A will require the formal approval of MHCLG.

Climate implications

- 9.1 Improvements to be undertaken to the properties will improve thermal and energy efficiency which will result in lower energy consumption.

Other significant implications

- 10.1 n/a

This report has been approved by the following people:

Role	Name	Requested	Date of sign-off
Head of Legal Services	Olu Idowu	V1 - 26.11.2020 Final – 28.01.2021	Comments - 02.12.2020 Final – 03.02.2021
Group Accountant (Capital)	Nicola Goodacre	V1 – 28.11.2020 Final – 28.01.2021	Comments – 30.11.2020 14.12.2020 Final – 29.01.2021
Head of Direct Services	Sharon Green	V1 – 03.12.2020 Final - 28.01.2021	Comments – 04.01.2021 Final – 29.01.2021
Director Early Help & Children's Social Care	Suanne Lim	Final – 29.01.2021	Comments – 29.01.2021 Final - 29.01.2021
Strategic Director for Communities and Place	Rachel North	Final – 12.02.2021	Final – 16.02.2021
Head of Strategic Housing	Ian Fullagar	Final - 10.02.2021	Comments 15.02.2021 Final – 15.02.2021
Director of City Development and Growth	David Fletcher	Final – 28.01.2021	Final – 01.02.2021