

Birmingham City Council

Report to Cabinet

22nd March 2022



Subject: BIRMINGHAM CHILDREN'S TRUST ACCOMMODATION

Report of: Sue Harrison
Director for Children and Families

Relevant Cabinet Member: Cllr Sharon Thompson - Vulnerable Children and Families
Cllr Tristan Chatfield - Finance and Resources

Relevant O & S Chair(s): Cllr Narinder Kooner - Education and Children's Social Care
Cllr Mohammed Aikhlaq - Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009530/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 Birmingham Children's Trust (BCT) provides statutory children's social care services on behalf of the Council. Face to face conversations in the right

accommodation are central to relationship based Social Care, this is a human service. The previous investment in Trust accommodation has successfully split contact with children and child protection conferences (which were inappropriately co-located) as well as improving the quality of the wider accommodation offer.

1.2 In a wider context, a number of drivers have changed:

- the legislation nationally limiting unregulated placements meaning the creation of more internal Children Home capacity;
- resolving a historical structural unfunded maintenance programme for existing sites impacting on the quality of accommodation for children and families;
- significant programme of readjustment from COVID coupled with the introduction of agile working to release major assets such as Lancaster Circus.

2. Recommendations

Cabinet is asked to; -

- 2.1 Approve the proposal for the establishment of a Trust capital programme front loaded to manage the required estate changes to increase capacity in the children's homes due to changing legislation; improving the condition of child focused accommodation. This requires capital investment of £1.650m 2022/23, £1.300m in year two and an ongoing maintenance programme of £1.100m business as usual position from 2024/25 until 2026/27, a total of £6.250m.
- 2.2 Note that the programme is made up of a 5-year rolling programme of maintenance, major works, capital investment in new accommodation, resourcing and dilapidations.
- 2.3 Delegate authority to approve the procurement strategy and award of contracts for the improvement of property estate to the successful provider(s) will be managed in line with the current delegated authority between the Children's Trust and Council.
- 2.4 Authorise the Acting City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.

3 Background

- 3.1 Birmingham City Council entered into a service delivery contract (5 + 5yrs) for the provision and operation of children's social care services in the city of Birmingham with Birmingham Children's Trust (BCT) from 1st April 2018.

- 3.2 Current schemes in the existing £1.854m capital programme (approved for 2021/22) are forecast at £1.854m spend by March 2022. There is no capital investment to maintain progress or quality beyond that point.
- 3.3 The ambition of the Trust to deliver an estate fit for children and families will require routine capital investment and up front 'pump priming' beyond March 2022.
- 3.4 A significant programme of readjustment requires investment in new accommodation with families at the centre of their design driven by change in placements regulations.
- 3.6 Trust's agile direction is responsive to the Council's property rationalisation programme i.e. Lancaster Circus building being decommissioned, replacement of Sutton New Road, expansion at Lifford House amongst others. Alignment of Trust's accommodation portfolio with partners will continue over time as they are all at different stages of redesign.
- 3.7 Trust approach is becoming increasingly commercial, meaning leases are likely to be full maintenance and repair leases. This brings additional resourcing requirements within the Trust as well as increased risk, liability and dilapidations.

4. Options Considered and Recommended Proposal

- 4.1 The options that have been considered are:

Option	Description	Factor 1	Factor 2	Factor 3	Summary
1	Do nothing	Maintain current accommodation portfolio across the city including Lancaster Circus.	<p>Inappropriate settings for children in unregulated or unsafe accommodation not in line with legislation</p> <p>Continued poor feedback about the quality of accommodation and disruption for children and families</p> <p>Existing accommodation is considered poor quality and not efficient from property management perspective</p>	Maintain existing structural overspends in Children's Services budgets.	<p>This option would leave BCT with the inappropriate settings for direct work with Children (including ability to support changes in legislation).</p> <p>It would also divert budgets intended to be spend on child welfare to property spend. The Trust would not have the ability to support the Councils rationalisation programme.</p>

2	Implement but at slower pace (i.e. smaller number of new projects within existing financial envelop)	Variability of quality and experience across the City	Could create pressure on the better-quality facilities and difficult to support rationalisation programme.	Existing structural overspends in Children's Services budgets limits feasibility	Can be implemented but will not be as effective
3	Recommended option i.e. Implement the proposal with full investment outlined	Remove variability of quality of experience Supports Covid readjustment and rationalisation programme and associate MTFP savings. Supports changes to legislation	Excellent feedback from users to tackle known accommodation issues inherited by BCT when set up	Prudent sustainable option	Will provide the quality and service impacts needed to ensure and effective service

- 4.2 The recommended option is option 3 on the basis that other options do not deliver the maximum benefits as set out in this proposal.

5. Consultation

- 5.1 This proposal was considered in August 2021 by the Trust Executive and then subsequently supported by BCC Invest to Deliver Board on 3rd February 2022 and thereafter by the Capital Board on 9th February 2022. Furthermore, consultation has been undertaken within the Children's Trust and Council and feedback continues to be provided to staff and other agencies involved in delivering our frontline services.

6. Risk Management

- 6.1 A detailed risk analysis is provided in the business case. The most significant risk is potential delay to supporting the changes in legislation and wider rationalisation programme coupled with the markets ability to meet Trust requirements.

7. Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The activity for which the proposal is part of relates to statutory provision for the Council, which is delegated to the Birmingham Children's Trust.
- 7.1.2 The successful tenderer for each award of the capital works will be required to sign up to principles of the Birmingham Business Charter for Social

Responsibility and will need to develop a relevant and proportionate action plan, demonstrating how the principles of the Charter will be implemented to deliver the desired social value outcomes.

7.2 Legal Implications

- 7.2.1 The Children's Act 1989 together with associated regulations and guidance provides various powers and statutory duties in relation to the provision of services by a local authority for children in need and others. The service delivery contract between the Council and the Trust.
- 7.2.2 Clause 9.2 'Property Assets and Supply Contracts', Service Delivery Contract describes the arrangement for both parties to take such action.

7.3 Financial Implications Details

7.3.1 Financial Summary

As noted in the detailed business case, the proposal requires £1.650m capital investment in 2022/23, £1.300m in year two and an ongoing investment programme of £1.100m business as usual position from 2024/25 until 2026/27. The funding source for this is through corporate resources, which may include prudential borrowing. If prudential borrowing is used there will be an annual revenue cost of up to £0.395m, (once all investment is complete) to fund the borrowing costs and repayment. The revenue impact of repayment of capital borrowing is picked up by BCC corporately as part of the decision to invest in the capital programme. BCC will work with BCT to ensure efficiencies realised related to care accommodation are offset against funding drawn down.

	Year 1 (2022-23)	Year 2 (2023-24)	Year 3 (2024-25)	Year 4 (2025-26)	Year 5 (2026-27)	Year 6 (2027-28)	
	£m	£m	£m	£m	£m	£m	
Capital exp funded through borrowing	1.65	1.3	1.1	1.1	1.1	0.0	
Revenue cost of year 1		0.103	0.103	0.103	0.103	0.103	Revenue costs to continue until Year 20 (2042-43)
Revenue cost of year 2			0.082	0.082	0.082	0.082	Revenue costs to continue until Year 20 (2043-44)
Revenue cost of year 3				0.070	0.070	0.070	Revenue costs to continue until Year 20 (2044-45)
Revenue cost of year 4					0.070	0.070	Revenue costs to continue until Year 20 (2045-46)
Revenue cost of year 5						0.070	Revenue costs to continue until Year 20 (2046-47)
Total	0.000	0.103	0.185	0.255	0.325	0.395	

7.3.2 Through the improvement of the BCT accommodation offer there is expected to be an indirect benefit of cost avoidance due to older / unfit for purpose buildings and from less disruption to front line service delivery time

- (a) £1.150m over the first two years of the programme reducing to £0.200m per annum from year three to invest in new accommodation in replacement of rationalised CAB estate and delivering the Trusts longer term locality model
- (b) £0.275m per annum to establish a rolling five-year refurbishment programme for all accommodation (including refurbishments of Children's homes such as bathrooms and kitchens)
- (c) £0.350m per annum for a rolling programme of major capital works such as roof replacements
- (d) £0.320m in resourcing in year one, reducing to £0.220m in year two then reducing to £170k per annum from year three for project and programme management capacity
- (e) £0.100m per annum from year 3 in dilapidations for vacating premises
- (f) The plan is reviewed each year to assess the following years requirements

7.3.3 The outline proposal attached in **Appendix 1** was presented at Capital Board on 7th September 2021 and following some further queries, confirmed on 2nd February 2022.

7.4 Procurement Implications

7.4.1 The procurement strategy will be drawn up in collaboration with the Council's Corporate Procurement Services and will include consideration of the social value outcomes that are to be sought. Contracts will be awarded in line with the delegation sought in recommendation 2.3 and in accordance with the Council's Procurement Governance Arrangements.

7.5 Human Resources Implications

7.5.1 None

7.6 Public Sector Equality Duty

7.6.1 An Equality Impact Assessment has been undertaken and there are no recorded negative effects on people using the buildings within the purview of the proposal regarding protected characteristics.

8 Appendices

8.1 Appendix 1 - Capital Programme Overview

8.2 Appendix 2 - Business Case

8.3 Appendix 3 - Equality Assessment